

**REPORT OF THE  
COMPTROLLER AND AUDITOR  
GENERAL OF INDIA**

**FOR THE YEAR ENDED 31 MARCH 2007  
(CIVIL)**

**GOVERNMENT OF ASSAM**





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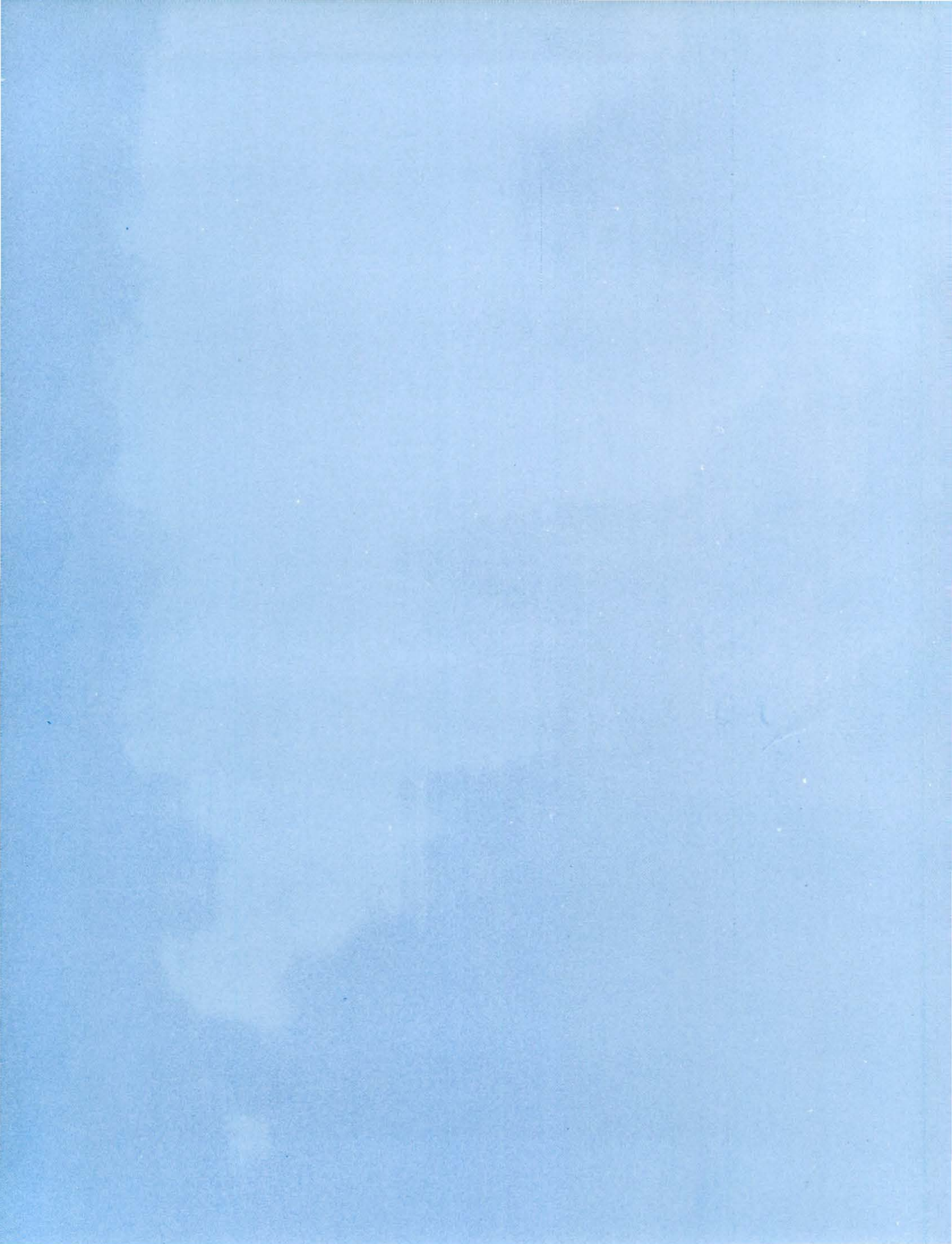
## *Preface*

1. This Report has been prepared for submission to the Governor under Article 151 of the Constitution.
2. Chapters-I and II of this Report contain Audit observations on matters arising from the examination of Finance Accounts and Appropriation Accounts of the State Government respectively for the year ended 31 March 2007.
3. The remaining chapters deal with the findings of performance audit and audit of transactions in various departments including the Public Works and Irrigation Department and audit of stores and stock.
4. The Report containing the observations arising out of audit of Statutory Corporations, Boards and Government Companies and the Report containing such observations on Revenue Receipts are presented separately.
5. The cases mentioned in the Report are among those which came to notice in the course of test-audit of accounts during the year 2006-2007 as well as those which had come to notice in earlier years but could not be dealt with in previous Reports; matters relating to the period subsequent to 2006-2007 have also been included wherever necessary.





## OVERVIEW





## OVERVIEW

This Report contains 42 paragraphs (including three general paragraphs), seven performance reviews and comments on the Finance and Appropriation Accounts. Review of Internal Control System in the Co-operation Department is given in a separate chapter. Copies of the draft paragraphs and draft performance reviews were sent to the Commissioner/Secretary to the State Government of the Departments concerned by the Principal Accountant General (Audit) with a request to furnish replies within six weeks. However, in respect of the performance reviews and 35 paragraphs (including three general paragraphs) included in the Report, no replies were received from the Commissioners/Secretaries concerned. A synopsis of the important findings contained in the Report is presented in the overview.

### 1. *Finances of the State Government*

The fiscal position of the State viewed in terms of key fiscal parameters showed a significant improvement as the State has been able to maintain revenue, fiscal and primary surpluses during 2005-06 and 2006-07 mainly on account of steep increase in Central transfers comprising State's share in Central taxes and duties and grants-in-aid from GOI as well as the State's own resources comprising tax and non tax revenue during these years. Although the fiscal parameters indicate improvement in fiscal health of the State, the non plan revenue expenditure continued to share 75 percent of total expenditure and consumed around 72 per cent of the revenue receipts of the State during the current year. Furthermore, NPRES not only remained significantly higher than the normative assessment of TFC for the State in 2006-07 but the salaries and wages, pension and interest payments continued to consume about 3/4<sup>th</sup> of the NPRES as committed expenditure during the year. Despite the fact that specific grants were recommended by TFC to improve the educational and health indicators in the State, the State has not been able to avail of the second installment of these grants during 2005-06 as well as the grants for the current year. The huge accumulated losses by Statutory Corporations and Government companies, especially in power and transport sectors resulted in negligible rate of return on Government's investment and inadequate interest cost recovery (both being less than one per cent) continued to be a cause of concern and needs attention of the State Government.

(Paragraphs: 1.1 to 1.11)

### 2. *Allocative priorities and appropriation*

Against the total provision of Rs.21,864.35 crore during 2006-07, the actual expenditure aggregated to Rs.13,485.10 crore resulting in net savings of Rs.8,379.25 crore. The net savings of Rs.8,379.25 crore during 2006-07 was due to the net effect of overall savings of Rs.8,459.86 crore and excess of Rs.80.61 crore in 74 Grants and 14 Appropriations and three Grants and one Appropriations, respectively. Anticipated savings exceeding Rs.1 crore in each case of 66 grants remained un-surrendered at the end of 2006-07.

(Paragraphs: 2.2 to 2.3.8)



## Performance Reviews of Schemes/Departments

### 3. Working of State Fire Service Organisation

*Fire services are an essential respondent to calamities in the State to save life and property. The State Fire Service Organisation (SFSO) is responsible for prevention, control and fire fighting to ensure safety of life and property in case of fire related hazards. There were deficiencies in creation of infrastructure, manpower management, training and awareness campaigns. There were also inadequate preparedness for disaster management. Monitoring mechanism was non-existent in the organization. Performance audit of the working of the State Fire Service Organisation (SFSO) revealed the following major shortcomings.*

- There was shortage of 69 percent (in urban areas) and 97 percent (in rural areas) in the required number of fire stations as per norms.
- Manpower sanctioned for regular stations were diverted to man ad hoc stations.
- There was acute shortage of manpower in all categories ranging from 49 percent to 54 percent during the years 2002-03 to 2006-07.
- Expenditure of Rs.1.32 crore incurred on the Training institute in 2002-07 remained largely unfruitful.
- Against SFAC requirement of provision of static tanks at various locations, out of 38 fire stations, static tanks existed only in 4 fire stations.
- Regular inspection of high rise buildings to ensure adoption of fire safety/preventive measures was not done.
- Out of 494 major fire calls attended in rural areas, 137 were attended with response time in excess of 20 minutes prescribed.

(Paragraph 3.1)

### 4. Nutrition Programme under ICDS

*The problem of malnutrition amongst children in Assam is being addressed through Supplementary Nutrition Programme (SNP), a constituent component of a package of services under ICDS. A performance review of the "Nutrition Programme under ICDS in Assam" revealed the following shortcomings:*

- The State Government did not provide funds for the Supplementary Nutrition Programme from 2002-03 to 2004-05. The Additional Central Assistance of Rs.135.86 crore for nutrition meant exclusively for children below 3 years was diverted for providing nutrition for all groups of beneficiaries.
- Performance of the SNP in terms of nutritional supplementation vis-à-vis prescribed feeding days was grossly inadequate. Poor delivery of nutrition supplementation at only 21-29 percent (calories) and 24 to 33 percent (protein) negated the programme objectives.
- The programme implementation remained disappointing, often being handicapped by long spells of non-feeding days, inequality in allotment of nutritious food, diversion of allotment of foodstuffs without compensatory replacement and expenditure in excess of norm.



- RTE weighing 2,32,708 kgs valued at Rs.86.10 lakh were diverted without corresponding compensatory replacements thereby depriving 1,99,020 beneficiaries of 46 projects of supplementary nutrition indicating lack of control in programme management.
- Despite subsidized PDS (APL) rice being abundantly available, the Department procured SNP rice at higher rates resulting in avoidable expenditure of Rs.11.69 crore.
- Overlooking a cheaper rate for RTE offered by a manufacturer the Department procured the item at higher rate consecutively for three years by repeated extension of time of the contract resulting in an avoidable expenditure of Rs.2.85 crore.

(Paragraphs- 3.2)

#### 5. *Information Technology Audit of Computerisation of Treasuries in Assam*

*The Department of Treasuries under the administrative control of Finance Department is responsible for receipts and payments of all moneys on behalf of the Government and maintain accounts of all transactions. Computerisation of Treasury Accounts was started in Assam during 1998-99. Information Technology Audit of Computerisation of Treasuries revealed the following deficiencies:*

- Only one out of the five modules had been implemented (May 2007) even after 4 years of implementation of CTMIS at a cost of Rs.13.3 crore.
- Back up policy was ineffective and off-site storage of back up was not ensured, thereby exposing the system to risk of non-restoration in the event of a disaster.
- Non-mapping of business rules and checks prescribed under Assam Treasury Code make the system incomplete and ineffective.
- Inadequate security policy made the system vulnerable. Network system was also not protected by antivirus programme.
- Presence of redundant data made the database inconsistent and un-reliable.
- An expenditure of Rs.2.39 crore on implementation of Treasury Accounting and Application software (TAAS) turned out to be unfruitful.

(Paragraph 3.3)

#### 6. *Roads and Bridges funded by North Eastern Council (NEC)*

*One of the objectives of setting up the North Eastern Council (NEC) was to develop infrastructure in the North Eastern States, specially construction of roads and bridges. During the period 2002-03 to 2006-07, GOI, through NEC, Shillong, approved 11 schemes under 9<sup>th</sup> Plan and 21 schemes under 10<sup>th</sup> Plan for implementation in Assam, in addition to 26 on going scheme, pertaining to previous Five Year Plans. Out of 58 schemes, only 28 schemes (48 per cent) could be completed as of March 2007 after incurring 44 per cent expenditure out of the approved outlay of Rs.816 crore. Performance review of "Roads and bridges in Assam funded by NEC" revealed the following shortcomings:*



- There was a discrepancy of Rs.8.32 crore relating to release of funds between the records of Finance Department and Chief Engineer.
- The State Finance Department had not released Rs.84.93 crore to the implementing Department (PWD) thereby adversely affecting the implementation of schemes.
- There was diversion of Rs.39.40 lakh for repair works and travelling expenses not permissible under NEC funded scheme.
- Undue financial benefit of Rs.15.53 lakh was extended to a contractor in construction of approaches to RCC bridge.
- There was excess expenditure of Rs.63.66 lakh besides doubtful expenditure of Rs.84.69 lakh due to execution of works in deviation of the sanctioned estimates.
- Quality of roads and bridges constructed out of NEC funds was not ensured despite provision for quality control.

(Paragraph 3.4)

#### **7. Procurement and distribution of medicines**

*Health care services to the people of the State have been a priority item in the planning of social services by the State Government. Distribution of medicines through the health care units viz. hospitals, community health centres, primary health centres and dispensaries are an integral part of providing health care. A review of procurement and distribution of medicines in Health and Family Welfare Department revealed that procurement of medicines was not need based. During the last five years (2002-03 to 2006-07), supply of medicines to health care units was inadequate. Thus, the intended health care services were not made available to a large section of the people of the State.*

- Rs.38.30 crore (31 percent) were short released under Hospitals and Dispensaries during 2002-2007 despite budget provisions. Under Medical Education, also there was short release of funds of Rs.11.65 crore (34 percent) indicating unrealistic budgeting.
- The Department diverted funds of Rs.3.27 crore to meet arrear claims.
- In contravention of Assam Preferential Store Purchase Act, 1989, the Department procured medicines at higher rates, resulting in avoidable expenditure of Rs.2.87 crore.
- Procurement of medicines at rates higher than the approved rates resulted in excess expenditure of Rs.45.14 lakh.
- Shortfall in procurement of medicines ranged between five percent and 100 percent with reference to requirement projected by DHS. Short supply of medicines to Health care units range between 64 percent and 100 percent with reference to actual requirement. As a result, the health care units remained without medicines for one to eight months in a year adversely affecting health care delivery to the patients.



- The practice of allopathic medicines by Ayurvedic doctors due to non-procurement of ayurvedic medicines defeated the objective of providing health care in Indian System of Medicines.

(Paragraph-3.5)

## 8. Educational Development of Scheduled Castes and Scheduled Tribes

*The benefits of the schemes implemented under Educational Development for SCs and STs did not percolate down to the targeted groups due to lack of initiatives of the nodal Department in generating awareness among the SC/ST students. There was gradual decrease in enrolment of students of both SC and ST categories. Drop-out rate remained very high. The scheme was formulated to encourage only higher education and very few incentives are available for primary and secondary levels of education. Persistent delays in release of funds resulted in denial of scholarship to many needy students. Construction of hostel buildings was delayed inordinately and some of the hostel buildings were utilised for other purposes thereby depriving the eligible students of the facilities. There is lack of co-ordination among the State and the NGOs in spreading education among weaker sections of the society. Monitoring of implementation of the schemes was not in place which facilitated deficiencies to persist without being rectified.*

- Neither surveys were carried out nor was information collected on enrolment of SC/ST students from concerned departments/institutions to bring in the targeted groups of students under the ambit of the schemes. Planning was based merely on the basis of actual expenditure incurred in previous years on the schemes instead of on the basis of actual population of targeted group.
- Percentage of applications for post matric scholarship received against enrolment of students ranged between 31 and 65 in respect of ST students. In case of SC students, it was between 28 and 52 percent. This indicates that the State had failed to generate sufficient awareness among these students to avail of the benefits of the schemes.
- Inordinate delay in release of scholarships resulted in denial of the benefit to the students to the extent of Rs.3.62 crore
- Scholarships amounting to Rs.32.93 lakh were retained in hand for years together in 13 institutions and 6 ITDPs.
- State Government was not even aware of NGOs working in structural development of SCs/STs indicating serious deficiencies in monitoring mechanism.
- Meager incentives with limited scope in pre matric scholarship in State Sector could not motivate the poor parents to send their wards to schools.

(Paragraph-3.6)



## **9. Internal Control System in Co-operation Department**

*Internal controls provide the management with a reasonable assurance that the organisation's objectives are being achieved and the entity is functioning in an economical, efficient and effective manner. A built-in internal control system and adherence to the statutes, codes, manuals and departmental orders minimise the risk of errors and irregularities and help to protect organizational resources against loss due to wastage, abuse and mismanagement. Audit review of the functioning of the internal control mechanism during 2002-03 to 2006-07 in the Co-operation Department revealed deficient budgetary, financial, operational and administrative controls and deficiency in internal audit system in the Department.*

- Irregular and unrealistic budget formulation and lack of budgetary control resulted in substantial savings of Rs.87.21 crore during 2002-07.
- There were 360 cases of misappropriation, fraud and embezzlement of funds amounting to Rs.1.79 crore in the societies
- Only an amount of Rs.0.23 crore was recovered against outstanding loan of Rs.50.30 crore during 2002-07.

(Paragraph-5.1)

## **Audit Paragraphs**

### **10. Cases of fraud/misappropriation/losses**

Lack of monitoring and supervision by the Deputy Commissioner, Nagaon in procurement and distribution of rice among the flood-affected people resulted in short/non receipt of rice and consequent loss of Rs.52.11 lakh.

(Paragraph-4.1.1)

**Due to failure of internal controls including budgetary control, Government money to the tune of Rs.19.07 crore was mis-appropriated by fraudulent drawal of fund.**

(Paragraph-4.1.2)

### **11. Avoidable/unfruitful expenditure/undue favour to contractors**

Failure of the Secretary, Srimanta Sankardeva Kalakhetra Society to restrict mobilisation advance as per rules resulted in undue financial aid of Rs.3.20 crore to the firm besides loss of interest of Rs.52.97 lakh. Further, taking up construction works without ensuring availability of required funds resulted in idle investment of Rs.10.16 crore.

(Paragraph-4.3.1)

Failure of the Secretariat Administration Department to comply with the judgement of the High Court resulted in avoidable payment of land acquisition cost and compensation to the tune of Rs.85.04 lakh.

(Paragraph-4.3.2)

The Director General of Police purchased 14,587 steel cots at higher rate, which resulted in avoidable expenditure of Rs.88.31 lakh.

(Paragraph-4.3.3)



Due to failure of the PW Department to acquire land in 850 m stretch for the drain work the expenditure of Rs.2.29 crore against side drain remained unfruitful.

**(Paragraph-4.3.7)**

Expenditure of Rs.1.77 crore on completed RCC Bridge under Guwahati Rural Road Division remained unfruitful, as the Division could not complete the approaches due to non-allotment of land by District Administration.

**(Paragraph-4.3.8)**

Action of the Department in taking up the work before obtaining administrative approval and technical sanction, and splitting up the work and executing it in an adhoc manner led to infructuous expenditure of Rs. 2.39 crore.

**(Paragraph-4.3.9)**

Procurement of 57,665 bundles of yarn and 5,940 numbers fishing net at higher rates from three rejected tenderers by the Director, Welfare of Schedule Caste, resulted in extra avoidable expenditure of Rs. 60.99 lakh.

**(Paragraph-4.3.11)**

The Public Works and Irrigation Departments incurred avoidable extra expenditure of Rs.6.86 crore towards interest, escalation charges and other ancillary expenses due to time over run in the execution of works and non-payment of contractors' claims on time.

**(Paragraph-4.3.12)**

## **12. *Idle investment/blocking of funds/delays in commissioning of equipment/diversion/misutilisation of funds etc.***

Procurement of equipment/machinery by the Deputy Commissioner, Hailakandi ignoring the suggestions of the technical expert resulted in injudicious expenditure of Rs.64.85 lakh.

**(Paragraph-4.4.2)**

The PD, DRDA Nalbari diverted Rs.1.11 crore from different Centrally Sponsored Schemes to meet the expenditure on pay and allowances and other contingent expenses and adjusted the same irregularly by debiting to expenditure of the schemes.

**(Paragraph-4.4.7)**

The Executive Engineers of PWD Guwahati City Division No. I and II incurred an expenditure of Rs.7.96 crore on special repairs to city roads by diversion of funds provided under Calamity Relief Fund.

**(Paragraph-4.4.8)**

The Assam Tribal Development Authority diverted Central funds of Rs.2.66 crore meant for implementation of Family Oriented Income Generating Schemes and individual Development Scheme towards establishment cost.

**(Paragraph-4.4.9)**

## **13. *Regularity issues and others***

Rs.1.20 crore was paid as advance by PD, DRDA, North Lakhimpur to various officials ostensibly for execution of works, but without maintaining any details of the works or advances.

**(Paragraph-4.5.5)**







## **CHAPTER-I**

# **FINANCES OF THE STATE GOVERNMENT**





# CHAPTER I

## FINANCES OF THE STATE GOVERNMENT

### 1.1 Introduction

The accounts of the State Government are kept in three parts (i) Consolidated Fund, (ii) Contingency Fund and (iii) Public Account (*Appendix-1.1 Part-A*). The Finance Accounts of the Government of Assam are laid out in nineteen statements, presenting receipts and expenditure, revenue as well as capital, in the Consolidated Fund and Public Account of the State of Assam. The lay out of the Finance Accounts is depicted in *Appendix-1.1 Part-B*.

#### 1.1.1 Summary of Receipts and Disbursements

Table-1 summarises the finances of the Government of Assam for the year 2006-07 covering revenue receipts and expenditure, capital receipts and expenditure and public account receipts/disbursements as emerging from **Statement-1** of Finance Accounts and other detailed statements.

**Table-1: Summary of receipts and disbursements for the year 2006-07**

(Rupees in crore)

2005-06	Receipts	2006-07	2005-06	Disbursements	2006-07		
Section-A: Revenue					Non-Plan	Plan	Total
12045.39	Revenue receipts	13666.94	10536.31	Revenue expenditure	9794.02	1662.51	11456.53
3232.21	Tax revenue	3483.32	4201.61	General services	4298.76	3.60	4302.36
1459.28	Non-tax revenue	1859.27	3987.10	Social Services	3724.83	752.65	4477.48
3056.78	Share of Union Taxes/Duties	3898.99	2336.71	Economic Services	1762.63	906.26	2668.89
4297.12	Grants from Government of India	4425.36	10.89	Grants-in-aid/Contributions	7.80	-	7.80
Section-B: Capital							
-	II. Miscellaneous Capital Receipts	-	1085.32	II. Capital Outlay	49.86	1403.12	1452.98
37.57	III. Recoveries of Loans and Advances	34.57	105.62	III. Loans and Advances disbursed	3.78	76.85	80.63
1379.26	IV. Public Debt receipts	1115.71	360.37	IV. Repayment of Public Debt	-	-	494.73
-	V. Contingency Fund	-	-	V. Contingency Fund	-	-	-
4146.26	VI. Public Account receipts	4846.21	4258.63	VI. Public Account disbursement	-	-	4501.58
-	VII. Closing overdraft from Reserve Bank of India	-	-	VII. Opening overdraft from Reserve Bank of India	-	-	-
(-) 236.52	Opening Balance	1025.71	1025.71	Closing Balance			2702.69
17371.96	Total	20689.14	17371.96	Total			20689.14

Revenue Receipts of the State consists mainly of its own tax, non-tax revenue, Central tax transfers and Grants-in-aid from Government of India (GOI). The overall revenue receipts increased by 13.47 percent from Rs.12,045 crore in 2005-06 to Rs.13,667 crore in 2006-07 mainly due to increase in, grants from GOI (Rs.129 crore); State's own tax revenue (Rs.251 crore); non-tax revenue (Rs.400 crore) and State's share of Union taxes and duties (Rs.842 crore). The revenue expenditure of the State, on the

other hand increased by around nine *percent* from Rs.10,536 crore in 2005-06 to Rs.11,457 crore in 2006-07.

The net public debt receipts of the Government increased by Rs.621 crore during the year 2006-07 and stood at Rs.15,178 crore at the end of the year. Public account disbursement increased by Rs.243 crore over previous year as against increase in the receipts of Rs.700 crore.

Cash balance of the State increased by Rs.1,677 crore during the current year by way of increase in cash balance investment (Rs.1,867 crore) and decrease in deposit with RBI (Rs.192 crore).

### **1.1.2 The Assam Fiscal Responsibility and Budget Management (AFRBM) Act, 2005**

The Assam Fiscal Responsibility and Budget Management (AFRBM) Act, 2005, as amended, was enacted to ensure fiscal stability, sustainability, improve efficiency and transparency in management of public finances of the State, enhance the availability of resources by achieving sufficient revenue surplus, reduce fiscal deficit and remove the impediments to effective conduct of fiscal policy and prudent debt management for improving the social and physical infrastructure and human development in the State. The Act prescribed the following fiscal targets for the State Government:

- Eliminate revenue deficit within four financial years beginning on the 1<sup>st</sup> day of April, 2005 ending on the 31<sup>st</sup> day of March, 2009;
- By the year 2010, the expenditure on account of salary and wages of the employees of the State Government to be contained within 60 *percent* of the total tax and non-tax revenue of the State Government, including devolutions from the GOI but excluding the grants under the Annual Plan from the Planning Commission and other developmental grants;
- Restrict the revenue expenditure under Annual State Plan to one third of the Plan outlay in a financial year with a view to making more fund available for capital developmental expenditures;
- Reduce fiscal deficit to three *percent* of the estimated Gross State Domestic Product within a period of four financial years beginning on the 1<sup>st</sup> day of April, 2005 and ending 31<sup>st</sup> day of March, 2009;
- Restrict the total debt stock of the State Government including the Government guarantees to 45 *percent* of the GSDP of the previous year at current prices within a period of five years beginning on the 1<sup>st</sup> day of April, 2005.
- State Government Guarantees for the loans contracted by Public Sector Undertakings, Boards, Companies, Corporations, Cooperative societies or Autonomous organizations under the State Government, to be restricted at any point of time to fifty percent of State's own tax and non-tax revenue of the previous year or five percent of the GSDP of previous year at current prices, whichever is lower.

### **1.1.3 Roadmap to Achieve the Fiscal Targets as laid down in AFRBM Act/Rules**

Keeping in view the fiscal targets laid down in the AFRBM Act and the rules made thereunder and the anticipated annual rate of reduction of fiscal deficit of the State

worked out by the GOI for the Twelfth Finance Commission (TFC) award period following its recommendation, the State Government has developed its Own Fiscal Correction Path (FCP) indicating the milestones of outcome indicators with target dates of implementation during the period from 2005-06 to 2009-10 (*Appendix-1.1 Part-C*).

#### **1.1.4 Fiscal Policy Statement(s) 2006-07**

As required under Section 3 of the Act, the State Government laid before the Legislative Assembly, the Five Year Fiscal Plan along with Annual Budget for the financial year 2006-07. The Five Year Fiscal Plan provided for the budget estimates for 2006-07 and projections for the next four years (2007-08 to 2010-11) for selected fiscal parameters and variables determining the fiscal performance of the State. The budget estimates for the year 2006-07 were the same as projected in the FCP by the State Government.

#### **1.1.5 Mid-Term Review of Fiscal Situation**

To enforce compliance with the fiscal principles and targets laid down in the AFRBM Act, 2005, the Finance Department of the State Government is to review every year the trends in receipts and expenditure including the fiscal indicator targets set for the current financial year and place before the State Legislature a statement containing the outcome of such reviews. However, the State Government is yet to enforce the provision of the Act in this regard.

The performance of the State in terms of the achievements vis-à-vis the corresponding targets fixed for selected fiscal variables in FRBM Act are given below:

**Table-2**

**Trends in Major Fiscal parameters/variables vis-à-vis projections for 2006-07**

(Rupees in crore)			
<b>Fiscal variations</b>	<b>Targets as Prescribed in FRBM Act</b>	<b>Projections in Five Year Plan/FCP for 2006-07</b>	<b>Actuals for 2006-07</b>
Revenue Deficit (Rs. in crore)	0.0 (By 31.3.2010)	(-) 435	(+) 2211
Fiscal Deficit (Rs. in crore)		(-) 3319	(+) 712
Fiscal Deficit/GSDP (percent)	3 percent of GSDP (By 31.3.2009)	(-) 7	(+) 1
Salary as percentage of State's own revenue	60 (By 31.3.2010)	84	83
Ratio of the Total Debt Stock including guarantees to GSDP	45	44	37
Ratio of State Guarantees to SOR of previous Year	50	25	19
Ratio of State Guarantees to SOR of GSDP	5	3	2

\*SOR is State's own revenue which consists of tax and non tax revenue of the State

The above table reveals that the State has achieved all the FRBM targets, except containing expenditure on salary, much before the time lines prescribed in the Act. The State Government has to initiate requisite measures to contain the expenditure on



salaries relative to its own SOR, to achieve the corresponding FRBM target within the time frame prescribed in the Act.

## 1.2 Overview of Fiscal Situation of the State

### 1.2.1 Trends in Fiscal Aggregates

The fiscal position of the State during the current year as compared to the previous year is given in Table-3.

Table-3

		(Rupees in crore)	
2005-06	Sl. No.	Major Aggregates	2006-07
12045	1.	Revenue Receipts (2+3+4)	13667
3232	2.	Tax Revenue	3483
1459	3.	Non-Tax Revenue	1859
7354	4.	Other Receipts	8325
38	5.	Non-Debt Capital Receipts	35
38	6.	Of which, Recovery of Loans	35
12083	7.	Total Receipts (1+5)	13702
8482	8.	Non-Plan Expenditure	9848
8407	9.	On Revenue Account	9794
1510	10.	Of which, Interest Payments	1516
72	11.	On Capital Account	50
3	12.	On Loans disbursed	4
3245	13.	Plan Expenditure	3142
2129	14.	On Revenue Account	1662
1013	15.	On Capital Account	1403
103	16.	On Loans disbursed	77
11727	17.	Total Expenditure (13+8)	12990
(+) 1509	18.	Revenue Deficit (-)/Surplus (+) {1- (9+14)}	(+) 2211
(+) 356	19.	Fiscal Deficit (-)/Surplus (+) {(1+5)-17}	(+) 712
(+) 1866	20.	Primary Deficit (-)/Surplus (+) (10+19)	(+) 2228

During the current year revenue receipts increased by 13.5 percent (Rs.1,622 crore) while revenue expenditure increased by 9 percent (Rs.920 crore) over the previous year resulting in an increase in revenue surplus by Rs.702 crore during 2006-07 over the previous year. Increase in revenue surplus and a marginal decline of Rs.3 crore in non-debt capital receipts along with the combined increase of Rs.343 crore in capital expenditure and loans and advances disbursed during 2006-07 over the previous year, led to an increase in fiscal surplus by Rs.356 crore during the current year. The increase in fiscal surplus accompanied by a marginal increase of Rs.6 crore in interest payments during 2006-07 over the previous year led to an increase in primary surplus by Rs.362 crore during the year.

## 1.3 Methodology adopted for the assessment of fiscal position

The trends in the major fiscal aggregates of receipts and expenditure as emerging from the Statements of Finance Accounts were analyzed wherever necessary over the period 2001-07 and observations have been made on their behaviour. In its Restructuring Plan of State finances, TFC recommended the norms/ceiling for some fiscal aggregates and also made normative projections for others. In addition, TFC also recommended that all States enact the Fiscal Responsibility Acts and draw their fiscal correction path accordingly for the five year period (2005-06 to 2009-10) so



that fiscal position of State could be improved as committed in their respective FR Acts/Rules covering medium to long term periods. The norms/ceilings prescribed by the TFC as well as its projections for fiscal aggregates along with the commitments/projections made by the State Governments in their FR Acts and in other Statements required to be laid in the legislature under the Act, have been used to make qualitative assessment of the trends and pattern of major fiscal aggregates during the current year. Assuming that Gross State Domestic Product (GSDP) is a good indicator of the performance of the State's economy, major fiscal aggregates like tax and non-tax revenue, revenue and capital expenditure, internal debt and revenue and fiscal deficits have been presented as percentage to the GSDP<sup>1</sup> at current market prices. The buoyancy coefficients for tax revenues, non-tax revenues, revenue expenditure etc., with reference to the base represented by GSDP have also been worked out to assess as to whether the mobilization of resources, pattern of expenditure etc., are keeping pace with the change in the base or these fiscal aggregates are also affected by factors other than GSDP. The New GSDP series with 1999-2000 as base (Table-4) as published by the Director of Economics and Statistics of the State Government have been used in estimating these percentages and buoyancy ratios.

**Table – 4: Trends in Growth and Composition of GSDP**

	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Gross State Domestic Product (GSDP)	38245	43332	47191	51322	57597	63428
Rate of growth of GSDP (percent)	9.12	13.30	8.91	8.75	12.23	10.12

The key fiscal aggregates for the purpose are grouped under four major heads: (i) Resources by Volume and Sources, (ii) Application of Resources, (iii) Assets and Liabilities, and (iv) Management of Deficits (*Appendix 1.2 to 1.5*). The overall financial performance of the State Government as a body corporate has been presented by the application of a set of ratios commonly adopted for the relational interpretation of fiscal aggregates. The definitions of some of the selected terms used in assessing the trends and pattern of fiscal aggregates are given in *Appendix 1.1 Part D*.

#### **1.4 Trends and composition of aggregate Receipts**

Resources of the State Government consist of revenue receipts and capital receipts. Revenue receipts consist of tax revenues, non-tax revenues, State's share of union taxes and duties and grants-in-aid from the GOI. Capital receipts comprise miscellaneous capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks) and loans and advances from the GOI as well as accruals from Public Account. Table-5 shows that the total receipts of the State Government for the year 2006-07 were Rs.19,664 crore. Of these, revenue

<sup>1</sup> GSDP is defined as the total income of the State or the market value of goods and services produced using labour and all other factors of production.



receipts comprised Rs.13,667 crore, constituting 70 per cent. The balance came from borrowings and receipts from the Public Account.

**Table-5: Trends in Growth and Composition of Aggregate Receipts**

Sources of Receipts	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
(Rupees in crore)						
<b>I Revenue Receipts</b>	<b>5965</b>	<b>6793</b>	<b>7765</b>	<b>9937</b>	<b>12045</b>	<b>13667</b>
<b>II Capital Receipts</b>	<b>1975</b>	<b>3062</b>	<b>2344</b>	<b>4600</b>	<b>1417</b>	<b>1151</b>
Recovery of Loans and Advances	29	28	40	1389	38	35
Public Debt Receipts	1946	3034	2304	3211	1379	1116
Miscellaneous Capital Receipts	--	--	--	--	--	--
<b>III Contingency Fund</b>	<b>--</b>	<b>35</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>IV Public Account Receipts</b>	<b>2276</b>	<b>2290</b>	<b>3957</b>	<b>2988</b>	<b>4146</b>	<b>4846</b>
a. Small Savings, Provident Fund etc.	402	407	746	610	617	566
b. Reserve Fund	113	184	135	478	149	370
c. Deposits and Advances	935	(-) 10	926	1349	1637	2150
d. Suspense and Miscellaneous	17	858	1138	(-) 901	(-) 155	(-) 158
e. Remittances	809	851	1012	1452	1898	1918
<b>Total Receipts</b>	<b>10216</b>	<b>12180</b>	<b>14066</b>	<b>17525</b>	<b>17608</b>	<b>19664</b>

#### 1.4.1 Revenue Receipts

**Statement-11** of the Finance Accounts details the revenue receipts of the Government. The overall revenue receipts, their annual rate of growth, ratio of these receipts to the GSDP and its buoyancies are indicated in Table-6.

**Table-6: Revenue Receipts - Basic parameters**

	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
<b>Revenue Receipts (RR)</b> (Rupees in crore)	<b>5965</b>	<b>6793</b>	<b>7765</b>	<b>9937</b>	<b>12045</b>	<b>13667</b>
Own Taxes (per cent)	1557 (26.10)	1935 (28.49)	2070 (26.66)	2713 (27.30)	3232 (26.83)	3483 (25.48)
Non-Tax Revenue (per cent)	533 (8.94)	693 (10.20)	946 (12.18)	1070 (10.77)	1459 (12.11)	1859 (13.60)
Central Tax Transfers (percent)	1706 (28.60)	1814 (26.70)	2162 (27.84)	2584 (26.00)	3057 (25.38)	3899 (28.53)
Grants-in-aid (percent)	2169 (36.36)	2351 (34.61)	2587 (33.32)	3570 (35.93)	4297 (35.68)	4426 (32.38)
<b>Rate of growth of RR (percent)</b>	<b>5.80</b>	<b>13.88</b>	<b>14.31</b>	<b>27.97</b>	<b>21.21</b>	<b>13.46</b>
<b>RR/GSDP (per cent)</b>	<b>15.60</b>	<b>15.68</b>	<b>16.45</b>	<b>19.36</b>	<b>20.91</b>	<b>21.55</b>
<b>Revenue Buoyancy (ratio)</b>	<b>0.64</b>	<b>1.04</b>	<b>1.61</b>	<b>3.20</b>	<b>1.73</b>	<b>1.33</b>
<b>State's own taxes Buoyancy (ratio)</b>	<b>1.143</b>	<b>1.83</b>	<b>0.78</b>	<b>3.55</b>	<b>1.56</b>	<b>0.77</b>
<b>GSDP Growth (Per cent)</b>	<b>9.12</b>	<b>13.30</b>	<b>8.91</b>	<b>8.75</b>	<b>12.23</b>	<b>10.12</b>

The revenue receipts of the State increased from Rs.5,965 crore in 2001-02 to Rs.13,667 crore in 2006-07 at an annual average rate of 25.82 percent. While 39 percent of the revenue receipts during 2006-07 have come from the State's own resources comprising taxes and non-taxes, Central tax transfers and grants-in-aid together contributed 61 percent. The share of non tax revenue in the total revenue receipts of the State has increased by five percentage points while that of grants-in-aid declined by four percentage points during the period 2001-07 with slight inter year

variations. The share of other two components – State's own taxes and State's share in Central taxes and duties exhibited only marginal changes during the period.

### • Tax Revenue

The tax revenue has increased by Rs.251 crore (7.77 percent) from Rs.3,232 crore in 2005-06 to Rs.3,483 crore in 2006-07. The share of sales tax in total tax revenue has been more than 68 percent throughout the period 2001-07 but it sharply increased since 2004-05 to 80 percent in 2006-07. The increase in sales tax of Rs.215 crore from Rs.2,568 crore in 2005-06 to Rs.2,783 crore in 2006-07 was mainly due to collection of trade tax. State Excise (Rs.175 crore), taxes on Vehicles (Rs.151 crore), Stamps and Registration (Rs.97 crore) taxes and duties on Electricity (Rs.16 crore) were the other contributors in the State's tax revenue. Table-7 below presents the trends in growth and composition of tax revenue during 2001-07.

Table-7: Trends in Growth and Composition of Tax Revenue

(Rupees in crore)

	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Sales Tax	1073	1441	1551	2099	2568	2783
State Excise	151	122	129	144	160	175
Taxes on vehicles	94	116	124	135	156	151
Stamps and Registration fees	42	50	62	72	86	97
Land Revenue	63	62	62	58	75	74
Taxes and duties on Electricity	3	13	3	62	13	16
Other taxes	116	128	136	138	167	184
Total	1557	1935	2070	2713	3232	3483

### • Non-Tax Revenue

The State has shown a sharp increase of Rs.400 crore (27 percent) in 2006-07 over the previous year mainly due to increase in interest receipts (Rs.131 crore) on investment of cash balances by State government, royalty of crude oil (Rs.170 crore) due to enhancement in rates and general education (Rs.94 crore).

The tax and non-tax revenue receipts vis-à-vis the assessments made by the TFC and the State Government in its FCP/Fiscal FYP for 2006-07 were as under:

(Rupees in crore)

	Projections by TFC	Projections as per Five Year Plan/FCP	Actuals Receipts
Own Tax Revenue	3538	3827	3483
Own Non-Tax Revenue	1287	1470	1859

Own tax revenue was less by Rs.344 crore than assessed (Rs.3827 crore) in Five Year Plan/FCP and Rs.55 crore less than the normative assessment of TFC, while non-tax revenue was Rs.389 crore more than assessed in Five Year Plan/FCP and Rs.572 crore more than assessed by TFC.

### • Central Tax Transfers

Central transfers to the State increased from Rs.7,354 crore in 2005-06 to Rs.8,325 crore in 2006-07, of which, Central tax transfers increased by Rs.842 crore



(27.55 percent). The increase in Central tax transfer was mainly due to increase in Corporation tax (Rs.373 crore), taxes on income other than Corporation tax (Rs.144 crore), Customs (Rs.165 crore) and Service Tax (Rs.149 crore).

#### • Grants-in-aid

The grants-in-aid from GOI increased from Rs.4,297 crore in 2005-06 to Rs.4,425 crore in 2006-07. The increase was mainly under State Plan Scheme (Rs.81 crore) and Centrally Sponsored Schemes (Rs.344 crore). The grants for non-plan schemes decreased by Rs.239 crore from Rs.948 crore in 2005-06 to Rs.709 crore in 2006-07. The decrease was mainly due to decrease in grants under the Proviso to Article 275(1) of the Constitution (Rs.268 crore). As per recommendation of TFC, GOI released Rs.28.89 crore under non-plan grants for specific purposes for construction of roads, side drains (Rs.27.20 crore) and development of Srimanta Sankardev Netralaya (Rs.1.69 crore).

### 1.5 Application of resources

#### 1.5.1 Growth of Expenditure

**Statement 12** of the Finance Accounts depicts the detailed revenue expenditure by minor heads and capital expenditure by major heads. States raise resources to perform their sovereign functions, maintain their existing nature of delivery of social and economic services, to extend the network of these services through capital expenditure and investments and to discharge their debt service obligations. The total expenditure of the State increased from Rs.7,441 crore in 2001-02 to Rs.12,990 crore in 2006-07. Total expenditure, its annual growth rate and ratio of expenditure to the State GSDP and to revenue receipts and its buoyancy with respect to GSDP and revenue receipts are indicated in Table-8.

**Table-8: Total Expenditure - Basic Parameters**

	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Total Expenditure (TE)* (Rupees in crore)	7441	7750	9200	13384	11727	12990
Rate of Growth (per cent)	3.42	4.15	18.71	45.48	(-) 12.38	10.77
TE/GSDP Ratio (per cent)	19.46	17.89	19.50	26.08	20.36	20.48
RR/TE Ratio (per cent)	80.16	87.65	84.40	74.25	102.71	105.21
<b>Buoyancy of Total Expenditure with reference to:</b>						
GSDP (ratio)	0.375	0.312	2.099	5.198	**	1.06
RR (ratio)	0.589	0.299	1.308	1.626	**	0.80

\* Total Expenditure includes revenue expenditure, capital expenditure and loans and advances.

\*\* Rate of growth of Total Expenditure was negative.

Total expenditure during 2006-07 at Rs.12,990 crore increased by Rs.1,263 crore (11 percent) over the previous year. Out of the total expenditure, the revenue expenditure formed 88 percent (Rs.11,456 crore) while capital expenditure excluding Loan and advances formed 11 percent (Rs.1,453 crore). The break up of total expenditure in terms of plan and non-plan expenditure reveals that while the share of plan expenditure constituted 24 percent (Rs.3,142 crore), the remaining 76 percent was non-plan expenditure (Rs.9,848 crore).

The increase in total expenditure during 2006-07 over previous year was due to increase of revenue expenditure by Rs.920 crore and capital expenditure by Rs.368

crore. The increase in revenue expenditure was mainly due to increase in the expenditure on superannuation and retirement allowances and gratuity (Rs.166 crore), General Education (Rs.159.04 crore), Medical and Public Health (Rs.163 crore), Welfare of SC/ST/OBC (Rs.105 crore), transfer to reserve fund and deposit accounts – natural calamities fund (Rs.193 crore), special programmes for rural development (Rs.107 crore), and Roads and Bridges (Rs.31 crore). Increase in capital expenditure was mainly due to increase in plan capital outlay on Public Works (Rs.13 crore), Water Supply, Sanitation and Housing (Rs.149 crore), Special areas programme (Rs.125 crore) and Irrigation and Flood Control (Rs.85 crore).

### 1.5.2 Trends in Total Expenditure by Activities

In terms of activities, total expenditure could be considered as being composed of expenditure on General Services including interest payments, Social and Economic Services, grants-in-aid and loans and advances. The relative share of these components in total expenditure is indicated in Table-9.

**Table-9: Components of Expenditure-Relative share**

	(in per cent)					
	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
<b>General Services</b>	<b>39.45</b>	<b>40.31</b>	<b>38.56</b>	<b>27.73</b>	<b>35.91</b>	<b>33.30</b>
Of which:						
Interest payments	14.27	16.06	15.72	10.49	12.88	11.67
<b>Social Services</b>	<b>36.77</b>	<b>37.68</b>	<b>36.96</b>	<b>32.20</b>	<b>34.38</b>	<b>35.66</b>
<b>Economic Services</b>	<b>22.63</b>	<b>20.22</b>	<b>22.96</b>	<b>32.69</b>	<b>28.71</b>	<b>30.36</b>
<b>Grants-in-aid</b>	<b>0.05</b>	<b>0.10</b>	<b>0.13</b>	<b>0.10</b>	<b>0.10</b>	<b>0.06</b>
<b>Loans and Advances</b>	<b>1.10</b>	<b>1.69</b>	<b>1.39</b>	<b>7.28</b>	<b>0.90</b>	<b>0.62</b>

The movement of relative share of these components of expenditure indicated that all components of expenditure had inter-year variations. But expenditure on General Services and interest payments which are considered as non-developmental, together accounted for 33.30 percent in 2006-07 as against 35.91 percent in 2005-06. On the other hand, developmental expenditure i.e., on Social and Economic Services together accounted for 66.02 percent in 2006-07 as against 63.09 percent in 2005-06. This indicates that there was decrease in non-developmental expenditure and increase in developmental expenditure in comparison to the previous year.

### 1.5.3 Incidence of Revenue expenditure

Revenue expenditure had predominant share in the total expenditure. Revenue expenditure is incurred to maintain the current level of services and payment for the past obligations and as such does not result in any addition to the State's infrastructure and service network. The overall revenue expenditure, its rate of growth, ratio of revenue expenditure to GSDP and to revenue receipts and its buoyancy are indicated in Table-10.

**Table-10: Revenue Expenditure - Basic Parameters**

	(Rupees in crore)					
	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Revenue Expenditure (RE)	6846	7113	8450	10229	10536	11456
Of which,						
Non-Plan Revenue Expenditure (NPRE)	5400	5781	7021	8208	8407	9794
Plan Revenue Expenditure (PRE)	1446	1332	1429	2021	2129	1662
Rate of Growth (per cent) NPRE	4.92	7.06	21.45	16.91	2.42	16.50
PRE	13.86	(-) 7.88	7.28	41.43	5.34	(-) 21.94
NPRE/GSDP (per cent)	14.12	13.34	14.87	15.99	14.60	15.44
NPRE as per cent of TE	72.57	74.59	76.32	61.33	71.69	75.40
NPRE as per cent of RR	90.53	85.10	90.42	82.60	69.80	71.66
<b>Buoyancy of Revenue Expenditure with</b>						
GSDP (ratio)	0.733	0.293	2.109	2.401	0.245	0.863
Revenue Receipts (ratio)	1.153	0.281	1.314	0.753	0.141	0.648

The overall revenue expenditure of the State has increased by 67.34 percent from Rs.6,846 crore in 2001-02 to Rs.11,456 crore in 2006-07 at an average annual rate of 13.47 percent. The revenue expenditure of the state has increased from Rs.10,536 crore in 2005-06 to Rs.11,456 crore in 2006-07. In 2006-07, non-plan revenue expenditure was Rs.9,794 crore (85 percent) and plan revenue expenditure Rs.1,662 crore (15 percent). The non-plan expenditure increased continuously from Rs.5,400 in 2001-02 to Rs.9,794 crore in 2006-07 while the plan expenditure increased from Rs.1,446 crore in 2001-02 to Rs.1,662 crore with wide inter year variations. The increase of Rs.1,387 crore in NPRE during 2006-07 over previous year was mainly due to increase in Education, Sports, Art and Culture (Rs.334 crore) Agriculture and Allied Activities (Rs.231 crore), Social Welfare and Nutrition (Rs.166 crore), Health and Family Welfare (Rs.187 crore), Welfare of SC/ST/OBC (Rs.110 crore), Water Supply, Sanitation, Housing and Urban Development (Rs.27 crore), Irrigation and Flood Control (Rs.50 crore), Transport (Rs.57 crore) and General Economic Services (Rs.75 crore).

A comparative position of NPRE vis-à-vis assessment made in TFC and FCP/BE reveal that NPRE was 23 percent (Rs.2,859 crore) less than the projection made in FCP/BE but higher by 20 percent (Rs.1612 crore) relative to TFC assessment.

	(Rupees in crore)		
	Assessment/Projections		Actual
	TFC	FCP/BE	
Non-plan revenue expenditure	8182	12653	9794

The PRE has decreased by Rs.467 crore from Rs.2,129 crore in 2005-06 to Rs.1,662 crore in 2006-07, mainly due to decrease in Education, Sports, Art and Culture (Rs.98 crore), Health and Family Welfare (Rs.58 crore), Water Supply, Sanitation Housing and Urban Development (Rs.121 crore), social welfare and nutrition (Rs.106 crore), Industry and Minerals (Rs.26 crore), Transport (Rs.18 crore) and General Economic Service (Rs.37 crore).

## 1.5.4 Committed Expenditure

**Expenditure on Salaries and Wages:** The expenditure on salaries increased from Rs.3,814 crore in 2001-02 to Rs.4,684 crore in 2006-07 as indicated in Table-11.

Table-11: Expenditure on Salaries

(Rupees in crore)						
Heads	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Expenditure on Salaries <sup>2</sup> & Wages	3814	3883	4462	5194	4238 <sup>3</sup>	4684 <sup>3</sup>
Of which,						
Non-Plan Head	2876	3038	4005	4376	3883	4484
Plan Head	938	845	457	818	355	200
As per cent of GSDP	9.97	8.96	9.46	10.12	7.36	7.38
As per cent of RR	63.94	57.16	57.46	52.27	35.18	34.27

Source: Finance Accounts for 2005-06 and 2006-07 and for the years prior to that State Government figures were adopted.

The salary expenditure under non-plan has increased by more than 15 *percent* over the previous year. The expenditure of the State on salaries was 53 *percent* of the revenue expenditure net of interest payments and pensions as against the TFC norm of 35 *percent*. The expenditure on salaries constituted 88 *percent* of total tax and non tax revenue during 2006-07 requiring attention of the government to achieve the target of limiting it to 60 *percent* of the total tax and non-tax revenue by 2010 as laid down in FRBM Act, 2005.

**Expenditure on Pension payments:** Pension payments grew at an average rate of 12.23 *percent* from Rs.731 crore in 2001-02 to Rs.1,178 crore in 2006-07. The year-wise break up of expenditure incurred on pension payments during 2001-02 to 2006-07 is indicated in Table-12.

Table-12: Expenditure on Pensions

(Rupees in crore)						
Heads	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Expenditure on Pensions	731	776	909	1062	1011	1178
As per cent of GSDP	1.91	1.79	1.93	2.07	1.76	1.86
As per cent of RR	12.25	11.42	11.71	10.69	8.39	8.62

Source: Finance Accounts.

Though Pension payment was Rs.288 crore less than the projections made in the FCP (Rs.1,466 crore) for the year 2006-07 and Rs.283 crore less than the assessment made by TFC (Rs.1,461 crore), but it has increased by more than 16 *percent* from Rs.1,011 crore in 2005-06 to Rs.1,178 crore in 2006-07 mainly due to increase in the expenditure under superannuation and retirement benefits and for meeting the arrear

<sup>2</sup> Represents salaries only and includes salaries spent from grants-in-aid but excludes wages upto 2004-05.

<sup>3</sup> Represents salaries only but excludes wages and salaries spent from grants-in-aid. The salary expenditure figure shown in Appendix-III of Finance Accounts of Government of Assam for the years ended 2005-06 and 2006-07 do not include salaries spent from grants-in-aid.



payments. The State Government has not introduced the new Pension Policy so far to meet the increasing pension liabilities.

• **Interest payments:**

Interest payments made and their ratio to revenue receipts and revenue expenditure during the period 2001-07 are detailed in Table-13.

**Table-13: Interest payments**

Year	Total Revenue Receipts	Interest Payments	Percentage of Interest payments to	
	(Rupees in crore)		Revenue Receipts	Revenue Expenditure
2001-02	5965	1062	17.80	15.51
2002-03	6793	1245	18.33	17.50
2003-04	7765	1446	18.62	17.11
2004-05	9937	1404	14.13	10.49
2005-06	12045	1510	12.54	14.33
2006-07	13667	1516	11.09	13.23

Interest payments increased by 42.75 percent from Rs.1,062 crore in 2001-02 to Rs.1,516 crore in 2006-07. The interest payments during 2006-07 were on internal debt (Rs.1,103), loans from Central Government (Rs.182 crore) and Small Savings, Provident Fund, etc. (Rs.231 crore). The interest payment was Rs.798 crore less than that projected (Rs.2314 crore) in the FCP for the year 2006-07 and Rs.187 crore less than that projected (Rs.1,703 crore) by TFC.

The major sources of borrowings of the State Government were (i) Loans from the Centre, (ii) Loans from Market, (iii) Loans from Banks and Financial institutions and (iv) Loans from Small Savings and Provident Fund with interest rates ranging from 6.50 percent to 12.50 percent per annum during the period from 2001-02 to 2006-07.

• **Subsidies**

The State Government has been giving subsidies to various target groups but has not made any explicit provision for subsidies in its Annual Budget.

**1.6 Expenditure by Allocative Priorities**

**1.6.1 Quality of Expenditure**

The availability of better social and physical infrastructure in the State reflects its quality of expenditure. Therefore the ratio of capital expenditure to total expenditure as well as to GSDP and proportion of revenue expenditure being spent on running the existing social and economic services efficiently and effectively would determine the quality of expenditure. Higher the ratio of these components to total expenditure and GSDP, better is the quality of expenditure. Table-14 gives these ratios during 2001-07.



Table-14: Indicators of Quality of Expenditure

(Rupees in crore)

	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
<b>Capital Expenditure</b>	<b>513</b>	<b>506</b>	<b>622</b>	<b>2181</b>	<b>1085</b>	<b>1453</b>
<b>Revenue Expenditure</b>	<b>6846</b>	<b>7113</b>	<b>8450</b>	<b>10229</b>	<b>10536</b>	<b>11456</b>
Of which, Social and Economic Services with	3917	3993	4908	65217	6324	7146
(i) <i>Salary &amp; Wage Component</i>	2804 (72)	2897 (73)	3302 (67)	4017 (62)	3411* (54)	3754* (53)
(ii) <i>Non-Salary &amp; Wage Component</i>	1113 (28)	1095 (27)	1606 (33)	2510 (38)	2913 (46)	3392 (47)
<b>As per cent of Total Expenditure **</b>						
Capital Expenditure	6.97	6.64	6.86	17.57	9.34	11.26
Revenue Expenditure	93.03	93.36	93.14	82.43	90.66	88.74
<b>As per cent of GSDP</b>						
Capital Expenditure	1.34	1.17	1.32	4.25	1.88	2.29
Revenue Expenditure	17.90	16.42	17.91	19.93	18.29	18.06

\* Excludes wage component.

\*\* Total expenditure excludes Loans and Advances.

Table-14 shows that capital and revenue expenditure of the State for the year 2006-07 were Rs.1,453 crore and Rs.11,456 crore respectively, constituting 11.26 percent and 88.74 percent of the total expenditure indicating hardening of resources. The increasing pressure on revenue expenditure seems to have crowded out capital expenditure over the period. However, the salary and wage component of revenue expenditure incurred on social and economic services had decreased from 72 percent in 2001-02 to 53 percent in 2006-07 while that of non salary component has gradually increased from 28 per cent to 47 per cent which indicates the changing allocative priorities of the Government towards creating productive assets and developing social and economic infrastructure in the State.

### 1.6.2 Expenditure on Social Services

Given the fact that the human development indicators such as access to basic education, health services and drinking water and sanitation facilities etc. have a strong linkage with eradication of poverty and economic progress, it would be prudent to make an assessment with regard to the expansion and efficient provision of these services in the State. Table-15 summarizes the expenditure incurred by the State Government in expanding and strengthening the social services in the State during 2001-07.

**Table-15: Expenditure on Social Services**

(Rupees in crore)

	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
<b>Education, Sports, Art and Culture</b>						
<b>Revenue Expenditure</b>	<b>1871</b>	<b>1997</b>	<b>2362</b>	<b>2503</b>	<b>2516</b>	<b>2751</b>
Of which,						
(a) Salary & Wage Component	1684	1717	2044	2337	1999*	2080*
(b) Non-Salary & Wage Component	187	280	318	166	517	671
<b>Capital Expenditure</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>3</b>	<b>2</b>
<b>Total</b>	<b>1872</b>	<b>1998</b>	<b>2363</b>	<b>2504</b>	<b>2519</b>	<b>2753</b>
<b>Health and Family Welfare</b>						
<b>Revenue Expenditure</b>	<b>345</b>	<b>324</b>	<b>350</b>	<b>409</b>	<b>399</b>	<b>568</b>
Of which,						
(a) Salary & Wage Component	272	255	298	314	314*	357*
(b) Non-Salary & Wage Component	73	69	52	95	85	211
<b>Capital Expenditure</b>	<b>15</b>	<b>6</b>	<b>21</b>	<b>12</b>	<b>12</b>	<b>4</b>
<b>Total</b>	<b>360</b>	<b>330</b>	<b>371</b>	<b>421</b>	<b>411</b>	<b>572</b>
<b>Water Supply, Sanitation, Housing and Urban Development</b>						
<b>Revenue Expenditure</b>	<b>181</b>	<b>195</b>	<b>215</b>	<b>415</b>	<b>422</b>	<b>329</b>
Of which,						
(a) Salary & Wage Component	68	84	58	194	113*	139*
(b) Non-Salary & Wage Component	113	111	157	221	309	190
<b>Capital Expenditure</b>	<b>18</b>	<b>15</b>	<b>17</b>	<b>35</b>	<b>30</b>	<b>149</b>
<b>Total</b>	<b>299</b>	<b>210</b>	<b>232</b>	<b>450</b>	<b>452</b>	<b>478</b>
<b>Other Social Services</b>						
<b>Revenue Expenditure</b>	<b>305</b>	<b>381</b>	<b>434</b>	<b>935</b>	<b>650</b>	<b>829</b>
Of which,						
(a) Salary & Wage Component	40	82	98	135	133*	135*
(b) Non-Salary & Wage Component	265	299	336	800	517	694
<b>Capital Expenditure</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Total</b>	<b>305</b>	<b>381</b>	<b>434</b>	<b>935</b>	<b>650</b>	<b>829</b>
<b>Total (Social Services)</b>						
<b>Revenue Expenditure</b>	<b>2702</b>	<b>2897</b>	<b>3361</b>	<b>4262</b>	<b>3987</b>	<b>4477</b>
Of which,						
(a) Salary & Wage Component	2064	2138	2498	2980	2559*	2711*
(b) Non-Salary & Wage Component	638	759	863	1282	1428	1766
<b>Capital Expenditure</b>	<b>34</b>	<b>22</b>	<b>39</b>	<b>48</b>	<b>45</b>	<b>155</b>
<b>Grand Total</b>	<b>2736</b>	<b>2919</b>	<b>3400</b>	<b>4310</b>	<b>4032</b>	<b>4632</b>

Source: Finance Accounts and State Government figures.

\* Excludes wage component.

The expenditure on Social Services increased from Rs.2,736 crore in 2001-02 to Rs.4,632 crore in 2006-07 and it constituted 35.88 percent of the total revenue and capital expenditure (Rs.12,909 crore) during 2006-07. Three major Social Services viz. General Education (Rs.2,751 crore), Health and Family Welfare (Rs.568 crore), Water Supply and Sanitation (Rs.329 crore) accounted for 81 percent of the total Expenditure on Social Services. Out of revenue expenditure on Social Services, the share of total salary component increased from Rs.2,064 crore in 2001-02 to Rs.2,711 crore in 2006-07 (31 percent) whereas non salary component increased by 177 percent from Rs.628 crore in 2001-02 to Rs.1,766 crore in 2006-07. Assuming that non-salary component of revenue expenditure is a proxy for the maintenance and efficient running of the services, the quality of these services seem to have improved over the period 2001-07.

To improve the quality of education and health services in the States, the TFC recommended that the non-plan salary expenditure under education, health and family welfare should increase only by 5 to 6 *percent* while non salary expenditure under non-plan heads should increase by 30 *percent* per annum during the award period. The trends in expenditure revealed that the salary and wage component of revenue expenditure under General Education increased by 4 *percent* in 2006-07 over the previous year, while the non salary component increased by 30 *percent*. Under Health sector, Salary and wage component increased by 14 *percent* while non salary component increased by 148 *percent*. The expenditure pattern in education sector seems to be in conformity with TFC norms, while in health services, attention is required for containing salary component of non plan revenue expenditure.

The capital expenditure on Social Services increased from Rs.34 crore in 2001-02 to Rs.155 crore in 2006-07 indicating improved quality of expenditure on these services.

### **1.6.3 Expenditure on Economic Services**

Expenditure on Economic Services includes all such expenditure as to promote directly or indirectly, productive capacity within the States' economy. The expenditure on Economic Services (Rs.3,944 crore) accounted for 30.55 *percent* of the total expenditure (Table-16). Of this, Agriculture and Allied activities, Irrigation and Flood Control, Energy and Transport consumed 58.92 *percent* of the total expenditure.



**Table-16: Expenditure on Economic Services**

(Rupees in crore)

	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
<b>Agriculture, Allied Activities</b>						
Revenue Expenditure	425	362	478	488	548	614
Of which,						
(a) Salary & Wage Component	282	284	304	396	318*	355*
(b) Non-Salary & Wage Component	143	78	174	92	230	259
Capital Expenditure	--	1	1	1	--	1
<b>Total</b>	<b>425</b>	<b>363</b>	<b>479</b>	<b>489</b>	<b>548</b>	<b>615</b>
<b>Irrigation and Flood Control</b>						
Revenue Expenditure	126	129	177	208	219	269
Of which,						
(a) Salary & Wage Component	87	112	154	200	195*	239*
(b) Non-Salary & Wage Component	39	17	23	8	24	30
Capital Expenditure	141	112	82	110	112	197
<b>Total</b>	<b>267</b>	<b>241</b>	<b>259</b>	<b>318</b>	<b>331</b>	<b>466</b>
<b>Power &amp; Energy</b>						
Revenue Expenditure	18	5	142	312	323	291
Of which,						
(a) Salary & Wage Component	--	--	--	--	--	--
(b) Non-Salary & Wage Component	18	5	142	312	323	291
Capital Expenditure	39	64	82	1374	205	208
<b>Total</b>	<b>57</b>	<b>69</b>	<b>224</b>	<b>1686</b>	<b>528</b>	<b>499</b>
<b>Transport</b>						
Revenue Expenditure	205	222	247	309	347	387
Of which,						
(a) Salary & Wage Component	104	113	141	201	161*	222*
(b) Non-Salary & Wage Component	101	109	106	108	186	165
Capital Expenditure	187	186	186	299	434	357
<b>Total</b>	<b>392</b>	<b>408</b>	<b>433</b>	<b>608</b>	<b>781</b>	<b>744</b>
<b>Other Economic Services</b>						
Revenue Expenditure	441	377	503	948	900	1108
Of which,						
(a) Salary & Wage Component	267	250	205	240	178*	226*
(b) Non-Salary & Wage Component	174	127	298	708	722	882
Capital Expenditure	102	109	214	326	279	512
<b>Total</b>	<b>543</b>	<b>486</b>	<b>717</b>	<b>1274</b>	<b>1179</b>	<b>1620</b>
<b>Total (Economic Services)</b>						
Revenue Expenditure	1215	1095	1547	2265	2337	2669
Of which,						
(a) Salary & Wage Component	740	759	804	1037	852*	1042*
(b) Non-Salary & Wage Component	475	336	743	1228	1485	1627
Capital Expenditure	469	472	656	2110	1030	1275
<b>Grand Total</b>	<b>1684</b>	<b>1567</b>	<b>2203</b>	<b>4375</b>	<b>3367</b>	<b>3944</b>

Source: Finance Accounts and State Government figures.

\* Excludes wage component.

Out of total expenditure on Economic Services during 2006-07, 13 percent on Power and Energy, 12 percent on Irrigation and Flood Control and 19 percent on Transport and 16 percent on Agriculture and allied activities was incurred. As compared to 2001-02, significant increases were observed in 2006-07 in Power and Energy (775 percent), Transport services (90 percent), Agriculture and allied activities (45 percent) and Irrigation and Flood Control (75 percent).

The trends in revenue and capital expenditure on Economic Services indicate that the capital expenditure has increased from Rs.469 crore (28 *percent*) in 2001-02 to Rs.1,275 crore (32 *percent*) in 2006-07, while the revenue expenditure increased from Rs.1,215 crore (72 *percent*) in 2001-02 to Rs.2,669 crore (68 *percent*) in 2006-07. Of the revenue expenditure, salary component increased from Rs 740 crore (61 *percent*) in 2001-02 to Rs.1,042 crore (39 *percent*) in 2006-07 whereas non-salary component increased from Rs.475 crore (39 *percent*) to Rs.1,627 crore (61 *percent*) indicating allocative priorities probably towards their maintenance and better quality of services.

#### 1.6.4 Financial Assistance to local bodies and other institutions

The quantum of assistance provided by State Government by way of grants and loans to local bodies and others during the six-year period 2001-07 is presented in Table-17.

**Table-17: Financial Assistance**

(Rupees in crore)						
Name	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Zilla Parishads and other Panchayati Raj institutions	14.82	25.53	14.82	23.04	27.30	27.19
Municipal Corporations/Urban Sewerage Board	7.37	13.59	19.63	65.28	16.71	17.66
Co-operative Societies and Co-operative Institutions	8.09	10.49	3.82	1.85	0.04	0.04
Universities and Educational Institutions	199.24	761.40	841.75	919.04	922.90	892.58
Assam State Electricity Board (ASEB)	--	21.84	86.28	946.92	81.26	70.53
Assam State Housing Board (ASHB)	0.59	0.61	0.86	0.97	1.42	1.34
Assam Khadi and Village Industries Board	4.10	1.30	2.46	5.90	6.96	6.80
Guwahati Metropolitan Development Authority	0.10	0.50	8.86	26.13	33.88	27.79
Other Institutions	52.78	17.49	31.35	69.58	76.56	61.44
Autonomous Councils	13.12	23.45	11.66	135.24	83.28	167.75
<b>Total</b>	<b>300.12</b>	<b>876.20</b>	<b>1021.49</b>	<b>2193.95</b>	<b>1250.31</b>	<b>1273.12</b>
Assistance as percentage of RE	4.39	12.32	12.09	21.45	11.87	11.11

Source: Detailed Appropriation Accounts and Finance Accounts.

The total assistance at the end of 2006-07 had grown by 324 *percent* over the level of 2001-02. The assistance to local bodies as a percentage of total revenue expenditure had increased from 4.39 in 2001-02 to 11.11 in 2006-07. Although the financial assistance to educational institutions constitutes about 70 per cent of the total financial assistance by State Government during 2006-07, a significant increase in assistance to autonomous councils (Rs.84.5 crore) led to the net increase of Rs.23 crore in financial assistance during the year.

#### 1.6.5 Misappropriation, losses, defalcations, etc

The State Government reported 210 cases of misappropriation, defalcation, etc., involving Government money amounting to Rs.3.62 crore upto the period March 2007 on which final action was pending. The department-wise break up of pending cases is given in *Appendix-1.6*.

## 1.7 Assets and Liabilities

In Government accounting system, comprehensive accounting of fixed assets like land and buildings owned by the Government is not done. However, the Government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred. *Appendix 1.2* gives an abstract of such liabilities and the assets as on 31 March 2007 compared with the corresponding position on 31 March 2006. While the liabilities in this Appendix consist mainly of internal borrowings, loans and advances from the GOI, receipts from Public Account and Reserve Funds, the assets comprise mainly the capital outlay and loans and advances given by the State Government and cash balances. *Appendix-1.5* depicts the time series data on State Government finances for the period 2001-2007.

### 1.7.1 Incomplete projects

As on 31 March 2007, there were 340 incomplete projects in which Rs.224.48 crore was blocked. Of these, 114 projects (expenditure: Rs.89.66 crore) were incomplete for less than five years, 25 projects (expenditure: Rs.10.52 crore) were incomplete for periods ranging from five to 10 years, 40 projects (expenditure: Rs.8.32 crore) were incomplete for periods ranging from 10 to 20 years and 11 projects (expenditure: Rs.75.74 crore) were incomplete for more than 20 years. This showed that the Government was spreading its resources thinly, without any yield or return. Reasons for incomplete projects were paucity of funds, works left incomplete by contractors, change in site/design of the projects, defective planning, lack of transportation and river course diversion due to floods etc. The department-wise information pertaining to incomplete projects as on 31 March 2007 is given in *Appendix-1.7*.

### 1.7.2 Investments and returns

As on 31 March 2007, the Government had invested Rs.1,984.46 crore in Statutory Corporations, Government Companies, Joint Stock Companies and Co-operatives (Table 18). The average return on this investment was less than one *percent* in the last six years while an average interest rate of 8.98 *percent* was being paid by the Government on its borrowings. Details are given in *Appendix-1.8*.

**Table-18: Return on Investment**

Year	Investment at the end of the year	Return	Percentage of return	Average rate of interest on Government borrowings	Difference between interest paid and return
	(Rupees in crore)			(per cent)	
2001-02	514.35	0.83	0.16	9.70	9.54
2002-03	570.35	5.93	1.04	9.82	8.78
2003-04	587.89	6.88	1.17	9.97	8.80
2004-05	1952.91	9.29	0.48	8.47	7.99
2005-06	1969.95	15.47	0.79	8.18	7.39
2006-07	1984.46	18.54	0.93	7.75	6.82

During the last three years, i.e. from 2004-05 to 2006-07, the State Government investments have increased only marginally by Rs.31.55 crore. During the current year, Government has invested Rs.0.13 crore in Government Companies, Rs.5.52



crore in Joint Stock Companies and Rs.8.86 crore in Cooperative Societies. The accumulated losses of the Statutory Corporations (Rs.5,812 crore), Government Companies (Rs.269 crore) etc. was Rs.6,081 crore as of March 2006. The major loss sustaining organizations are Assam State Transport Corporation (investment Rs.235 crore; loss Rs.38.70 crore) and Assam State Electricity Board (investment Rs.1,350 crore; loss Rs.5,705 crore).

### 1.7.3 Loans and Advances by State Government

In addition to investments in Co-operative societies, Corporations and Companies, the Government has also been providing loans and advances to many of them. Total amount of outstanding loans and advances as on 31 March 2007 was Rs.2,721 crore (Table-19). Interest received against these loans and advances continued to be negligible, i.e. even less than half a per cent of outstanding loans and advances during the period 2001-07.

**Table-19: Average Interest Received on Loans Advanced by the State Government**

	(Rupees in crore)					
	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Opening Balance	2778	2832	2935	3022	2607	2675
Amount advanced during the year	82	131	128	974	106	81
Amount repaid during the year	28	28	41	1389	38	35
Closing Balance	2832	2935	3022	2607	2675	2721
Net addition	54	103	87	-	68	46
Interest Received	1	1	4	7	6	8
Interest received as <i>percent</i> to outstanding Loans and advances	0.03	0.03	0.13	0.27	0.23	0.29
Average interest rate (in <i>percent</i> ) paid on borrowings by State Government	9.70	9.82	9.97	8.47	8.18	7.75
Difference between average interest paid and received ( <i>percent</i> )	9.67	9.79	9.84	8.20	7.95	7.46

Major recipients of loans during 2006-07 were Power projects (Rs.72.54 crore), Urban Development (Rs.1.64 crore) and Government servants (Rs.3.78 crore).

### 1.7.4 Management of cash balances

It is generally desirable that the State's flow of resources should match its expenditure obligations. However, to take care of any temporary mismatches in the flow of resources and expenditure obligations, a mechanism of Ways and Means Advances (WMA) - ordinary and special- from Reserve Bank of India has been put in place. The operative limit for normal WMA is reckoned as the three year average of revenue receipts and the operative limit for special WMA is fixed by Reserve Bank of India from time to time depending on the holding of Government securities. The limit in respect of Assam was Rs.295 crore for normal and Rs.299.84 crore for special WMA during 2006-07. The State Government did not avail of any WMA and overdrafts during the year. WMA and overdrafts availed; the number of occasions when these were availed and interest paid by the State is detailed in Table-20.

**Table-20: Ways and Means Advances and Overdrafts of the State**

(Rupees in crore)

	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
<b>Ways and Means Advances</b>						
Availed in the year	608.66	955.84	2092.32	4288.55	1652.63	--
Number of occasions	30	39	53	81	32	--
Outstanding WMA, if any	176.71	226.39	227.96	317.49	-	--
Interest Paid	121.53	11.60	14.26	10.15	3.15	--
Number of days	30	39	53	81	32	--
<b>Overdraft</b>						
Availed in the year	5749.87	4533.27	4343.54	1782.80	228.07	--
Number of occasions	111	116	104	64	08	--
Number of days	312	315	237	129	30	--
Interest Paid	17.70	32.68	23.10	3.69	0.63	--

**1.8 Undischarged Liabilities**

“Total liabilities” as defined in AFRBM Act, 2005 (FRBM Act) means the liabilities under the Consolidated Fund of the State and the Public Account of the State.

**1.8.1 Fiscal Liabilities-Public Debt and Guarantees**

There are two sets of liabilities namely, public debt and other liabilities. Public debt consists of internal debt of the State and is reported in the Annual Financial Statements under the Consolidated Fund - Capital Account. It includes market loans, special securities issued by RBI and loans and advances from the Central Government. The Constitution of India provides that a State may borrow, within the territory of India, upon the security of its Consolidated Fund, within such limits, as may from time to time, be fixed by an Act of its Legislature and give guarantees within such limits as may be fixed. Other liabilities, which are a part of Public Account, include deposits under small savings scheme, provident funds and other deposits.

Table-21 gives the fiscal liabilities of the State, their rate of growth, ratio of these liabilities to GSDP, to revenue receipts and to own resources as also the buoyancy of fiscal liabilities with respect to these parameters.

**Table-21: Fiscal Liabilities – Basic Parameters**

	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Fiscal Liabilities* (Rupees in crore)	11633	13720	15285	17855	19082	20598
Rate of Growth (per cent)	13.36	17.94	11.41	16.81	6.87	7.94
<b>Ratio of Fiscal Liabilities to</b>						
GSDP (per cent)	30.42	31.66	32.39	34.79	33.13	32.47
Revenue Receipts (per cent)	195.00	202.00	196.80	179.70	158.42	150.71
Own Resources (per cent)	556.60	522.10	506.80	472.00	406.78	385.51
<b>Buoyancy of Fiscal Liabilities to</b>						
GSDP (ratio)	3.282	1.349	1.280	1.961	0.566	0.784
Revenue Receipts (ratio)	2.303	1.292	0.797	0.601	0.324	0.589
Own Resources (ratio)	1.691	0.697	0.773	0.661	0.286	0.572

\* Includes Internal Debt, Loans and Advances from GOI, Small Savings, Provident Funds, etc., Reserve Funds (Gross) and Deposits.

The overall fiscal liabilities of the State increased from Rs.11,633 crore in 2001-02 to Rs.20,598 crore in 2006-07. The growth rate was 7.94 *percent* during 2006-07 over the previous year. The ratio of fiscal liabilities to GSDP also increased from 30.42 *percent* in 2001-02 to 32.47 *percent* in 2006-07. These liabilities stood at nearly 1.50 times the revenue receipts (as against the projection of 3 times in FRBM Act by the year ending 2008-09) and 3.86 times of the States own resources at the end of 2006-07. Buoyancy of fiscal liabilities to GSDP, fiscal liabilities to revenue receipts and to own resources has increased during 2006-07.

In line with the recommendations of the TFC, the State Government set up the Sinking Fund for amortization of market borrowings as well as other loans and debt obligations at the rate of 2 *percent* of the total outstanding debt at the end of each year. As on 31 March 2007 the outstanding balance in the Sinking Fund was Rs.636.74 crore. During 2006-07, Rs.176 crore has been invested in the Sinking Fund.

### 1.8.2 Status of Guarantees-Contingent liabilities

Guarantees are liabilities contingent on the Consolidated Fund of the State in case of default by the borrower for whom the guarantee has been extended. As per **Statement-6** of the Finance Accounts, the maximum amount for which guarantees were given by the State and outstanding guarantees at the end of 2006-07 is given in Table-22.

**Table-22: Guarantees given by the Government of Assam**

(Rupees in crore)

Year	Maximum amount guaranteed	Outstanding amount of guarantees*	Percentage of maximum amount guaranteed to total revenue receipts	Outstanding guarantees as percentage of State's own Revenue** of previous year
2001-02	2865	1854	48.03	96
2002-03	2888	1881	42.51	90
2003-04	2904	1833	37.40	70
2004-05	1034	711	10.41	24
2005-06	1727	1273	14.34	34
2006-07	1563	904	11.44	19

\* Includes interest. \*\* State own revenue includes tax revenue and non tax revenue.

Government has guaranteed loans raised by various corporations and others, which at the end of 2006-07 stood at Rs.904 crore. Out of the total outstanding guarantees, Rs.664 crore (73 *percent*) were towards Assam State Electricity Board. The State Government is yet to implement the recommendation of the TFC by setting up Guarantee Redemption Fund through earmarked guarantee fees. As per FRBM Act, State Government guarantees shall be restricted to 50 *percent* of State's tax and non-tax revenue of previous year, which was within the limit during the last three years. During 2006-07, it was 19 *percent* of SOR showing significant improvement.

### 1.8.3 Debt Sustainability

Debt sustainability is defined as the ability to maintain a constant debt-GDP ratio over a period of time. In simple terms, public debt is considered sustainable as long as the growth of income exceeds the interest rate or cost of public borrowings subject to the condition that the primary balance is either positive or zero.



### • Debt Stabilisation

A necessary condition for stability states that if the rate of growth of economy exceeds the interest rate or cost of public borrowings, the debt-GDP ratio is likely to be stable, provided primary balances are either zero or positive or are moderately negative. Given the rate spread (GSDP growth rate – interest rate) and quantum spread (Debt\*rate spread), debt sustainability condition states that if quantum spread together with primary deficit is zero, debt-GSDP ratio would be constant or debt would stabilize eventually. On the other hand, if primary deficit together with quantum spread turns out to be negative, debt-GSDP ratio would be rising and in case it is positive, debt-GSDP ratio would eventually be falling. Trends in fiscal variables indicating the progress towards debt stabilization are indicated in Table-23.

**Table-23: Debt Sustainability-Interest Rate and GSDP Growth (in per cent)**

	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Average Interest Rate	9.70	9.82	9.97	8.47	8.18	7.75
GSDP Growth	9.12	13.30	8.91	8.75	12.23	10.12
Interest spread	(-) 0.58	3.48	(-) 1.06	0.28	4.05	2.37
Quantum spread (Rs. in crore)	(-) 67.47	477.46	(-) 162.02	49.99	772.82	488.17
Primary Deficit (-) / Surplus (+) (Rs. in crore)	(-) 385	316	51	(-) 654	1866	2228

Table-23 reveals that quantum spread together with primary deficit remained negative during 2001-02 and 2003-04 to 2004-05 resulting an increase in debt/GSDP ratio. Since 2005-06, quantum spread together with primary deficit remained positive resulting in a decline in debt/GSDP ratio from 33.13 percent in 2005-06 to 32.47 percent in 2006-07. This trend indicates that the State is moving towards debt stabilization which in turn may improve the debt sustainability of the State.

### • Sufficiency of Non-debt Receipts

Another indicator for debt stability and its sustainability is the adequacy of incremental non-debt receipts of the State to cover the incremental interest liabilities and incremental primary expenditure. Debt sustainability could be significantly facilitated if the incremental non-debt receipts could meet the incremental interest burden and the incremental primary expenditure. Table-24 indicates the resource gap as defined for the period 2002-07.

**Table-24: Incremental revenue receipts and Revenue Expenditure**

(Rupees in crore)

Period	Incremental				Resource Gap
	Non-Debt Receipts	Primary Expenditure	Interest Payments	Total Expenditure	
	827	126	183	309	(+) 518
2003-04	984	1249	201	1450	(-) 466
2004-05	3521	4426	(-) 42	4184	(-) 663
2005-06	757	(-) 1763	106	(-) 1657	(+) 2414
2006-07	1619	1257	6	1263	(+) 356

The trends in table-24 reveal that the incremental non-debt receipts of the State had been able to meet the incremental interest liabilities and incremental primary expenditure in three years out of the five year period 2002-07. Moreover, the

persistent positive resource gap during the last two years is a pointer towards fiscal and debt sustainability of the State.

#### 1.8.4 Net Availability of Funds

Another important indicator of debt sustainability is the net availability of funds after the payment of the principal on account of earlier contracted liabilities and interest. Table-25 below gives the position of the receipts and repayment of internal debt and other fiscal liabilities of the State over the last six years.

**Table-25: Net Availability of Borrowed Funds**

(Rupees in crore)

	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
<b>Internal debt</b>						
Receipts	7045	6415	7286	7895	7495	1103
Repayment (Principal + Interest)	6355	6937	7599	7203	3484	1486
Net Funds Available	690	(-) 522	(-) 313	692	4011	(-) 383
Net Funds Available (percent)	9.79	-	-	8.77	53.52	-
<b>Loans and Advances from GOI</b>						
Receipts	1259	2058	1452	1297	(-) 3918	13
Repayment (Principal + Interest)	1538	1603	1670	1515	291	294
Net Funds Available	(-) 279	455	(-) 218	(-) 218	(-) 4209	(-) 281
Net Funds Available (percent)	-	22.11	-	-	-	-
<b>Other obligations</b>						
Receipts	1158	1133	1458	2053	1971	2552
Repayment (Principal + Interest)	794	1113	947	1430	2057	2003
Net Funds Available	364	20	511	623	(-) 86	549
Net Funds Available (percent)	31.43	1.77	35.05	30.35	-	21.51
<b>Total liabilities</b>						
Receipts	9462	9606	10196	11245	5548	3668
Repayments (Principal+ Interest)	8687	9653	10216	10148	5832	3783
Net Funds Available	775	(-) 47	(-) 20	1097	(-) 284	(-) 115
Net Funds Available (percent)	8.19	-	-	9.76	-	-

The net funds available on account of the internal debt and loans and advances from GOI and other obligations after providing for the interests and repayments remained negative during the last two years. During the current year, the Government repaid principal plus interest on account of internal debt of Rs.1,486 crore, GOI loan of Rs.294 crore and also discharged other obligations of Rs.2,003 crore as a result of which payment exceeded the receipts during the year. During 2006-07, in view of the large cash balances, the focus of the Government seems to be on discharging the past debt obligations both on account of principal and interest payment on loans raised from the market as well as from the Government of India.

#### 1.9 Management of deficits

Deficit in Government accounts represents the gap between its receipts and expenditure. The nature of deficit is an indicator of the prudence of fiscal management of the Government. Further, the ways in which the deficit is financed and the resources raised and applied are important pointers to its fiscal health.

### 1.9.1 Trends in Deficits

The trends in fiscal parameters depicting the position of fiscal equilibrium in the State are presented in Table 26.

The State although continued to experience revenue deficit during 2001-02 to 2004-05 with inter year variations but took a turnaround in 2005-06 and showed a revenue surplus of Rs.1,509 crore in 2005-06 which further increased to Rs.2,211 crore in 2006-07. This improvement in revenue account during 2005-06 and 2006-07 was mainly on account of steep increase in Central transfers comprising of State's share in Central taxes and duties and grants-in-aid from GOI by Rs.1,200 crore in 2005-06 and Rs.971 crore in 2006-07 over the corresponding previous years. Moreover, the State's own resources comprising of tax and non tax revenue also increased by Rs.908 crore in 2005-06 and Rs.651 crore in 2006-07 over corresponding previous years. Revenue expenditure on the other hand increased by Rs.307 crore in 2005-06 and by Rs.920 crore in 2006-07 resulting in huge surplus on revenue account during the last two years.

The revenue surplus in 2005-06 and 2006-07 accompanied by a substantial reduction in non-plan capital expenditure in 2005-06 (Rs.1,333 crore) moderate increase in plan capital expenditure together with disbursement of loans and advances resulted in a situation of fiscal surplus during 2005-06 and 2006-07. The interest payments amounting to Rs.1,510 crore in 2005-06 and Rs.1,516 crore in 2006-07 led to huge primary surplus of Rs.1,866 crore and Rs.2,227 crore in 2005-06 and 2006-07 respectively.

**Table-26: Fiscal Imbalances – Basic Parameters**

Parameters	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Revenue Deficit (-)/Surplus(+) (Rupees in crore)	(-) 881	(-) 320	(-) 685	(-) 292	(+) 1509	(+) 2211
Fiscal Deficit (-)/Surplus(+) (Rupees in crore)	(-) 1447	(-) 929	(-) 1395	(-) 2058	(+) 356	(+) 712
Primary Deficit (-)/Surplus(+) (Rupees in crore)	(-) 385	(+) 316	(+) 51	(-) 654	(+) 1866	(+) 2228
RD/GSDP (per cent)	(-) 2.56	(-) 0.85	(-) 1.70	(-) 0.67	*	*
FD/GSDP (per cent)	(-) 4.21	(-) 2.47	(-) 3.47	(-) 4.73	*	*
PD/GSDP (per cent)	(-) 1.12	(+) 0.84	(+) 0.13	(-) 1.50	*	*
RD/FD (per cent)	60.88	34.45	49.10	14.19	*	*

(Negative figures indicate deficit)

\* There is revenue surplus

#### • Quality of Deficit/Surplus

The ratio of RD to FD and the decomposition of primary deficit into primary revenue deficit<sup>4</sup> and capital expenditure (including loans and advances) would indicate the quality of deficit in the States' finances. The ratio of revenue deficit to fiscal deficit

<sup>4</sup> Primary revenue deficit defined as gap between non interest revenue expenditure of the State and its non-debt receipts indicates the extent to which the non-debt receipts of the State are able to meet the primary expenditure incurred under revenue account.



indicates the extent to which borrowed funds were used for current consumption. The ratio of RD to FD consistently declined during 2001-05 and thereafter revenue account has shown surplus during the succeeding two years. This trajectory shows a consistent improvement in the quality of the deficit and during the current year, the State has experienced a fiscal surplus indicating that non-debt receipts exceeded the total expenditure, leaving cash balance to meet the past debt obligations.

The bifurcation of the factors that resulted in primary deficit/surplus of the State during the period 2002-07 reveals (Table-27) that throughout this period, the primary deficit was experienced on account of capital expenditure incurred and loans and advances disbursed by the State Government. In other words, non-debt receipts of the State were not only sufficient to meet the primary expenditure<sup>5</sup> in the revenue account, but were able to meet the expenditure under the capital account to some extent except in 2001-02 and 2003-04.

Table-27

(Rupees in crore)

Year	Non-debt Receipts	Primary Revenue Expenditure	Capital Expenditure	Loans and Advances	Primary Expenditure (3+4+5)	Primary Revenue Deficit (-)/ Surplus (+) (2-3)	Primary Deficit (-)/ Surplus (+) (2-6)
1	2	3	4	5	6	7	8
2001-02	5994	3784	513	82	6379	(+) 210	(-) 385
2002-03	6821	5868	506	131	6505	(+) 953	(+) 316
2003-04	7805	7004	622	128	7754	(+) 801	(-) 51
2004-05	11326	8825	2184	974	11980	(+) 2501	(-) 654
2005-06	12083	9026	1085	106	10217	(+) 3057	(+) 1866
2006-07	13702	9940	1453	81	11474	(+) 3762	(+) 2228

### 1.10 Fiscal Ratios

The finances of a State should be sustainable, flexible and non-vulnerable. Table-28 below presents a summarized position of Government finances over 2001-2007, with reference to certain key indicators that help to assess the adequacy and effectiveness of available resources and their application, highlights areas of concern and captures its important facts.

<sup>5</sup> Primary expenditure of the State is defined as the total expenditure net of the interest payments indicates the expenditure incurred on the transactions undertaken during the year.

Table-28 Indicators of Fiscal Health (in per cent)

Fiscal Indicators	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
1	2	3	4	5	6	7
<b>I. Resource Mobilisation</b>						
Revenue Receipts/GSDP	15.60	15.68	16.45	19.36	20.91	21.55
Revenue Buoyancy	3.83	1.18	1.85	2.21	1.71	1.33
Own tax/GSDP	4.07	4.47	4.39	5.29	5.61	5.49
<b>II. Expenditure Management</b>						
Total Expenditure/GSDP	20.25	20.26	21.23	26.08	20.36	20.48
Total Expenditure/Revenue Receipts	124.74	114.09	118.48	134.69	97.36	95.05
Revenue Expenditure/Total Expenditure	92.00	91.78	91.85	76.43	89.84	88.19
Salary & Wage expenditure on Social and Economic Services/Revenue Expenditure	40.96	40.73	39.08	39.27	32.37	32.77
Non-Salary & Wage expenditure on Social and Economic Services/Revenue Expenditure	16.26	15.39	19.01	24.54	27.65	29.61
Capital Expenditure/Total Expenditure*	6.97	6.64	6.86	17.57	9.34	11.26
Capital Expenditure on Social and Economic Services/Total Expenditure*	6.84	6.48	6.66	17.39	9.25	11.08
Buoyancy of TE with RR	0.589	0.299	1.308	1.626	**	0.80
Buoyancy of RE with RR	1.153	0.281	1.314	0.753	0.141	0.648
<b>III. Management of Fiscal Imbalances</b>						
Revenue deficit/surplus (Rs. in crore)	(-) 881	(-) 320	(-) 685	(-) 292	(+) 1509	(+) 2211
Fiscal deficit/surplus (Rs. in crore)	(-) 1447	(-) 929	(-) 1395	(-) 2058	(+) 356	(+) 712
Primary deficit/surplus (Rs. in crore)	(-) 385	(+) 316	(+) 51	(-) 654	(+) 1866	(+) 2228
Revenue Deficit/Fiscal Deficit	60.88	34.45	49.10	14.19	***	***
<b>IV. Management of Fiscal Liabilities</b>						
Fiscal Liabilities/GSDP	30.42	31.66	32.39	34.79	33.13	32.47
Fiscal Liabilities/RR	195.00	202.00	196.80	179.70	158.42	150.71
Buoyancy of FL with RR	2.303	1.292	0.797	0.601	0.324	0.589
Buoyancy of FL with Own Receipts	1.691	0.697	0.773	0.661	0.286	0.572
Net Funds Available	8.19	(-) 0.49	(-) 0.20	9.76	-	-
<b>V. Other Fiscal Health Indicators</b>						
Return on Investment	0.16	1.04	1.17	0.48	0.79	0.93
Balance from Current Revenue (Rs. in crore)	(-) 1238	(-) 1095	(-) 1557	(-) 1383	(+) 433	(+) 332.27
Financial Assets/Liabilities	0.82	0.81	0.78	0.80	0.89	1.01

\* Total expenditure excludes Loans and Advances.

\*\* Rate of growth of Total Expenditure was negative.

\*\*\* There is revenue surplus.

The ratio of revenue receipts to GSDP during the current year is 22 percent, an increase of one percentage point over previous year. During 2001-07, the ratio of own taxes to GSDP showed continued improvement and increased from 4.07 percent in 2001-02 to 5.49 percent in 2006-07.

Various ratios concerning the expenditure management of the State indicate quality of its expenditure and sustainability of these in relation to its resource mobilization efforts. The revenue expenditure as a percentage to total expenditure remained over 88 percent during the last two years 2005-07 indicating its dominant share in the total expenditure of the State leaving capital expenditure at relatively lower level in the State. The ratio of revenue receipts to total expenditure in 2006-07 was 105.21 percent which indicates that the State can meet its total expenditure out of its revenue receipts itself.

The revenue and fiscal surplus experienced by the State during the last two years indicates significant improvement in the fiscal position of the State. The increasing revenue receipts have been able to bring an improvement in the fiscal imbalances of the State which is also reflected by the decreasing ratio of financial liabilities to revenue receipts during the last five years (2002-03 – 2006-07) as well as by falling negative balance from the current revenues from 2002-03, which turned to positive during the last two years. A significant improvement in the fiscal position of the State is also reflected in the increasing assets to liabilities ratio during the last four years.

#### ***1.11 Conclusion***

The fiscal position of the State viewed in terms of key fiscal parameters showed a significant improvement as the State has been able to maintain revenue, fiscal and primary surpluses during 2005-06 and 2006-07 mainly on account of steep increase in Central transfers comprising State's share in Central taxes and duties and grants-in-aid from GOI as well as the State's own resources comprising tax and non tax revenue during these years. Although the fiscal parameters indicate improvement in fiscal health of the State, the non plan revenue expenditure continued to share 75 percent of total expenditure and consumed around 72 per cent of the revenue receipts of the State during the current year. Furthermore, NPRE not only remained significantly higher than the normative assessment of TFC for the State in 2006-07 but the salaries and wages, pension and interest payments continued to consume about 3/4<sup>th</sup> of the NPRE as committed expenditure during the year. Despite the fact that specific grants were recommended by TFC to improve the educational and health indicators in the State, the State has not been able to avail of the second installment of these grants during 2005-06 as well as the grants for the current year. The huge accumulated losses by Statutory Corporations and Government companies, especially in power and transport sectors resulted in negligible rate of return on Government's investment and inadequate interest cost recovery (both being less than one per cent) continued to be a cause of concern and needs attention of the State Government.





## **CHAPTER-II**

### **ALLOCATIVE PRIORITIES AND APPROPRIATION**





## CHAPTER-II

### ALLOCATIVE PRIORITIES AND APPROPRIATION

#### 2.1 Introduction

The Appropriation Accounts prepared annually indicate capital and revenue expenditure on various specified services vis-à-vis those authorised by the Appropriation Act in respect of both charged and voted items of budget.

Audit of Appropriations by the Comptroller and Auditor General of India seeks to ascertain whether the expenditure actually incurred under various Grants is within the authorisation given under the Appropriation Act and that the expenditure required to be charged under the provisions of the Constitution is so charged. It also ascertains whether the expenditure so incurred is in conformity with the law, relevant rules, regulations and instructions.

#### 2.2 Appropriation accounts at a glance

The summarised position of actual expenditure during 2006-2007 against 78 grants/appropriations (75 Grants and three Appropriations) are indicated in Table-1.

**Table-1**

(Rupees in crore)						
	Nature of expenditure	Original grant/appropriation	Supplementary grant/appropriation	Total	Actual expenditure	Saving (-)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Voted</b>	<b>I. Revenue</b>	13783.95	803.24	14587.19	9788.93	(-) 4798.26
	<b>II. Capital</b>	2779.63	226.33	3005.96	1452.98	(-) 1552.98
	<b>III. Loans and advances</b>	148.12	68.14	216.26	80.63	(-) 135.63
<b>Total Voted</b>		<b>16711.70</b>	<b>1097.71</b>	<b>17809.41</b>	<b>11322.54</b>	<b>(-) 6486.87</b>
<b>Charged</b>	<b>IV Revenue</b>	2337.18	6.55	2343.73	1667.84	(-) 675.89
	<b>V Capital</b>	--	1.10	1.10	--	(-) 1.10
	<b>VI Public Debt</b>	1710.10	0.01	1710.11	494.72	(-) 1215.39
	<b>VII Loans and Advances</b>	--	--	--	--	--
<b>Total Charged</b>		<b>4047.28</b>	<b>7.66</b>	<b>4054.94</b>	<b>2162.56</b>	<b>(-) 1892.38</b>
<b>Appropriation to Contingency Fund (if any)</b>						
<b>Grand Total</b>		<b>20758.98</b>	<b>1105.37</b>	<b>21864.35</b>	<b>13485.10</b>	<b>(-) 8379.25</b>



## 2.3 Fulfilment of Allocative Priorities

### 2.3.1 Appropriation by Allocative Priorities:

Out of overall savings of Rs.8,459.86 crore, major savings of Rs.4665.19 crore (55.15 percent) occurred in 10 Grants as indicated in Table-2.

**Table-2**

Grant No.	Grant			(Rupees in crore)	
	Original	Supplementary	Total	Actual Expenditure	Saving
<b>11</b>	<b>Secretariat and Attached Offices (Revenue Voted)</b>				
	1153.83	74.60	1228.43	485.51	742.92
<b>14</b>	<b>Police (Revenue Voted)</b>				
	973.59	29.44	1003.03	776.20	226.83
<b>23</b>	<b>Pension and Other Retirement Benefit (Revenue Voted)</b>				
	1462.68	-	1462.68	1176.93	285.75
<b>29</b>	<b>Medical and Public Health (Revenue Voted)</b>				
	965.58	63.47	1029.05	573.85	455.20
<b>30</b>	<b>Water Supply and Sanitation (Capital Voted)</b>				
	271.00	-	271.00	128.99	142.01
<b>39</b>	<b>Social Security, Welfare and Nutrition (Revenue Voted)</b>				
	477.18	10.46	487.64	182.97	304.67
<b>44</b>	<b>North Eastern Council Schemes (Capital Voted)</b>				
	1075.42	108.78	1184.20	400.55	783.65
<b>56</b>	<b>Rural Development (Panchayat) (Revenue Voted)</b>				
	416.98	147.05	564.03	235.60	328.43
<b>62</b>	<b>Power (Electricity) (Capital Voted)</b>				
	602.71	37.25	639.96	280.76	359.20
<b>71</b>	<b>Education (Elementary, Secondary etc) (Revenue Voted)</b>				
	3194.61	158.50	3353.11	2316.58	1036.53
<b>Total</b>	<b>10593.58</b>	<b>629.55</b>	<b>11223.13</b>	<b>6557.94</b>	<b>4665.19</b>

Reasons for savings were not intimated by the departments.

Areas in which major savings occurred in these ten Grants are given in **Appendix-2.1**.

In 67 cases, savings exceeding Rs.1 crore in each case and also by more than 10 percent of the total provision are indicated in **Appendix-2.2**.

### 2.3.2 Excess requiring regularisation

#### 2.3.2.1 Excess over provision relating to previous years requiring regularisation

As per Article 205 of the Constitution of India, it is mandatory for the State Government to get the excess over a grant/appropriation regularised by the State Legislature.

The year-wise position of excesses yet to be regularised is given in Table-3

**Table-3**

(Rupees in crore)

Year	Number of cases		Amount of excess		Total
	Voted Grants	Charged Appropriation	Voted	Charged Appropriation	
2002-03	5	6	109.54	1509.32	1618.86
2003-04	4	3	3.44	400.92	404.36
2004-05	5	6	0.81	5.07	5.88
2005-06	2	2	1.69	0.76	2.45
<b>Total</b>	<b>16</b>	<b>17</b>	<b>115.48</b>	<b>1916.07</b>	<b>2031.55</b>

The Act of the Legislature regularising excess expenditure for the years 2000-01 and 2001-02 was received on 20 February 2006. The Public Accounts Committee is yet to regularise the total excess expenditure of Rs.2,031.55 crore for the years from 2002-03 to 2005-06.

### 2.3.2.2 Excess over provision during 2006-07 requiring regularisation

The overall savings of Rs.8,459.86 crore in 74 cases of grants (Rs.6,567.36 crore) and 14 cases of appropriations (Rs.1,892.50 crore) in 2006-07 was offset by an excess of Rs.80.61 crore in two charged appropriations (Rs.0.12 crore) and four grants (Rs.80.49 crore) resulting in net savings of Rs.8,379.25 crore during 2006-07. The excess of Rs.80.61 crore during the year requires regularisation under Article 205 of the Constitution. The details are given in Table-4. In 2005-06 also there were overall savings of Rs.7,161.23 crore and excess expenditure of Rs.2.45 crore. Recurrence of savings/excess indicates that the Government has not taken effective corrective action with regard to preparation and management of budget.

**Table-4**

(Rupees in thousand)

Year	Number/Name of Grants/ Appropriations	Total Grant/ Appropriation	Actual expenditure	Amount of Excess
2006-07	8-Excise and Prohibition (Revenue Charged)	368.00	400.00	32.00
	12-District Administration (Capital Charged)	99.00	1251.00	1152.00
	30-Water Supply and Sanitation (Revenue voted)	1908185.00	2432047.00	523862.00
	54-Fisheries (Capital voted)	-	1.00	1.00
	58- Industries (Capital Voted)	641000.00	915445.00	274445.00
	60- Cottage Industries (Capital Voted)	11500.00	18088.00	6588.00
	<b>Total</b>	<b>2561152.00</b>	<b>3367232.00</b>	<b>806080.00</b>

### 2.3.3 Supplementary provision

Supplementary provision made during the year constituted 5.32 percent of the original grant/appropriation as against 6.60 percent in the preceding year.



#### 2.3.4 Unnecessary/inadequate supplementary provision

Supplementary provision of Rs.861.24 crore (Revenue: Rs.635.07 crore and Capital: Rs.226.17 crore) in 56 cases of grants/appropriations as detailed in **Appendix-2.3** proved unnecessary in view of substantial savings in all these cases. In fact, savings were much higher than the supplementary provision in all these cases.

#### 2.3.5 Persistent savings

In 26 grants, there were persistent savings in excess of Rs.10 lakh in each case, representing 20 percent or more of the total provision during the last three years. Details are given in **Appendix-2.4**.

#### 2.3.6 Anticipated savings not surrendered

As per the rules framed by the Government, the spending Departments are required to surrender the grants/appropriation, or portion thereof, to the Finance Department as and when savings are anticipated. However, at the close of the year there were grants/appropriations in which large savings had not been surrendered by the Departments. In 50 grants, savings exceeding Rs.1 crore each remained to be surrendered at the end of 2006-2007. The amount involved was Rs.5,240.56 crore. Details are given in **Appendix-2.5**.

#### 2.3.7 Injudicious/Unnecessary re-appropriation

Re-appropriation is transfer of funds within a grant from one unit of appropriation where savings are anticipated, to another unit where additional funds are needed. Significant cases where injudicious re-appropriation of funds resulted in savings by over Rs.25 lakh in each case are given in Table-5.

**Table-5**

(Rupees in lakh)

Sl. No	Number and name of grant/ Appropriation and head of account	Total Provision	Re-appropriation	Total	Actual expenditure	Savings (-)
1	9-Transport Service 5055 Capital Outlay on Road Transport 190 Investment in Public Sector and Other undertakings	850.00	150.00	1000.00	537.50	(-) 462.50
2	14-Police 2055-Police II-State Plan & Other Non Plan Schemes 104-Special Police	2077.09	299.00	2376.09	961.54	(-) 1414.55
3	18-Fire Services 2070 Other Administrative Services II State Plan and Non-Plan Schemes 108 Fire Protection & Control Fire Service Station	2795.38	100.00	2895.38	2652.76	(-) 242.62
4	49-Irrigation 2702 Minor Irrigation II State Plan and Non-Plan Schemes 80 General 001 Direction and Administration	9941.63	650.00	10591.63	9759.92	(-) 831.71

**2.3.8      *Trend of recoveries and credits***

Under the system of gross budgeting followed by the Government, the Demands for Grants presented to the Legislature are for gross expenditure and exclude all credits and recoveries, which are adjusted in the accounts as reduction of expenditure. The estimated recoveries and credits are being shown separately in the Budget estimates. During the year 2006-07 such recoveries were estimated at Rs.24.90 crore against which, the actual recoveries were Rs.0.24 crore. The shortfall in recoveries was mainly under 17 – Administrative and Functional Buildings (Rs.6.81 crore), 24 – Aid Material (Rs.16.99 crore) and 64 – Roads and Bridges (Rs.0.64 crore).





## CHAPTER-III

### PERFORMANCE REVIEWS

- *Working of State Fire Service Organisation*
- *Nutrition Programme under ICDS*
- *Information Technology Audit of Computerisation of Treasuries in Assam*
- *Roads and Bridges funded by North Eastern Council (NEC)*
- *Procurement and Distribution of Medicines*
- *Educational Development of Scheduled Castes and Scheduled Tribes*





## CHAPTER-III PERFORMANCE REVIEWS

### HOME (POLICE) DEPARTMENT

#### 3.1 Working of State Fire Service Organisation

##### Highlights

*Fire services are an essential respondent to calamities in the State to save life and property. The State Fire Service Organisation (SFSO) is responsible for prevention, control and fire fighting to ensure safety of life and property in case of fire related hazards. There were deficiencies in creation of infrastructure, manpower management, training and awareness campaigns. There were also inadequate preparedness for disaster management. Monitoring mechanism was non-existent in the organization. Performance audit of the working of the State Fire Service Organisation (SFSO) revealed the following major shortcomings.*

*There was shortage of 69 percent (in urban areas) and 97 percent (in rural areas) in the required number of fire stations as per norms.*

*(Paragraph 3.1.8.1)*

*Manpower sanctioned for regular stations were diverted to man ad hoc stations.*

*(Paragraph 3.1.8.2)*

*There was acute shortage of manpower in all categories ranging from 49 percent to 54 percent during the years 2002-03 to 2006-07.*

*(Paragraph 3.1.9)*

*Expenditure of Rs.1.32 crore incurred on the Training institute in 2002-07 remained largely unfruitful.*

*(Paragraph 3.1.11.2)*

*Against SFAC requirement of provision of static tanks at various locations, out of 38 fire stations, static tanks existed only in 4 fire stations.*

*(Paragraph 3.1.13)*

*Regular inspection of high rise buildings to ensure adoption of fire safety/preventive measures was not done.*

*(Paragraph 3.1.14.2)*

*Out of 494 major fire calls attended in rural areas, 137 were attended with response time in excess of 20 minutes prescribed.*

*(Paragraph 3.1.15.3)*

##### 3.1.1 Introduction

State Fire Service Organisation (SFSO) is responsible for prevention, control and fire fighting to ensure safety of life and property, in case of fire related hazards, through rescue, salvage or other special type jobs. The Union Ministry of Home Affairs has identified (June 2005) fire service as the first technical respondent in man made and natural disasters.

A Standing Fire Advisory Council (SFAC), an apex body at national level, set up by the Ministry of Home affairs, with representatives from State/UT Governments as members and chaired by a nominee from the Ministry, advises the State Governments/Fire Service authorities on various issues relating to fire service including administration, legislation, training, equipment etc.



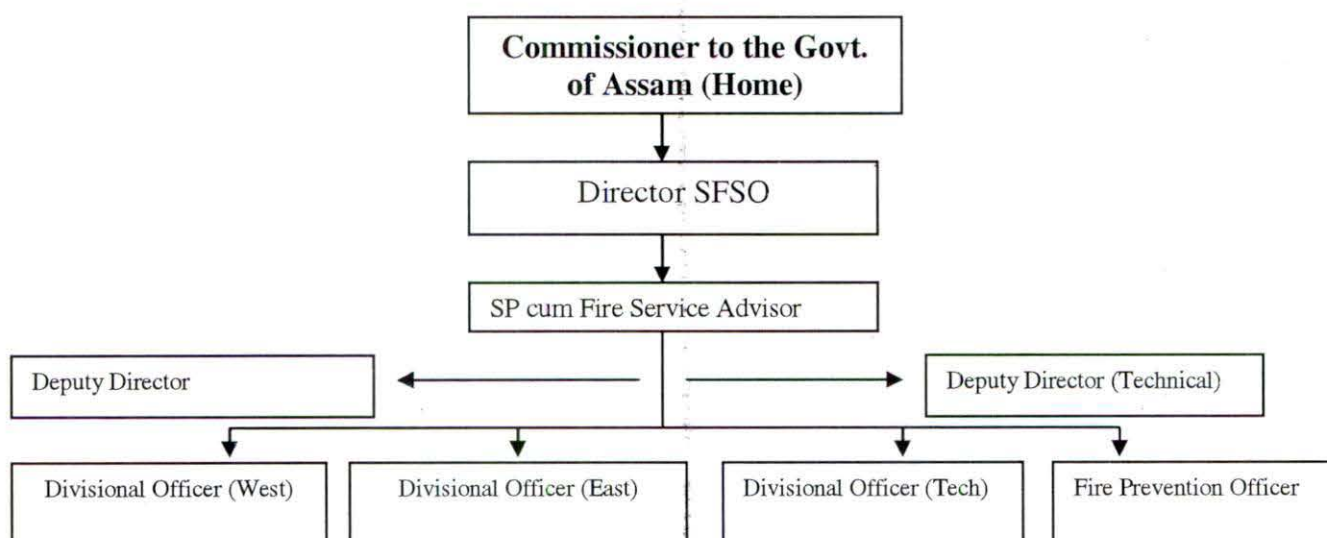
Government of Assam, on the recommendation of SFAC, enacted the Assam Fire Service Act, 1985 and framed the Assam Fire Service Rules 1989 thereunder. The relevant provisions of National Building Code of India, 1983 were also adopted in the aforesaid Rules.

### **3.1.2      *Organisational set up***

The Commissioner, Home Department is the administrative head of the organization at the Government level. The Director<sup>1</sup> is in-charge of the SFSO, under the overall supervision and control of the Commissioner, Home and Director General of Police, Assam.

The organizational structure of the SFSO is given in Chart-I below:

**Chart-I**



### **3.1.3      *Scope of audit***

Performance review of the functioning of the SFSO covering the period 2002-03 to 2006-07 was conducted during April/ May 2007 through a test check of records of the Director, SFSO, Assam, Guwahati, 38 fire stations of seven selected districts (Kamrup, Karbi Anglong, Nagaon, Nalbari, Tinsukia, Silchar and Karimganj) and Training Institute, Sila, North Guwahati.

### **3.1.4      *Audit objectives***

The objectives of the review were to assess, whether:

- The objectives of setting up the SFSO were achieved
- The tasks of fire fighting, preventive and awareness campaigns were planned and carried out in an efficient and effective manner.
- Prescribed financial principles for budgeting, release and utilisation of funds were followed.
- Training was being conducted in an efficient and effective manner.

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<sup>1</sup> In the rank of Inspector General of Police

- A proper system of management of manpower and deployment of equipment was in place.

### 3.1.5 *Audit criteria*

The audit objectives were benchmarked against the following criteria:

- SFAC norms
- Assam Fire Service Act, 1985
- Assam Fire Service Rules, 1989
- Government's orders issued from time to time
- Prescribed monitoring system

### 3.1.6 *Audit Methodology*

The performance audit commenced with an entry conference on 23 April 2007 with the Additional Secretary to the Government of Assam, Home Department and SFSO officials wherein the objectives, methodology and modalities of the review were discussed. The test checked records were selected based on statistical sampling wherein fire stations in 7 out of 23 districts were selected on the basis of number of fire incidents. The data/information collected from the Directorate and field stations, was analyzed. An exit conference with the organization is yet to be held.

## Audit findings

### 3.1.7 *Financial management*

#### 3.1.7.1 *Budget and expenditure*

The details of budget allocation and expenditure incurred by the Department during 2002-03 to 2006-07 are given in Table-1.

**Table-1**

(Rupees in crore)

Year	Budget allocation	Expenditure	Savings	Percentage of shortfall in utilisation of funds
1	2	3	4	5
2002-03	22.10	19.00	3.10	14
2003-04	33.03	19.15	13.88	42
2004-05	31.03	20.16	10.87	35
2005-06	25.37	18.69	6.68	26
2006-07	33.37	30.41	2.96	9
<b>Total</b>	<b>144.90</b>	<b>107.41</b>	<b>--</b>	<b>--</b>

Source: departmental figures

From the above table, it may be seen that there were savings in all five years ranging from 9 to 42 *percent* indicating unrealistic budget proposals of the Department, followed by unrealistic budget provision as well as the inability of the Department to consume the full allocation.

The reason for savings was stated to be mainly due to non-filling up of vacancies and non sanction/non release of funds by the State Government.



### **3.1.7.2 Non conformation to recommended funding pattern**

As per SFAC recommendations, the cost of establishment and maintenance of fire service should be treated as plan expenditure since one of the major objectives of developing fire service in any State is to consolidate the gains accruing from the Five Year Plans. However, contrary to these recommendations, the State Government excluded the provisions of the fire service from State Plan Sector in the budget from the financial year 1993-94, reason for which were neither on record nor stated.

### **3.1.7.3 Deficiencies in cash and financial management**

Financial Rules for maintenance of cash book, e.g. regular entry, physical verification, avoidance of overwriting, vouching for correctness of entries through periodical verification by the DDO/Head of Office etc were not followed in the Directorate. The Cashier-cum-Accountant maintained a Disbursement Register and writing of Cash Book was in arrears from 26 July 2006, till date of audit (July 2007) in SFSO headquarters, the only DDO for the entire Fire Services Organization. Strict measures were not adopted by the DDO for regular submission of Disbursement Register and Cash Book. There was retention of heavy cash balance every month ranging from Rs.0.14 crore to Rs.2.22 crore during 2002-03 to 2006-07. Misappropriation/mis-utilisation of funds in the absence of strict compliance with financial rules cannot be ruled out. Further, the centralized system of drawing and disbursement resulted in extra expenditure of Rs.36.17 lakh during 2002-03 to 2006-07 on travel expenses of staff deployed for collecting salaries etc. from headquarters.

### **3.1.7.4 Non imposition of fire tax**

The Assam Fire Service Act, 1985 and Rules/orders made thereunder provide for imposition of fire tax as surcharge on property tax (maximum 10 *percent*) and fees for different types of special jobs and issue of licences for warehouse, workshop etc. subject to fixation of such fee and identification of licence and jobs through notification by the Government. Test check of records revealed that in spite of clear provisions in the Act, no notification was issued till date, jobs/licenses were not identified and rate was not fixed by the Government. As a result, revenue in the form of fire tax to the tune of Rs.4.82 crore (at maximum rate) remained unrealized which could have been generated during 2002-03 to 2006-07 in Guwahati city besides other fees.

## **Implementation**

### **3.1.8 Non-adherence to SFAC norms for fire stations**

#### **3.1.8.1 Inadequate Fire Stations**

As per SFAC norms for establishment of fire stations, there should be one station per 10 sq. km in urban areas and one station per 50 sq. km in rural areas. As per these standards, Assam should have 96 stations in urban areas, and 1,549 stations in rural areas against which, 30 stations were set up in urban areas and 53 in rural areas as of March 2007. Thus, there was shortage of 69 *percent* (in urban areas) and 97 *percent*

(in rural areas) in the required number of stations as per norms which amounted to 75,488 sq. km.<sup>2</sup> area not being covered by SFSO.

Further, keeping in view the necessity to cover the entire State, to reach down to village level and also considering the difficulty in finding adequate resources, the SFAC recommended four types of fire stations at village, block, sub-divisional and district level. Of these, village and block level fire posts were to be manned by volunteers with minor equipment and appliances.

Test-check of records in seven selected districts revealed that fire posts were not established in 9,190 villages and volunteer fire stations at 87 blocks. As urban fire stations had to cover rural areas also, 38 stations of seven selected districts could cover only 1,900 sq. km area (as per norm of 50 sq. km per station) against an area of 30,397 sq. km in these seven districts. Thus, 28,497 sq. km of area is yet to be covered.

Deficiencies in service, owing to shortage in fire stations, like belated response, non-response etc. to fire incidents, could not be ascertained due to non-availability of information/data in this regard.

### 3.1.8.2 Adhoc fire stations – non-assessment of requirement

Fire service in each State should be so organized that it should be able to fight fire anywhere within the State with minimum loss of life and property. The State Government sanctioned and established 52 fire stations up to 1987-88. Thereafter 31 adhoc fire stations were opened during April 1988 to April 2005 for which approval/sanction was not obtained from the competent authority. Of this, one adhoc station (Santipur) was merged subsequently with one sanctioned station (Guwahati) during 2006-07.

The criterion of opening such adhoc stations was stated to be public demand. The Department did not set any standard for manning the adhoc stations with manpower, equipment etc, in the absence of which, deficiencies, if any, in these managing stations could not be evaluated.

These adhoc stations were run by the SFSO by diverting the manpower and resources of the existing 52 sanctioned fire stations during 2002-03 to 2006-07. The cost of manpower for such diversion amounted to Rs.10.13 crore during the said period and the amount of other resources diverted in the form of material/equipment could not be ascertained due to non-maintenance of relevant records. Due to this diversion, all the fire stations in the State suffered from shortage of manpower and equipment. Consequently the fire stations had to deploy lesser fire fighting crew and equipment for combating fire incidents which resulted in deficiencies of services as discussed subsequently in the relevant paragraphs.

2

Total area (in sq. km)	Requirement of FS as per SFAC norms	Actual number of stations	Area covered with actual number of stations (in sq. km)	Balance area not covered (in sq. km)	Shortfall in coverage (Per cent)
Urban - 961.77	96 <sup>1</sup>	30	300 (30x10)	661.77	69
Rural - 77476.23	1549 <sup>2</sup>	53	2650 (53 x 50)	74826.23	97
<b>TOTAL - 78438.00</b>	<b>1645</b>	<b>83</b>	<b>2950</b>	<b>75488.00</b>	



### 3.1.8.3 Opening of Adhoc Stations beyond norm

As mentioned in paragraph 3.3.8.1, the norms for setting up fire stations in rural area is one fire station per 50 sq. km. area. Test check of records in selected districts revealed that three fire stations in rural area were opened during 2003-04 to 2004-05 within 13 to 16 km of existing fire station. These fire stations were opened on public demand beyond the scope of norms. Besides, fire calls attended by these stations during 2003-04 to 2006-07 as shown in Table-2 below varied from 9 to 13 on an average basis against the State average of 19 to 49 during the same period which indicates that opening of those stations contiguous to existing stations in the back drop of overall shortfall in the State was not judicious.

**Table -2**

Name of District	Name of Adhoc Station/ Category	Distance from nearest fire station	Date of opening of Fire Station	Year	Serious calls	Major calls	Medium calls	Small calls	Total	Average
Nagaon	Sonaribali (Rural)	(Nagaon) 26 Km	27/5/2003	2003-04	-	1	1	12	14	13
				2004-05	-	-	-	10	10	
				2005-06	1	-	1	7	9	
				2006-07	-	2	1	18	21	
				<b>G/Total</b>	<b>1</b>	<b>3</b>	<b>3</b>	<b>47</b>	<b>54</b>	
	Dabaka (Rural)	(Hojai) 20 Km	6/10/2004	2004-05	-	-	1	2	3	11
				2005-06	-	3	-	12	15	
				2006-07	-	1	1	12	14	
				<b>G/Total</b>	<b>-</b>	<b>4</b>	<b>2</b>	<b>26</b>	<b>32</b>	
Cachar	Udarband (Rural)	(Silchar) 13 Km	4/4/2005	2005-06	-	6	1	4	11	9
				2006-07	-	1	2	4	7	
				<b>G/Total</b>		<b>7</b>	<b>3</b>	<b>8</b>	<b>18</b>	

Source: Departmental records

### 3.1.8.4 Improper accommodation of fire station

Test-check of records of the selected fire stations revealed that out of 38 fire stations, only 11 were housed in own buildings, 16 fire stations were in rented buildings and 11 stations were provided buildings free of cost by other agencies. Out of 38 fire stations seven stations had no appliance room to keep the fire tenders. Further, accommodation like separate rooms for office work, store, rest, record and classroom as per SFAC norms for different categories of fire stations were not available in fire stations of the selected district. Deficient infrastructure has a negative impact on the performance of the fire stations.

### 3.1.9 Manpower management

The year wise position of requirement of manpower and men in position in test checked fire stations are as below:

**Table - 3**

Year	No of Fire Stations	No. of Fire tenders	Requirement of fire fighting personnel as per SFAC norms	Actual Men-in-position	Shortfall	Percentage of shortfall
2002-03	35	96**	1072	542	530	49
2003-04	36	96**	1085	526	559	51
2004-05	37	96**	1093	507	586	54
2005-06	38	94**	1079	537	542	50
2006-07	37	94**	1077	534	543	50

Source: Departmental figures and Compendium of recommendations of SFAC \*\* Including three water lorries

Thus, there was acute shortage of manpower in all categories ranging from 49 *percent* to 54 *percent* during the years 2002-03 to 2006-07. This indicated that the SFSO was not adequately prepared to cater to a fire emergency. Category wise details of shortages of staff is given in *Appendix-3.1*.

However, contrary to the above position of shortages of manpower in fire stations, Directorate office had significantly large staff over sanctioned posts in all categories ranging from 66 to 223 personnel except in respect of station officer during 2002-03 to 2006-07 (*Appendix-3.2*).

The above excess manpower comprised mainly of drivers in Motor Transport Branch ranging from 17 to 56 and from 44 to 172 firemen in Reserve Branch of the Directorate during the above period without any sanction for the respective branches.

Non accordal of a single sanction for the post of drivers for the Directorate having fleet of vehicles (2002-03: 32; 2003-04: 32; 2004-05: 31; 2005-06: 22; 2006-07: 31) and retention of firemen in Reserve Branch, which neither attends fire calls nor has any fire tender at its disposal, indicates poor manpower management. Such excess retention of firemen in headquarters at the expense of the fire stations adversely compromised the fire fighting preparedness of the fire stations in fire fighting duties. On this being pointed out, the Department stated that the excess deployment in Directorate was essential for maintaining different branches of the Directorate. The reply is not tenable, as, if the same is justified fresh staff sanctions should have been obtained.

### 3.1.10 Equipments

#### 3.1.10.1 Shortage of water tenders

The sanctioned fire stations were classified into four different categories as two, three, four and six pumping unit stations. The adhoc fire stations were not classified in any of these categories. The Department clarified (July 2007) that the Organisation has its own norm for requirement of fire tenders according to which the year wise requirements of water tenders of the State as determined by the SFSO during the years 2002-03 to 2006-07 is given in Table-4:

**Table-4**

Category of station	Requirement of fire tenders per station as fixed by SFSO	2002-03		2003-04		2004-05		2005-06		2006-07	
		No of stations	Requirement	No of stations	Requirement	No of stations	Requirement	No of stations	Requirement	No of stations	Requirement
6 pumping unit station	8	1	8	1	8	1	8	1	8	1	8
4 pumping unit station	6	10	60	10	60	10	60	10	60	10	60
3 pumping unit station	4	14	56	14	56	14	56	14	56	14	56
2 pumping unit station	3	27	81	27	81	27	81	27	81	27	81
Adhoc station	2	23	46	25	50	29	58	31	62	30	60
<b>TOTAL</b>		<b>75</b>	<b>251</b>	<b>77</b>	<b>255</b>	<b>81</b>	<b>263</b>	<b>83</b>	<b>267</b>	<b>82</b>	<b>265</b>

Source: Information furnished by the Department

The SFAC norm for requirement of pumping units depends on the population of the township. The above category-wise requirement as furnished by the Department



neither conforms to the SFAC recommendations for determining requirement on the basis of population or local needs ascertained through proper survey. However, the information furnished showing availability of water tender pumps (WTPs) in running condition during the above period indicated shortages of water tenders for the entire State as shown in Table-5 below:

**Table-5**

Year	2002-03	2003-04	2004-05	2005-06	2006-07
<b>Requirement</b>	251	255	263	267	265
<b>Available WTPs in working condition</b>	161	177	152	169	157
<b>Shortage</b>	90	78	111	98	108

Source: Information furnished by the Department

Thus, the Department was not well equipped with the required number of water tenders to combat fire during the period of audit. As per paragraph 3.1.7.1 funds were not a constraint.

### **3.1.10.2 Inadequate rescue tender and special appliances**

As per SFAC norms, one rescue tender per 3 to 10 lakh population and one or more special vehicles like turnable ladder, hydraulic platform, emergency tender/advance rescue tender, hose laying tender, lighting van, control post van, breakdown van, mobile workshop for repair, mobile workshop for telecommunication should be provided at selected stations or fire service divisional headquarters.

Test-check of records revealed that except for Guwahati, no city/town in Assam had more than three lakh population and required one rescue tender against which, there were two rescue tenders at Directorate. Other equipments like turn table ladder, hydraulic platform, hose lying tender, mobile workshop were not provided in any fire station of the selected districts. As a result, these fire stations remained ill equipped to combat fire hazards. As per paragraph 3.1.7.1 funds were not a constraint.

### **3.1.10.3 Shortage of breathing apparatus**

As per norms of two breathing apparatus per tender, there should have been 184 breathing apparatus for 92 tenders of 38 fire stations in the seven selected districts. Test check of records, however, revealed that there was only 39 breathing apparatus in 27 out of 38 fire stations. Further, of these, 30 apparatus had already exhausted their shelf life of four years. Thus there was a shortage of 175<sup>3</sup> apparatus. As per paragraph 3.1.7.1 funds are not a constraint.

### **3.1.10.4 Inadequate stock of foam compound**

As per SFAC norms, minimum stock of foam compound should be 500 litres per station. Audit scrutiny revealed that 10 out of the 38 selected stations had no foam compound in stock, 24 fire stations had less quantity ranging from 8.04 litres to 340 litres and only four stations had adequate stock of foam compound.

### **3.1.10.5 Absence of extra heavy tender/Ambulance/Motor Cycle**

As per the recommended organizational structure, every fire station should have one extra heavy Water Tender, one Ambulance and one Motorcycle. Test check of records

<sup>3</sup> 184 – (39-30) = 175 (Including three water lorries)

revealed that none of the 38 fire stations in seven districts had any Motorcycle, Ambulance and extra heavy Water Tender though funds were not a constraint.

**3.1.10.6 Absence of jumping cushion**

The recommended structure also provided that cities with high-rise buildings should have one pneumatic jumping cushion. Scrutiny revealed that such appliance was not available with any of the test checked fire stations.

**3.1.11 Training and awareness campaigns**

**3.1.11.1 Inadequate training of fire service personnel**

The SFAC recommended that lower ranked fire fighting staff were required to be provided with continuous training to keep them continually fit and in readiness. Test check of records 38 fire stations of seven selected districts revealed that training for refresher courses of in-service personnel was not provided in any station during 2002-03 to 2006-07. Further, in 17 stations, no training for any other courses like Sub-Officer's Training Course, Basic Fire Fighting Training Courses etc. was also held during the period. Such trainings provided in 21 stations was negligible and was just 1 to 4 persons per station per year. Also, no target or schedule was fixed for training. Thus, the training aspect was neglected by SFSO, which adversely affected performance and delivery of fire service in the State, which otherwise also was operating on 49 to 54 percent vacancies.

**3.1.11.2 Inadequate training courses at training school**

As per SFAC recommendations, each State should establish a Training Bureau and conduct training programmes for Fireman, Asstt Station Officer, Driver, Leading fireman recruits on general fire fighting, usage of breathing apparatus, fire prevention and radio telephony courses.

Scrutiny revealed that there was one Elementary Fire Fighting Training School at Sila (North Guwahati) since December 1968 which was upgraded into North East Regional Fire Fighting Training Centre in April 2004 and was providing some training courses during 2002-03 to 2006-07 as given in Table-6:



**Table-6**

Year	Intake capacity	Number of Trainees	Name of course	Duration (weeks)	Trainee weeks available	Trainer weeks utilised	Percentage of utilisation	Short fall (percentage)	Expenditure (Rs. In lakh)
2002-03	100	87	Basic Fire Fighting	25	5200	2215	43	57	23.72
		10	Refresher/special	4					
2003-04	100	55	Sub-officer/Basic Fire Fighting	25	5200	1383	27	73	24.48
		2	Refresher's	4					
2004-05	100	68	Sub-Officer/Basic Fire Fighting	25	5200	1940	37	63	27.60
		60	Refreshers/special	4					
2005-06	100	95	Sub-Officer/Basic Fire Fighting	25	5200	2411	46	54	31.08
		2	Motor Maintenance	10					
		4	Refresher's	4					
2006-07	100	101	Sub-Officer's/ Basic Fire Fighting	25	5200	2675	51	49	25.16
		15	Motor maintenance	10					

Source: Information furnished by the Department

Shortage of slot utilization ranged from 49 percent to 73 percent. Thus, the expenditure of Rs.1.32 crore during 2002-03 to 2006-07 remained largely unfruitful. The Training School was under utilised also on account of overall shortages in the Department ranging between 49 to 54 percent.

### 3.1.11.3 Awareness programme

Awareness of fire safety and preventive measures amongst public ensures reduction in occurrence of fire.

Scrutiny of records revealed that during 2002-07, amongst 38 stations of selected districts, three stations viz. Tinsukia, Pandu and Guwahati held awareness campaigns but could not produce details of campaigns held. Further, nine<sup>4</sup> stations of Nagaon district stated that campaigns were held during Awareness day on 14<sup>th</sup> of April every year. The remaining 26 stations of selected districts did not carry out any awareness campaigns. Also, the SFSO has not formulated any guidelines or issued directives in this regard.

### 3.1.12 Deficiency in preparedness

#### 3.1.12.1 Inaction on GOI's directives for disaster management

The Union Home Ministry identified (June 2005) fire service as the technical first respondent to man made and natural disasters and drew up a project (2 May 2006) for

<sup>4</sup> Kamrup, Lanka, Kaliabor, Lunding, Dhing, Dabaka, Nagaon, Sonaribali, Hojai.

converting the State Fire Service into all hazard Emergency Response unit with one time financial assistance of Rs.1.05 crore spread over a period of four years and called for the views/response of the State Government within a month.

In response, the SFSO submitted (September 2006) a proposal to the State Government for Rs.47.38 lakh for vehicles, Rs.24.80 lakh for construction of fire stations, Rs.15.32 lakh for Training Institute and Rs.17.26 lakh for manpower. The SFSO, however, could not provide the justification for preparing these requirements. Records showing sending of the proposal to the GOI could not be furnished and no fund had been released till March 2007.

#### **3.1.12.2 Inadequate training and preparedness for disaster management**

The SFSO set up (November 2003) a Search and Rescue Team with three operational groups for Jhalukbari, Panbazar and Basistha areas comprising eight fire service personnel in each group headed by Deputy Director of fire service as team commander and assisted by a Deputy Team Commander. Four station officers were trained (September 2005) at National Civil Defense College, Nagpur for two weeks for search and rescue operations. Imparting of systematic periodic training to the lower ranked officials by the trainers was, however, not found on record. Besides, disaster management equipments, like rescue tenders, hydraulic platform, emergency rescue vehicle etc. were not purchased. Thus, in the absence of adequate training, equipments etc. the SFSO is ill equipped to discharge its responsibilities efficiently as first technical respondent for disaster management.

#### **3.1.12.3 Inadequate Drills**

As per prescribed norms in the Drill Manual, regular drills are to be performed by fire staff for efficient and prompt combating of fire and other disasters. Test check of records (May 2007) of 38 selected fire stations (7 districts) revealed that 34 fire stations did not have any "Drill ground" of their own. Only four<sup>5</sup> fire stations out of 38 selected stations had their drill grounds. There was nothing on record to show that drills were held regularly in stations which had no ground, and drills held, if any, in stations that had drill ground, were of satisfactory level. The Department stated that regular drills could not be held due to shortage of staff and no report/return was being submitted ensuring monitoring of regular drills in field.

#### **3.1.12.4 Inadequacy in communication facilities**

Adequate communication system is essential in fire fighting and rescue operations for rendering quick and effective service. Scrutiny revealed that SFSO, Assam did not have wireless communication facility. In 10 out of 38 fire stations test checked, fire calls were received through Police Station, as they did not have even telephone facility. In case of 21 stations, even though telephone facility existed, there was no toll free special help number. This adversely affected the effectiveness of the fire stations especially when the Department did not have fund constraints.

#### **3.1.12.5 Non provision of residential accommodation**

As per SFAC norms, rent-free accommodation should be provided to all members of the service at the fire station premises or in the neighbouring locality to enable quick

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<sup>5</sup> Tinsukia : 2000 Sq.ft; Guwahati : 5000 Sq.ft; Dispur : 5000 Sq.ft; Pandu: 1000 Sq.ft.



response to fire calls. Test-check of records revealed that 31 fire stations (82 per cent) did not have any rent free quarters and seven stations (18 per cent) did not have sufficient quarters to accommodate all members as tabulated below:

**Table-7**

Name of District	Number of stations	Number of Staff as of 31/3/07	Accommodation required to be provided	Accommodation actually provided	Short fall	Percentage of shortfall
Kamrup	11	231	231	9 <sup>6</sup>	222	96
Cachar	5	33	33	4	29	88
Nalbari	4	68	68	-	68	100
Nagaon	9	108	108	1	107	99
Karbi-Anglong	2	26	26	4	22	85
Karimganj	3	26	26	4	22	85
Tinsukia	4	42	42	-	42	100

Source: Information furnished by the Department

### **3.1.13 Inadequate water supply**

Adequate supply and reserve of water is a must for fire fighting. The Model Rule under Fire Force Bill provides that the Director of fire service should take all reasonable measures for adequate supply of water and in particular, provision for reserve water of one gallon per head of the population. The SFAC further stated that it would be necessary to provide storage tanks (Static tanks) at various locations in the towns.

Scrutiny revealed that out of 38 fire stations, only in four fire stations, five static tanks existed (Silchar: 2; Guwahati: 1; Tinsukia: 1; Dispur: 1). The sources of water supply in other fire stations were primarily natural sources viz. public/private ponds, rivers etc.

Further, Administrative Reports for the years 2004-05 to 2006-07 indicated that none of the cities and towns had adequate water supply for fire fighting and proposals were being sent to appropriate authorities for installation of static tank and water hydrants.

The Director assessed (November 2006) the requirement of 291 fire hydrants and 170 under ground water tanks for 79 fire stations (49: sanctioned; 30: adhoc) but the basis of assessment of requirement was not available on record. This clearly indicates that adequate supply and reserve of water, a basic requirement for fire fighting, could not be ensured till 2006-07.

### **3.1.14 Fire prevention**

#### **3.1.14.1 Lack of planning for preventive measures**

The Assam Fire Service Act 1985 and rules made thereunder entrust the responsibility of implementation of fire safety/prevention measures to the SFSO, Assam.

The fire prevention measures include issuing of No Objection Certificate (NOC) about fire preventive/safety measures for construction of buildings above 15 metres height, license for warehouse, workshop and place of public gathering including temporary structures. Audit scrutiny revealed that out of 1,035 applications seeking

<sup>6</sup> Barrak accommodations which do not fall under the purview of rent-free quarters.

NOC in connection with fire preventive and safety measures as per provision of National Building code of India during 2002-07, only 342 NOCs were issued.

Scrutiny of records revealed that there was non compliance in respect of 693<sup>7</sup> suggestions of fire preventive/safety measures while issuing NOC. Records for follow-up or initiation of any penal action were not available. Even though the concerned authorities claimed that routine inspections were being conducted, documentary evidence in support of such claims was not produced to audit.

The Department could not furnish records of identification of special risk occupancy buildings as per SFAC norms, nor had compiled the data for different types of buildings viz. high rise buildings, warehouses, workshops, factories, place of public gatherings, hospitals, auditoriums, hazardous establishments, Government buildings/establishment etc. to formulate an action plan for prevention of major fire accidents. Thus, no policy was formulated for fire prevention.

### **3.1.14.2 Inadequate inspection of high rise buildings**

As per the provisions of National Building Code of India, 1983 which was incorporated in the Assam Fire Service Rule 1989, fire protection arrangements in high rise buildings and apartments is mandatory. Scrutiny of records revealed that inspection of high rise buildings was started from April 2004 and 212 inspections had been carried out in the State till January 2005 and NOC were duly issued.

However, as per the records furnished, installation of fire safety/preventive measures in buildings constructed prior to 2004 could not be ensured though the Director (January 2005) directed four<sup>8</sup> fire stations of the Guwahati City to inspect high rise buildings of their respective jurisdiction.

Test-check of selected fire stations revealed that none of the fire stations maintained any records of survey/data on high-rise buildings in their respective area. Out of 38 fire stations audited, 36 stations did not even conduct any inspection to assess the presence of such high-rise buildings, two<sup>9</sup> stations conducted inspections of 36 buildings during 2002-03 to 2006-07, of which only two buildings implemented the prescribed fire safety measures. No penal action was taken by the Department due to shortage of manpower. In Guwahati city, the Guwahati Metropolitan Development Authority (GMDA) stated that 257 permissions for high-rise buildings were granted within its jurisdiction till 2006-07 and no NOC from fire service was outstanding for these buildings. But, the fact of issue of these NOC by the SFSO could not be ascertained from the records of the organisation. The Guwahati Municipal Corporation (GMC) stated that 212 permissions were granted up to 2006-07 but could not state whether NOC from fire service was obtained. This indicated that no mechanism for coordination between fire service and GMDA/GMC was evolved for ensuring adoption of fire safety measures in high rise building in Guwahati city.

Thus, inadequate inspection and lack of monitoring have exposed many high rise buildings to potential danger of fire.

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<sup>7</sup> 1035 – 342

<sup>8</sup> Guwahati, Dispur, Pandu and Chandmari

<sup>9</sup> Tinskia, Pandu



### 3.1.14.3 Inadequate inspection of Schools

Director, SFSO (August 2004) directed all fire stations to inspect all schools of their respective jurisdiction and give suggestions on fire prevention and safety measures.

Test-check revealed that the 38 fire stations in the seven selected districts conducted inspections of only 349 out of 15,521 (2 percent) schools during 2003-04 to 2006-07 and suggested fire preventive and safety measures. Records of compliance with these suggestions in the inspected schools were not produced to audit. On being asked, both the Director of Elementary Education and Director of Secondary Education, as well as their subordinates viz. Inspector of Schools, Kamrup and Deputy Inspector of Schools, Kamrup could not furnish information about the position of implementation of fire safety and preventive measures in the schools of Guwahati city. Thus, due importance to implementation of fire safety measures in schools was neither given by fire service organisation nor by the Education Department making the schools vulnerable to fire hazards.

### 3.1.14.4 Inadequate technical staff for preventive measures

SFSO, Assam had not conducted any study for realistic assessment of manpower for fire prevention viz. inspection, surveys, etc. The Government had sanctioned only one post of Deputy Director (Technical) and two posts of Fire Prevention Officer which remained vacant since 2005-06.

## 3.1.15 Managing Incidents

### 3.1.15.1 Lack of monitoring and follow-up for major fire accidents

Three devastating fire accidents causing damage to property above rupees one crore occurred in March, May and November 2005 in Guwahati city (*Appendix-3.3*) Scrutiny of records of the fire station revealed that causes were attributable primarily to lack of preventive measures. No enquiry or investigation was done to ascertain the causes and take follow up action to prevent recurrence of major losses.

### 3.1.15.2 Poor response to fire incidents

Details regarding fire calls attended, human lives lost, property saved from January 2002 to December 2006 in the State is given in Table-8

**Table-8**

Details	2002	2003	2004	2005	2006
Fire Calls attended	1884	1746	1899	1585	3981
Human lives lost	15	35	36	39	53
Property lost (in crore)	15.27	34.44	19.38	24.62	9.60
Property saved (in crore)	33.43	35.89	37.92	75.06	16.64

Source: Departmental figures

Scrutiny of 75 fire reports involving damages above Rs. 1 lakh furnished by 22 fire stations revealed that 20 percent to 100 percent property was damaged. This was attributed to 3 to 50 percent short deployment of required fire fighting crew required as per SFAC norm. In one incident (Karimganj on 15<sup>th</sup> October 2006) fire tender



could not reach the site due to damaged bridge and thus property worth Rs. 27.93 lakh was lost.

On 23 occasions in six districts, no supervisory officer accompanied the fire crew and in two occasions crew comprised of fireman and driver only.

The causes of fire were electrical defects (25 percent), gas cylinder bursts (5 percent) and miscellaneous reasons (23 percent). Causes for the remaining cases (47 percent) were not known. Remedial action taken in the form of public awareness campaign and inspection of fire safety measures were not produced to audit.

### 3.1.15.3 Poor response time

As per SFAC norms, fire service response time (i.e. time taken by a fire tender to reach the fire accident spot after receipt of fire call) is 5 minutes in urban areas and 20 minutes in rural areas.

Analysis of information furnished by fire stations of selected districts revealed that out of 494<sup>10</sup> major fire calls attended in rural areas<sup>11</sup> during 2002-03 to 2006-07, 137 calls (27 percent) were attended with excess response time varying from 1 minute to 75 minutes beyond the prescribed limit of 20 minutes. The district wise analysis for the selected districts is given in Table-9 below:

**Table-9**

Name of district	No. of stations	Total number of major calls attended	Number of calls where response time taken was beyond 20 minutes	Response time taken beyond 20 minutes		Excess time taken over admissible response time	
				From	To	Minimum (in minute)	Maximum (in minute)
Cachar	4	149	51	22	92	2	72
Karimganj	3	82	31	21	94	1	74
Karbi Anglong	2	52	13	21	95	1	75
Nagaon	9	102	24	21	70	1	50
Tinsukia	2	32	-	-	-	-	-
Nalbari	4	42	8	22	61	2	41
Kamrup	5	35	10	23	75	3	55
<b>Total</b>	<b>29</b>	<b>494</b>	<b>137</b>				

Source: Departmental figures

In the four fire stations of Guwahati city, excess response time ranged from 1 to 19 minutes in respect of 115 calls out of 220 calls during 2002-03 to 2006-07 (52 percent) beyond the permissible limit of 5 minutes as shown in Table-10 below:

**Table-10**

Name of district	Name of Fire station	Total number of major calls attended	Number of calls where response time taken beyond 5 minutes	Response time taken		Excess time taken over admissible response time	
				From	To	Minimum	Maximum
Kamrup	Chandmari F.S	14	11	7	13	2	8
	Dispur F.S	74	40	6	24	1	19
	Guwahati F.S	91	35	6	21	1	6
	Pandu F.S	41	29	6	17	1	12
<b>TOTAL</b>		<b>220</b>	<b>115</b>				

Source: Departmental figures.

<sup>10</sup> damage of property above Rs.1 lakh

<sup>11</sup> Except 4 Fire stations of Guwahati City all other stations including urban fire stations attended fires calls of rural areas also, so, rural area norm applied.



Reason for excess response time over the prescribed norms was not indicated in the fire reports. However, one of the reasons for excess response time was attributed to distance between the spot of fire incident and fire station. Other reasons were not explored nor any remedial steps to improve the status of response time was taken. Consequently, delays in response time persisted which aggravated the damages and even caused public outrage.

### **3.1.16            *General problems and deficiencies***

- Development and expansion of fire service were not included in the five year plan of the State as per SFAC recommendations.
- As per SFAC's recommended organizational structure, each State should be divided into several zones/divisions and bureau viz., Headquarters, Communication and alarm, Fire prevention, Community relation, Training and Research and Development with further divisions. However in Assam, all the functions including the withdrawal of fund from the Government exchequer were centralized at Directorate level. The fire stations attended primarily to fire calls only.
- Although the SFAC recommended different uniforms for different occasions like ceremonial, operational, non-operational for different category of officials, in Assam, uniforms of fire service personnel were not provided as per these recommendations. Further, even the uniforms provided were always below norms.
- The SFSO in Assam is tagged with Police Department, against the advice given by SFAC (1952) for delinking administration of SFSO from the control of police and be headed by professionals.
- Though the Assam Fire Service Act 1985 was enacted as per Model Fire Force Bill provided by SFAC, rules made thereunder did not include the following provisions of the Bill recommended by SFAC such as strength of establishment, qualification of different staff, duties and powers of Director and subordinate authorities, drill, transport, adequacy of water supply, minimum requirement of fire station, etc.
- Besides, a number of other rules, standards, courses /syllabus, specification recommended by the SFAC for improving the efficiency of fire service have not yet been formally adopted.

### **3.1.17            *Poor Stock maintenance***

Scrutiny of stock records of test checked districts revealed that equipment/apparatus/foam compound were entered in stock but no issues/utilizations were recorded in the Stock Register or in any other separate Issue Register. Thus, utilization of equipment and consumption of material could not be verified. The stocks were never physically verified as required under the provisions of General Financial Rules.

Scrutiny of records of the Directorate revealed that 19 items of equipment/material valued at Rs. 51.56 lakh were kept idle since last issue for a period ranging from three months to 57 months and 33 items of equipment/material value not on record were also kept idle for years together. The Directorate stated that the value of 33 items of equipments was not available as these were procured long back (20 years). Reply furnished by the Department (August 2007) indicated that of the 19 items 14 items are

re-useable but whether these were put to use was not intimated. Of the 33 items shelf life of most of the items expired or equipments outdated. Thus, prolonged storage resulted in loss to Government.

#### **3.1.18 Internal audit**

The Department had neither established an internal audit wing nor deployed any supervisory accounts personnel to ensure proper maintenance of accounts and records. There was no system of periodic inspection of fire stations by the Directorate officials to ensure their preparedness and proper functioning.

#### **3.1.19 Monitoring**

In the area of monitoring, there were serious deficiencies right from planning to managing incidents. Regular submission of reports and returns by the fire stations was not done. The organisation did not have any system to monitor the preparedness, control and prevention of disaster. The disaster management cell of the Government under Revenue Department did not also evolve any monitoring mechanism to ascertain the status of preparedness of fire service as first respondent with training, manpower, equipment etc. In the absence of systematic monitoring in planning, funding and management of fire fighting services including regular inspection of high-rise buildings, the fire fighting in the State as recommended by SFAC remained only partially operational.

#### **3.1.20 Conclusion**

The Government of Assam and the SFSO have not prepared a comprehensive perspective plan to combat fire hazards based on proper assessment of requirement of fire stations, manpower, equipments, training and funds. The functioning of the organization during the period under review has been adhoc in approach. Even the fire safety/preventive measures were not adequately enforced, thereby exposing a large section of the population to fire hazards. Monitoring by the Directorate was minimal with serious implications on the performance of the organization at various levels.

#### **3.1.21 Recommendations**

- Fire services should be modernised as per recommendations/orders of Union Home Ministry issued from time to time.
- Proper plan should be chalked out to survey the hazard prone areas that need special fire safety measures and action plan to cover the left out areas should be drawn up.
- Recommendations of SFAC for decentralisation of establishment with professional functionaries should be implemented.
- Proper steps should be taken for opening the required number of fire stations and deployment of adequate manpower and equipment.
- Vacancies should be filled and skills/professionalism of fire service personnel should be upgraded through regular drills, training etc.
- Steps should be taken to provide wireless communication and adequate water supply facility for all the fire stations.

The foregoing findings were reported to Government (June 2007); replies had not been received (September 2007).



## SOCIAL WELFARE DEPARTMENT

### 3.2 Nutrition Programme under ICDS

#### Highlights

*The problem of malnutrition amongst children in Assam is being addressed through Supplementary Nutrition Programme (SNP), a constituent component of a package of services under ICDS. A performance review of the "Nutrition Programme under ICDS" revealed the following shortcomings:*

The State Government did not provide funds for Supplementary Nutrition Programme from 2002-03 to 2004-05. The Additional Central Assistance of Rs.135.86 crore for nutrition meant exclusively for children below 3 years was diverted for providing nutrition for all groups of beneficiaries.

(Paragraph-3.2.8)

Performance of the SNP in terms of nutritional supplementation vis-à-vis prescribed feeding days was grossly inadequate. Poor delivery of nutrition supplementation at only 21-29 percent (calories) and 24 to 33 percent (protein) negated the programme objectives.

(Paragraph-3.2.12)

The programme implementation remained disappointing, often being handicapped by long spells of non-feeding days, inequality in allotment of nutritious food, diversion of allotment of foodstuffs without compensatory replacement and expenditure in excess of norms.

(Paragraphs-3.2.13, 3.2.16 & 3.2.19)

RTE weighing 2,32,708 kgs valued at Rs.86.10 lakh were diverted without corresponding compensatory replacements thereby depriving 1,99,020 beneficiaries of 46 projects of supplementary nutrition indicating lack of control in programme management.

(Paragraph-3.2.18)

Despite subsidized PDS (APL) rice being abundantly available, the Department procured SNP rice at higher rates resulting in avoidable expenditure of Rs.11.69 crore.

(Paragraph 3.2.24.1)

Overlooking a cheaper rate for RTE offered by a manufacturer the Department procured the item at higher rate consecutively for three years by repeated extension of time of the contract resulting in an avoidable expenditure of Rs.2.85 crore.

(Paragraphs- 3.2.24.2)

### 3.2.1 Introduction

Malnutrition in children remains a nation-wide problem. It has been estimated (1992-93) by the GOI that more than half of the children under four years were under weight. About 21-29 percent of the children were severely malnourished in terms of weight and height in rural areas.

The problem of malnutrition amongst children in Assam is being addressed through the Centrally Sponsored Scheme (CSS) Supplementary Nutrition Programme (SNP), a constituent component of a package of services<sup>1</sup> under Integrated Child Development Services (ICDS), launched from the year 1975. Children in the 0-6 year age group, pregnant women, lactating mothers and adolescent girls are the beneficiaries of this programme, which is implemented in the ICDS project areas by distribution of Ready to Eat (RTE) food fortified with micronutrients and Take Home Ration (THR) items of rice and dal, through a network of Anganwadi Centres (AWCs). Each AWC is to cover 100 beneficiaries with effect from 2001-02. The total number of children in the 0-6 years age group as per census 2001 was 44.98 lakh. Taking this figure into account, the State Government identified the target population of beneficiaries as 54.37 lakh. However, considering that the total number of operating AWCs in the State was only 25,416, the State Government decided to target only 25.42 lakh beneficiaries.

As per the scheme guidelines, the cost of supplementary nutrition (SN) was to be fully funded by the State Government. From 2000-01, the GOI also provided funds under Additional Central Assistance (ACA) from PMGY<sup>2</sup> for eradicating malnutrition amongst children below three years, by increased nutritional coverage of supplementary feeding to these children through ICDS projects. The funding pattern was further changed from the year 2005-06 and the cost is shared equally between the GOI and State Government.

### 3.2.2 Organisational set up

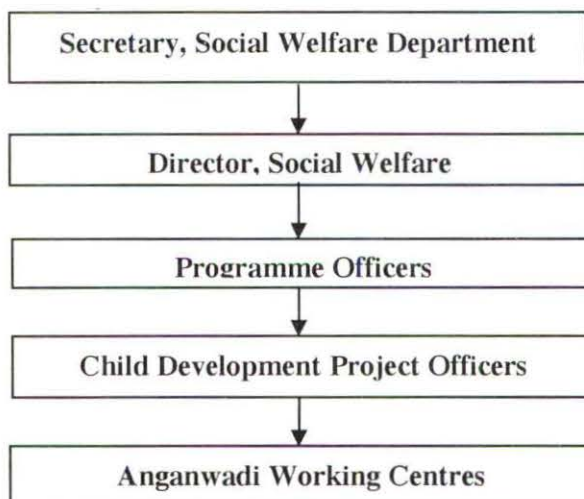
The Secretary, Social Welfare Department is in charge of implementation of the programme. The Director of Social Welfare (DSW) is the nodal officer responsible for co-ordination and execution of the project. He is assisted by 9 Programme Officers. The Child Development Project Officers (CDPOs) have direct responsibility for implementation of the programme at the field level and the end service delivery is rendered through a network of AWC's. The organisational set up is given in Chart-1 below:

<sup>1</sup> Supplementary nutrition, immunization, health care, referral services, nutritional health education and early detection of childhood disability.

<sup>2</sup> Prime Minister's Gramodaya Yojana



**Chart-1**



### 3.2.3 Schematic Criteria

- All children in the 0-6 years age group and pregnant/nursing mothers are provided with supplementary feeding for additional nutrition, through AWCs for 300 days in a year at different prescribed rates<sup>3</sup> per day. The distribution of nutrients is to be made weekly or fortnightly or monthly.
- The selection of beneficiaries is to be done by weight against Cure Card method and those who are Below Poverty Line.
- ACA released by the GOI is to be fully utilized for providing supplementary feeding of children of 0-3 year age group under nutrition programme.
- Food provided to the children should contain the required nutrient value of 300-600 calories and 8-16 grams of protein.
- Proper survey should be carried out for identification and registration of malnourished children.
- Economic and efficient procurement should be made keeping in view the quality of food.
- Growth monitoring of all children less than three years by weighing is to be undertaken monthly/quarterly at the AWC.
- Monitoring, evaluation and impact assessment machinery should function effectively.

### 3.2.4 Scope of Audit

The implementation of the programme was reviewed during March-May 2007 by test check of the records of the DSW, Department of Social Welfare, 77 ICDS Projects

<sup>3</sup> Prescribed rate per day per beneficiary in an Anganwadi Centre covering 100 beneficiaries

Up to 2003-04		w.e.f 2004-05
a) Ordinarily malnourished children 77nos	@ Rs.0.95/day	@ Rs.2.00/day
b) Severely malnourished children 3 nos	@ Rs.1.35/day	@ Rs.2.70/day
c) Other beneficiaries 20 nos	@ Rs.1.15/day	@ Rs.2.30/day

and AWCs in seven districts covering the period from 2000-01 to 2006-07. Records of seven<sup>4</sup> district officers were also checked.

### 3.2.5 *Audit Objectives*

The audit objectives were to assess whether:

- The objectives of the programme are achieved;
- Identification of the target groups was transparent, comprehensive and accurate;
- An effective plan was formulated to achieve desired policy objectives to cover the entire targeted population;
- Funds provided were utilized effectively to achieve the annual targets;
- Procurement of food was made in an economical, efficient and effective manner considering the quality parameters; and
- The monitoring system was effective.

### 3.2.6 *Audit Criteria*

Audit assessment was based on the following criteria

- Guidelines of various nutrition programmes of the Government;
- Conditions prescribed by GOI for utilization of funds released under ACA
- Norms prescribed for selection of beneficiaries
- Quality assurance norms of food
- Monitoring mechanism prescribed

### 3.2.7 *Audit Methodology*

An entry conference was held in April 2007 with the officers of the Directorate of Social Welfare wherein the audit objectives, methodology and criteria were explained. The selection of samples for data collection was done on a representative basis by using Random Number Tables. Seven out of 23 (30 *per cent*) districts in the State were selected for test check including 25 *per cent* of CDPOs (77) in the district. Further, 30 *per cent* of AWCs under these CDPOs were also test checked. An exit conference was held with departmental officers in August 2007 where the audit findings were discussed.

## **Audit Findings**

The important points noticed in the course of review are discussed in the succeeding paragraphs.

## **Financial Management**

### 3.2.8 *Budget and expenditure*

As mentioned in paragraph 3.2.1, nutrition programmes under ICDS are funded by the State Government under 'Supplementary Nutrition Programme' (SNP). The GOI

<sup>4</sup> (1) Cachar (2) Jorhat (3) Kamrup (4) Karbi Anglong (5) Nalbari (6) Sivasagar (7) Sonitpur



provided ACA for additional nutrition exclusively for children in the 0-3 years age group up to 2004-05. With effect from 2005-06, the SNP is being funded on a 50:50 basis by the Central and State Governments.

The year wise release of funds and expenditure are given in Table-1 below:

Table-1

(Rupees in crore)

Year	ACA(*) released by the central Govt.	Budget provision			Funds released by the state Government			Total expenditure	Balance
		For ACA	From State (**) Govt	Total	Out of ACA	Out of state Govt. source	Total		
2002-03	44.10	46.06	Nil	46.06	44.10	Nil	44.10	44.10	Nil
2003-04	44.10	46.06	Nil	46.06	44.10	Nil	44.10	44.10	Nil
2004-05	47.65	48.00	Nil	48.00	47.65	Nil	47.65	47.65	Nil
2005-06	30.67	30.67	23	53.67	29.89	23	52.89	47.43	5.46
2006-07	23.00	23.00	25	48.00	22.99	25	47.99	47.99	Nil
<b>Total</b>	<b>189.52</b>	<b>193.79</b>	<b>48</b>	<b>241.79</b>	<b>188.73</b>	<b>48</b>	<b>236.73</b>	<b>231.27</b>	<b>5.46</b>

Source: Information furnished by the Department

Notes: (\*) State did not provide any fund during 2002-05

- As per norms, all children in 0-6 years age group, pregnant/nursing mothers and adolescent girls are to be provided with SN at a prescribed rate (detailed in paragraph 3.2.3) for 300 days in a year. Accordingly, funds required for coverage of the beneficiary population of 54.37<sup>5</sup> lakh would be Rs.1,345.30 crore for the years 2002-03 to 2006-07 (**Appendix-3.4**). Against this requirement, funds provided during the same period were Rs.236.73 crore (18 percent) only.
- The Government, however, targeted to cover only a fixed number of 25.42 lakh beneficiaries per annum during 2002-03 to 2006-07, i.e. 47 percent of the total eligible beneficiaries (54.37 lakh) (detailed in paragraph 3.2.1). Yearly increase in child population was also not taken into consideration. Even to feed this reduced target at the prescribed rate, for 300 days per year, funds required would be Rs.628.83 crore for 2002-07 period. Against this, the actual funds provided was only Rs.236.73 crore (38 percent) and expenditure incurred was Rs.231.27 crore. **Thus, insufficient funds were provided to cover even the reduced target and worse is that, even these funds could not be spent fully. Consequently, supplementary nutrition was provided only for 45 to 75 days per annum during 2002-07.**
- The States commitment was limited as it had not made any provision nor released any funds from its own source for the SNP in any of the years from 2002-03 to 2004-05. It utilised only the ACA funds (Rs.135.85 crore) which were specifically meant for additional feeding of the malnourished children under three years age group, to cover the entire target group of SNP (0-6 years children, pregnant/lactating mothers and adolescent girls). The utilization of the ACA funds was thus not in conformity with the programme mandate. Besides, the envisaged 'increased nutritional coverage' amongst the under

<sup>5</sup> ordinary malnourished children: 41.87 lakh; severely malnourished children: 1.63 lakh; women and girls: 10.87 lakh

three years children had not taken place to the extent desired and thus the objective of eradicating malnutrition amongst under three year children remained largely unattained.

- Again, with the change of funding pattern from 2005-06, the State did not release Rs.78 lakh out of GOI release of Rs.53.67 crore for two years (2005-07). Further, there was also short release of State share of Rs.5.67 crore during the years 2005-07.
- The expenditure of Rs.47.99 crore during 2006-07 includes Rs.9.03 crore drawn (March 2007) by DSW for clearance of outstanding bills of suppliers. The amount was however, not paid (May 2007), as the checking of actual supply of material was in progress. Thus, the amount was deliberately drawn without justification and in contravention of rules, without conducting regulatory checks obviously to avoid lapse of sanction.
- The expenditure for the year 2005-07 also includes the unspent balance of Rs.2.06 crore with five<sup>6</sup> district officers. The amount remained unutilised since some SHGs and NGOs failed to deliver the quantity ordered to them.

### Programme Implementation

#### 3.2.9 Identification and Registration of Beneficiaries

Identification of beneficiaries was done on the basis of house to house survey conducted by the Anganwadi Workers (AWs) and duly supervised by the Supervisors and CDPOs. The register maintained for the purpose at the CDPOs level contains information such as name of the family, date of birth, age, pregnant or nursing mother to determine their eligibility for SNP.

Underweight is one of the main indicators of malnutrition amongst children. Thus, weighing of the children at the time of identification is the logical step for determining eligibility. However, surveys and identification were being done without weighing, as 8 CDPOs<sup>7</sup> did not have working weighing machines. Therefore, the standard and efficacy of identification remained an area of concern.

#### 3.2.10. Targets vis-à-vis Achievements

The total number of beneficiaries to be covered by each AWC is 100 (paragraph 3.2.1). Achievements against targets fixed for coverage of beneficiaries in the State under the SNP during 2002-07 as intimated by the DSW and test check of records in the selected districts disclosed the following:

<sup>6</sup> Cachar Rs.1.19 crore, Jorhat Rs.0.63 crore, Sonitpur Rs.0.10 crore, Nalbari Rs.0.09 crore and Kamrup Rs.0.05 crore

<sup>7</sup> Madhupur, Kalain, Binakandi, Rajabazar, Salchapra, Sonai, Narsinghpur, Silchar with more than 884 AWCS.



Table-2

Year	Target (State as a whole)			Achievement (State as a whole)	Feeding days covered per annum	Shortfall in feeding days against the norm
	Children (80 percent)	Women (20 percent)	Total			
2002-03	2033280	508320	2541600	2541600	55-60	240 – 245
2003-04	2033280	508320	2541600	2541600	50-55	245 – 250
2004-05	2033280	508320	2541600	2541600	55-60	240 – 245
2005-06	2033280	508320	2541600	2541600	70-75	225 – 230
2006-07	2033280	508320	2541600	2541600	70-75	225 – 230

Source: Data furnished by the Department

- Against eligible beneficiary population of 54.37 lakh, a fixed annual target of 25.42 lakh (47 percent of population) was considered for coverage during 2002-07, without taking into account, the yearly increase in child population. Thus, coverage was only partial as 53 percent of the targeted population was not covered during the period of review. As pointed out in paragraph 2.3.8 the state government did not provide sufficient funds even for the reduced but fixed number of beneficiaries.
- Although the position of beneficiaries covered against target fixed during 2002-07 was intimated as 100 percent, there were shortfalls in feeding days ranging from 225 (75 percent) to 250 (83 percent) days out of 300 days. For achieving the desired nutritional benefits, full 300 days nutritional support is necessary. Shortfall of 75 to 83 percent in feeding days obviously indicates that the nutritional support had no effect on the targeted group.
- Number of beneficiaries covered in the test checked districts against 100 targeted beneficiaries per AWC, was between 80 and 94 upto 2005-06 and 126 during 2006-07 (Appendix 3.5). Achievement in terms of feeding days ranged between 47 to 75 days per annum during the period. Thus 100 percent fulfilment of target reported by the Department was not based on facts.
- The norm for coverage of pregnant/lactating mothers/adolescent girls is 20 per AWC. However, the coverage of this category of beneficiaries in 7,870 AWCs of 65 projects test checked, was well below the norm and ranged from 13 to 15 during the period from 2002-03 to 2005-06. This critical group thus did not benefit from the programme

### 3.2.11 Uncovered AWCs

The State has 196 operational projects rendering services to the target group through a network of 25,416 AWCs. Twenty three additional projects with 1,659 AWCs and four additional projects with 10,007<sup>8</sup> AWCs were sanctioned by the Government during 2004-05 and 2006-07 respectively in pursuance of the Hon'ble Supreme Court's direction. But the SNP had not been extended to these newly sanctioned 11,666 AWCs. Thus the State Government operated only 25,416 AWCs out of 37,082 sanctioned. Based on census 2001 data relating to beneficiaries, the State Government estimated its requirement of AWCs at 54,375. However, since it covered only a

<sup>8</sup> 10,007 AWCs

Represent AWCs under 4 projects sanctioned during 2006-07 and also AWCs sanctioned for the uncovered villages of the existing projects.

constant number of 25.42 lakh beneficiaries per year during 2002-07, it is obvious that the programmes implementation in the State was only partial.

### 3.2.12 *Insignificant Nutrition Supplementation and feeding days coverage*

The SNP provides for yearly coverage of 300 supplementary feeding days with food containing the specified value of 300 calories and 8-10 grams protein per meal for the malnourished (Gr-I and Gr-II) children and 600 calories and 16 grams protein per meal for the severely malnourished (Gr-III and Gr-IV) children. The programme envisaged 90,000 calories and 2,400-3,000 grams protein supplementation to each ordinary malnourished child annually.

Scrutiny of records revealed that performance of the SNP in terms of nutritional supplementation vis-à-vis prescribed feeding days was grossly inadequate. The feeding days actually covered during the years (2002-07) were in the range of 50-55 days to 70-75 days as against 300 days. Calorie and protein supplementation actually provided worked out to only 23 to 29 *percent* and 24 to 33 per cent respectively of the programme requirement as detailed in Table 3 below:

Table-3

Year	Prescribed yearly target of			No. of days	Achievement		Shortfall		Achievement percentage	
	Feeding days	Calorie supplement	Protein supplement		Calorie Supplement (in cal)	Protein supplement (in gm)	Calorie supplement (in cal)	Protein supplement (in gm)	Calorie	Protein
2002-03	300 days	90,000 <sup>9</sup> (cal)	2400 <sup>10</sup> to 3000	55-60	20736	624	69264	1776-2376	23	26
2003-04				50-55	19008	572	70992	1828-2428	21	24
2004-05				55-60	20736	624	69264	1776-2376	23	26
2005-06				70-75	25920	780	64080	1620-2220	29	33
2006-07				70-75	25920	780	64080	1620-2220	29	33

Source: worked out by audit, based on schematic provision and departmental information

Thus, poor delivery of nutrition supplementation at only 21-29 *percent* (calories) and 24 to 33 *percent* (protein) negated the programme objectives.

### 3.2.13 *Interruption in feeding activity*

In order to achieve 300 feeding days yearly, supplementary nutrition feeding needed to be implemented in an uninterrupted manner. Scrutiny of records of fifteen<sup>11</sup> CDPOs revealed that the nutrition feeding under SNP lacked regularity and continuity due to frequent interruptions for long spells ranging from 36 to 592 days on account of fund constraints during the period 2002-07. Thus, feeding interruptions for long spells adversely affected the success of the SNP as well as improvement in the status of health of the beneficiaries.

<sup>9</sup> No. of yearly feeding days = 300

Required daily calorie supplementation = 300 grams

Yearly required calorie supplementation = 300 x 300 = 90,000

<sup>10</sup> No of yearly feeding days = 300

Required daily Protein supplementation = 8-10 grams

Yearly minimum required Protein supplementation = 300 x 8-10 = 2400- 3000 grams

<sup>11</sup> Naduar, Balipara, Gabharu, Sualkuchi, Nalbari, Paschim Nalbari, Borigog, Borbhag, Tezpur(U), Pub Choiduar4, Behali, Dhekiajuli, Demoria, Guwahati(U), Choigaon.



### 3.2.14 *Issue of RTE food for longer spells and without manufacturing date on the packets*

As per guidelines, Take Home Ration (THR) strategy is to be followed for distribution of food articles for children (6 months to 3 yrs) for one to four weeks at a time, and are to be issued to mothers for feeding their children at home. Examination of records of the test checked projects and AWCs revealed that RTE food items were distributed to the children under THR for long spells even upto 100 days at a time in violation of the guidelines.

Significantly, although the shelf life of RTE procured under the SNP was 6 months, the best use time was shown as only 90 days. It could not be ascertained in audit whether RTE were supplied/issued after the best use time or beyond the shelf life of six months as the manufacturing date, batch number etc. were not mentioned in the packets.

### 3.2.15 *Disproportionate allotment of Supplementary Nutritious Food (SNF) items*

During 2004-05 and 2005-06 the Department issued milk and biscuits to the beneficiaries. Scrutiny revealed that allotment of this costly SNF was restricted to only ten CDPOs at the rate of Rs.33,320 and Rs.33,305 per AWC during 2004-05 and 2005-06 respectively which were higher as compared to the value of nutritious food of Rs.11,221 and Rs.14,893 per AWC provided during 2004-05 and 2005-06 respectively in respect of the remaining CDPOs. Thus uniformity in nutritional support was not maintained..

### 3.2.16 *Excess allotment of SNF for non-existent AWCs*

Allotment of SNF items is based on the number of AWCs in the project. There are 138 AWCs in the Borkhetri project area of Nalbari district. Accordingly, the project was entitled to SNF items of milk and biscuits valued at Rs.61.17 lakh during 2004-05 and 2005-06. But SNF food items valuing Rs.1.09 crore were sanctioned by inflating the number of AWCs under the project which resulted in excess allotment of SNF items valuing Rs.47.39 lakh as shown in Table-4 below:

**Table-4**

**(Rupees in lakh)**

Year	Sanctioned amount	Allocation (in Rs.)	Value of SNF due as per actual no. of AWCs	No. of AWCs counted for allotment	Amount allotted	Excess allotment (8-6)
2004-05	860.23	12,210.00	16.85	273	33.33	16.48
2004-05	300.00	14,450.50	19.94	212	30.64	10.70
2005-06	689.99	12,210.00	16.85	270	32.97	16.12
-do-	137.81	5,456.50	7.53	213	11.62	4.09
<b>Total</b>			<b>61.17</b>		<b>108.56</b>	<b>47.39</b>

Source: Government sanction orders and project wise statements

Thus, misappropriation of Government money of Rs.47.39 lakh allotted for non existent AWCs cannot be ruled out.



### 3.2.17 Denial of nutrition supplement to mothers/adolescent girls

Of the 100 beneficiaries per AWC, 80 are children of 6 months - 6 years age group and 20 are lactating mothers, pregnant women and adolescent girls. Supplementary nutrition is also to be provided to 20 beneficiaries who are lactating mothers, pregnant women and adolescent girls of each AWC. They needed to be treated at par with 3-6 year age group beneficiaries for the purpose of supplementary nutrition. Records, however, indicated that lactating mothers, pregnant women and adolescent girls were not treated at par and often denied supplementary nutrition of milk and biscuits as the items were distributed only to 80 beneficiaries of 6 months to 6 years age group children per AWC instead of 100 per AWC. This resulted in denial of nutritious feeding (milk and biscuits) for 3.48 crore feeding days due to 23,258 pregnant women, lactating mothers and adolescent girls during 2004-07 as worked out below.

**Table-5**

Ref. to sanction order no. and date	Amount (Rupees in lakh)	Sanctioned no. of feeding days	No. of centres covered	No. of beneficiaries sanctioned per AWC	No. of feeding days denied to women etc.
SWD-320/2004/17 dt.29.12.04 (SCCP 2004-05)	254.93	74	1717	80	53,79,800
SWD-320/2004/16 dt.29.12.04 TSP-2004-05	100.00	74	660	80	
SWD-366/2002/18 dt 29.11.04 (Gen-2004-05)	145.29	74	1258	80	
SWD-152/2005/33 dt.28.7.06 (Gen-2005-06)	689.99	75	5651	80	2,94,34,500
SWD-246/2005/11 dt.22.09.05 (Gen-2005-06)	860.23	75	7045	80	
SWD-292/2005/35 dt.8.5.06	832.97	75	6927	80	
<b>Total</b>					<b>3,48,14,300</b>

Source: Worked out by audit, based on information in the Government sanction order

The above position indicated indifference and lack of concern for the woman folk.

### 3.2.18 Diversion of allotment of RTE

- The DSW procured (November 2003) 2,99,970 kgs of RTE food items for 10 days feeding programme in 19,998 AWCs of 163 projects of the General Areas. Subsequently (March 2004), the RTE was allotted to only 6,003 AWCs of 41 projects<sup>12</sup> and delivery of the RTE food items to these AWCs projects was assigned to a transporter. However, 14 Project Officers (*Sl. 1 to 14 of Appendix-3.6*) refused to receive the food items consisting of 3,624 packets (1,08,720 kgs). The reasons for refusal were neither on record nor stated, though called for. The transporter eventually delivered the refused food items to seven projects (*Appendix-3.6*) in addition to their normal allotment on verbal instruction from the Minister of Social Welfare. Thus RTE procured for 163 projects were allotted to only 41 projects and eventually utilized to cover beneficiaries of only 27 projects.

<sup>12</sup> Originally procured for 163 projects.



- In two other instances of diversion of RTE involving 1,23,988 kgs (December 2003 – 96,774 kgs and March 2006 – 27,214 kgs), the transporter reported that thirty-two CDPOs refused to receive their allotment. The undelivered RTE was (again on verbal instruction of Minister, Social Welfare) distributed by the transporter, to 13 other projects (*Appendix-3.6*), in addition to their normal allotment.

Thus, RTE weighing 2,32,708 kgs valued at Rs.86.10 lakh were diverted without corresponding compensatory replacements thereby depriving 1,99,020 beneficiaries of 46 projects of supplementary nutrition indicating lack of control in programme management.

### 3.2.19 Expenditure in excess of norms

The per meal expenditure ceiling for different kinds of nutrition served under the SNP was Rs.2.08 for rice and dal, Rs.2.03 for milk and Rs.2.02 for RTE per day.

Scrutiny of records revealed that the Department in several cases exceeded the expenditure ceiling and incurred excess expenditure of Rs.6.64 crore (*Appendix-3.7*) during 2004-05 and 2005-06.

The excess expenditure in excess of prescribed ceiling was attributable to defective financial management.

### 3.2.20 Damage of food stuff

Substantial quantity of different SNP food stuff weighing 52,971 kg valued at Rs.12.56 lakh delivered to CDPOs and stored in warehouse between 2002-03 and 2003-04 got damaged due to infestation by insects and deteriorated due to prolonged storage rendering the same unfit for human consumption. The position of the damaged food stuff (as of May 2007) and cost involved were as detailed in Table-6 below: -

**Table-6**

Year	Name of SNF	Custody where got damaged	Quantity in Kg	Rate per kg (Rs)	Amount (Rupees in lakh)	Present status
2002-03	Rice	CDPO, Titabor	30395	16.21	4.93	Lying
- do -	Dal	- do -	7483	27.48	2.05	indisposed
2003-04	RTE	CDPO, Mandia	7488			
	..	CDPO, Demoria	1830	37.00	5.58	NA
	..	CDPO, Rani	5775			
<b>Total</b>			<b>52971</b>		<b>12.56</b>	

Source: Information collected from the scheme file of the Department or the CDPOs concerned

Thus, damage of food material resulted in loss of Rs.12.56 lakh to the Government.

### 3.2.21 Release of excess funds beyond the admissible limit to N.C. Hills District

Test-check of records revealed that the Department released (December 2005) Rs. 3 crore (including Rs.76.47 lakh for payment of outstanding bills) to the North Cachar Hills District Autonomous Council (NCHAC) as against the admissible amount of Rs.30.26<sup>13</sup> lakh for 19,400 beneficiaries under four projects for 75 days

<sup>13</sup> Total beneficiaries x maximum feeding days providing in other districts x unit cost per day.

(maximum provided in other districts) at Rs.2.08 per day during 2005-06. Thus, there was excess release of Rs.1.93 crore for reasons not on record.

Further, utilization certificate from the district for the amount was not produced to audit. Thus, misuse of the funds released in excess to district cannot be ruled out.

### **3.2.22 Short delivery of foodstuff in CDPOs**

Till 2005-06 SNP foodstuff such as rice and dal, RTE etc were procured centrally by DSW with arrangement for delivery to the projects by the suppliers.

Test check of relevant records revealed that food stuff weighing 4,537.78 qtls valued at Rs.96.44 lakh were delivered short by the supplier in 25 CDPOs of five districts during 2005-06 as shown in **Appendix-3.8**. The short delivery/receipt was not investigated at any stage. Besides, short delivery of the SNF resulted in denial of nutrition feeding (rice and dal) to 1,54,781 beneficiaries for 37 days and RTE to 16,799 beneficiaries for 51 days in the 25 projects. Thus, SNF was provided to these beneficiaries for only 38 and 24 days respectively against 300 days provided in guidelines.

### **3.2.23 Inadequate scale of nutrition**

As per guidelines, SNP in the State was implemented with the daily scale of rice-80 gm, dal-20 gm, RTE-50 gm. But in the Karbi Anglong District, daily scale of rice and dal issued under the programme was less than the prescribed scale. Daily scale of rice adopted in the district during 2002-03 to 2005-06 was between 26.55 gm. and 60 gm and dal 5.79 gm. to 19.57 gm (**Appendix-3.9**) indicating defective programme implementation with inadequate provision. The reasons for implementation of the scheme at less than the prescribed scales was neither on record nor stated. However, audit scrutiny revealed that the inadequate issue of foodstuff to beneficiaries children was due to short supply of rice/dal to AWCs.

### **3.2.24 Procurement of foodstuff**

#### **3.2.24.1 Avoidable expenditure**

Information made available by the Directorate of Food and Civil Supply, indicated that huge quantity of rice, allotted to the state by the GOI at subsidized rate in public distribution system (PDS), lapsed regularly due to non-lifting. The extent of lapse was over 25,000 MT every month. This obviously implies that subsidized rice was available in abundance and the State Government/Departments including Social Welfare Department had options to utilize the surplus PDS rice in their schemes/programmes.

Scrutiny of records revealed that the Department had never considered this option and instead procured the SNP rice from three agencies-AGMC, STATFED and ASIDC<sup>14</sup> at rate of Rs.1,700/- per quintal (upto 2005-06) as against Rs.1,121.73<sup>15</sup> per quintal of PDS rice. Procurement of the SNP rice from the above named supplying agencies at

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= 19400 x 75 x Rs.2.08 = Rs.30.26 lakh.

<sup>14</sup> AGMC – Assam Government Marketing Corporation, ASIDC – Assam Small Industries Development Corporation and STATFED – Assam State Co-operative Marketing and Dev. Consumers Federation

<sup>15</sup> Rs.1700/-(upto 2005-06)

(FCI Rate Rs.871.73 + Transport Rs. 90.00+ Admn cost & Profit margin Rs. 160.00)= Rs.1121.73



higher rates resulted in avoidable expenditure of Rs.11.69 crore as detailed in Table-7 below:

**Table-7**

Year	Quantity procured (Quintal)	Procurement rate (Rupees)	PDS (APL rate) (Rupees)	Difference in rate (3-4) (Rupees per quintal)	Excess expenditure (2×5) (Rupees in lakh)
1	2	3	4	5	6
2002-04	24901.44	1700	1121.73	578.27	144.00
2004-05	81915.68	-do-	-do-	-do-	473.69
2005-06	74289.24	-do-	-do-	-do-	429.59
2006-07	20785.37	1709	-do-	587.27	122.07
<b>Total</b>	<b>201891.73</b>				<b>1169.35</b>

Source: Records of the Department

As can be seen from the above table, extra expenditure of Rs.11.69 crore was incurred on purchase of SNP rice from the three agencies. 1.87 lakh beneficiaries could have been provided with SN for 300 days with this amount.

### 3.2.24.2 Avoidable expenditure on RTE Food

A New Delhi based manufacturer was approved (February 2002) as supplier of 'MAA's CARE' brand RTE food for the SNP at Rs.37/- per kg for one year with validity up to March 2003 through competitive bids. The supplier expressed (July 2002) his inability to supply the item at the agreed rate and terms and conditions. Following this, the Department cancelled the agreement (July 2002) and floated fresh NIT (July 2002) for one year. In response, 11 manufacturers quoted their rates, of which, the lowest rate of Rs.23.90 quoted by M/s Christy Fried Gram Industries was not accepted due to non-fulfillment of tender condition. The second lowest rate of Rs.33/- per kg of M/s Indopal Flour Mill was therefore to be accepted.

Meanwhile, the earlier supplier whose agreement had been cancelled, expressed (July 2002) willingness to resume the supply and was allowed to supply the RTE food at his rate of Rs.37/- continuously for three years up to 2004-05 (by repeated extension of validity), despite the fact that the rate offered by M/s Indopal Flour Mills was cheaper. The Department procured 71,18,983 kg of RTE at the rate of Rs.37 per kg during the years 2003-04 and 2004-05. Thus, the procurement of RTE at higher rate not only resulted in avoidable expenditure of Rs. 2.85 <sup>16</sup>crore but also resulted in direct benefit to the contractor.

The Department justified it on the ground that it needed the item urgently to provide sheet to those effected by devastating flood and therefore could not wait until formalization of new rates. This is not tenable considering that the Department procured the item continuously for three years at the higher old rate when the contract was cancelled. Further the action of the Department was in total disregard of codal provisions.

<sup>16</sup> a) Qty procured: 71,18,983 Kgs., b) Rate Rs.(37-33) = Rs.4 differential: , c) Avoidable expenditure: (71,18,983X4) = Rs.2, 84,75,932

### 3.2.25 *Nutritional status*

Regular growth monitoring is a tool for preventing malnutrition and for early detection of growth faltering. Growth monitoring of all children less than three years is to be undertaken by monthly/quarterly weighing.

Test-check of records in 31 CDPOs with 3,841 AWCs in six selected districts<sup>17</sup> revealed the following discrepancies:

- As per the Departmental records, 25 to 63 percent of the children of different age groups who had been fed with supplementary food under SNP and weighed during the period 2002-07 attained the normal nutritional status. However, these figures appear to be fabricated, since feeding was given only for 47-75 days during a year, which could not have added any weight to the children. The impact of the nutrition programme can only be assessed when special nutrition is given for full 300 days. Percentage of children not weighed and the nutritional status of those weighed is detailed in **Appendix-3.10**. Except Sibsagar, in other five test checked districts, children left unweighed ranged between 29 to 75 percent during 2002-07. Thus, nutritional status of majority children remained unassessed and impact undetermined.
- The beneficiary children ranging from 7 percent to 65 percent in the age group of six months to one year, 7 percent to 67 percent in the group of one to three years and 9 percent to 75 percent of three years to six years were not weighed during 2002-03 to 2006-07 due to non availability of weighing scales in AWCs. The nutritional status of such a large number of children thus remained undetermined due to non-availability of adequate weighing machines in the AWCs.

### 3.2.26 *Monitoring, evaluation and impact study*

Monthly Progress Report (MPR) of the CDPOs, compiled on the basis of the Supervisors' report, forms the basis of monitoring. The MPR, although required to be submitted to the DSW and GOI, was not submitted by the CDPOs regularly. It was delayed by 3-4 months and MPR for several months were rendered at a time. Thus, monitoring through MPR lacked effectiveness and regularity.

No recorded evidence existed in the AWCs to indicate that the CDPOs and Programme Officers had ever checked records such as SNF item distribution register maintained by the Anganwadi Workers. The Officers and Supervisors had also never issued remedial/corrective instructions to the Anganwadi Workers.

The Department had not taken up evaluation study or impact assessment of the programme. As a result, the status and intensity of malnutrition among children remained unascertained by the Department.

### 3.2.27 *Conclusion*

Against eligible beneficiary population of 54.37 lakh, only 25.42 lakh (47 percent) beneficiaries were covered. The targeted coverage remained constant during 2002-07 without taking into consideration the annual increase in child population. With the inadequate allocation of funds, SN could be provided only for 55 to 75 days instead of the prescribed 300 days. As per norms, the State actually needed 54,375 AWCs against which, only 25,416 AWCs, are operational. Although additional AWCs were

<sup>17</sup> Cachar, Jorhat, Sivasagar, Nalbari, Kamrup and Karbianglong



sanctioned during 2004-05 to 2006-07, no foodstuff was given to them for giving nutritional support to the beneficiaries. Government also diverted entire funds under PMGY to meet its obligation under SNP and failed to provide increased nutritional coverage to children below three years. Growth monitoring and health checkup of children for detection of faltering growth and prevention of malnutrition were inadequate.

The programme implementation was handicapped by long spells of non-feeding days, inequality and manipulation in allotment of nutrition, diversion of allotment without compensatory replacement and incurring of expenditure in excess of norms. The implementation of the programme in the State was thus tardy and a failure, as the impact was only marginal.

### **3.2.28            *Recommendations***

- Beneficiary identification mechanism should be strengthened, and segregation done between 0-3 and 3 to 6 age group so that nutritional support is provided to the most malnourished first/all beneficiaries.
- All uncovered blocks/villages should be covered under the programme and adequate number of AWCs should be opened to cover full targeted population in the State.
- Feeding of the beneficiaries should be as per norms both in terms of quality and quantity of food items as well as number of feeding days.
- Basic back-up support instruments like weighing machines should be provided for effective implementation of the scheme.
- Additional Central Assistance should be utilized for meeting supplementary feeding cost to children in the age group of zero to three years and the State Government should provide funds for the SNP from its own sources.
- Monitoring mechanism should be strengthened and enforced effectively so as to secure accountability at different levels of programme implementation.

## FINANCE DEPARTMENT

### 3.3 *Information Technology Audit of Computerisation of Treasuries in Assam*

#### Highlights

Only one out of the five modules had been implemented (May 2007) even after 4 years of implementation of CTMIS at a cost of Rs.13.3 crore.

(Paragraph 3.3.8)

Back up policy was ineffective and off-site storage of back up was not ensured, thereby exposing the system to risk of non-restoration in the event of a disaster.

(Paragraph 3.3.9)

Non-mapping of business rules and checks prescribed under Assam Treasury Code make the system incomplete and ineffective.

(Paragraph 3.3.11)

Inadequate security policy made the system vulnerable. Network system was also not protected by antivirus programme.

(Paragraph 3.3.12)

Presence of redundant data made the database inconsistent and un-reliable.

(Paragraph 3.3.15)

An expenditure of Rs.2.39 crore on implementation of Treasury Accounting and Application software (TAAS) turned out to be unfruitful.

(Paragraph 3.3.17.1)

#### 3.3.1 *Introduction*

The Department of Treasuries, under the administrative control of Finance Department, is responsible for receipt and payment of money on behalf of Government and maintenance of accounts relating to these transactions. The Department also acts as the Banker in respect of Local Bodies and others who deposit their revenues in the Treasuries. The Treasuries maintain records of financial transactions and conduct necessary checks as per Assam Treasury Code and Assam Financial Rules on the flow of funds. Computerization of Treasuries in Assam was undertaken initially as per the recommendations of the Tenth Finance Commission to be implemented during 1996-97 to 1999-2000 with a total estimated cost of Rs.2.30 crore (Actual expenditure Rs.2.39 crore).

Computerisation of Treasury Accounts was started in 1998-99 with the help of AMTRON (AMTRON) (Govt. of Assam undertaking) and National Informatics Centre (NIC). AMTRON provided the hardware where as NIC provided application software called "Treasury Accounting Application Software (TAAS)". During implementation stage, it transpired that the computer system could not fulfill the requirements drawn up by the State Government as well as the Treasury. Subsequently, a new System called Comprehensive Treasury Management System (CTMIS) was developed (2002-03) comprising of 5 modules viz. Finance module, Treasury module, Department module, DDO module and Head office module. CTMIS, developed by Tata Consultancy Service (TCS) with Oracle 9i as the database and Developer with Edit Plus as the front end was installed for online operation at Central Data Centre, Kar Bhawan, Guwahati and 2 Treasuries from August 2004. As of May 2007, only the Treasury module of the CTMIS package was operational in all



the 23 District Treasuries and 30 Sub-Treasuries in the State of Assam. The system architecture is a centralized system with all processing centralized in a set of servers located at the Central Data Centre. The treasuries are connected to the Central Data Centre through leased lines/VSAT. At the major treasuries, the leased lines are used as front line connectivity and VSAT as backup connectivity. The minor treasuries and sub-treasuries have only VSAT connectivity.

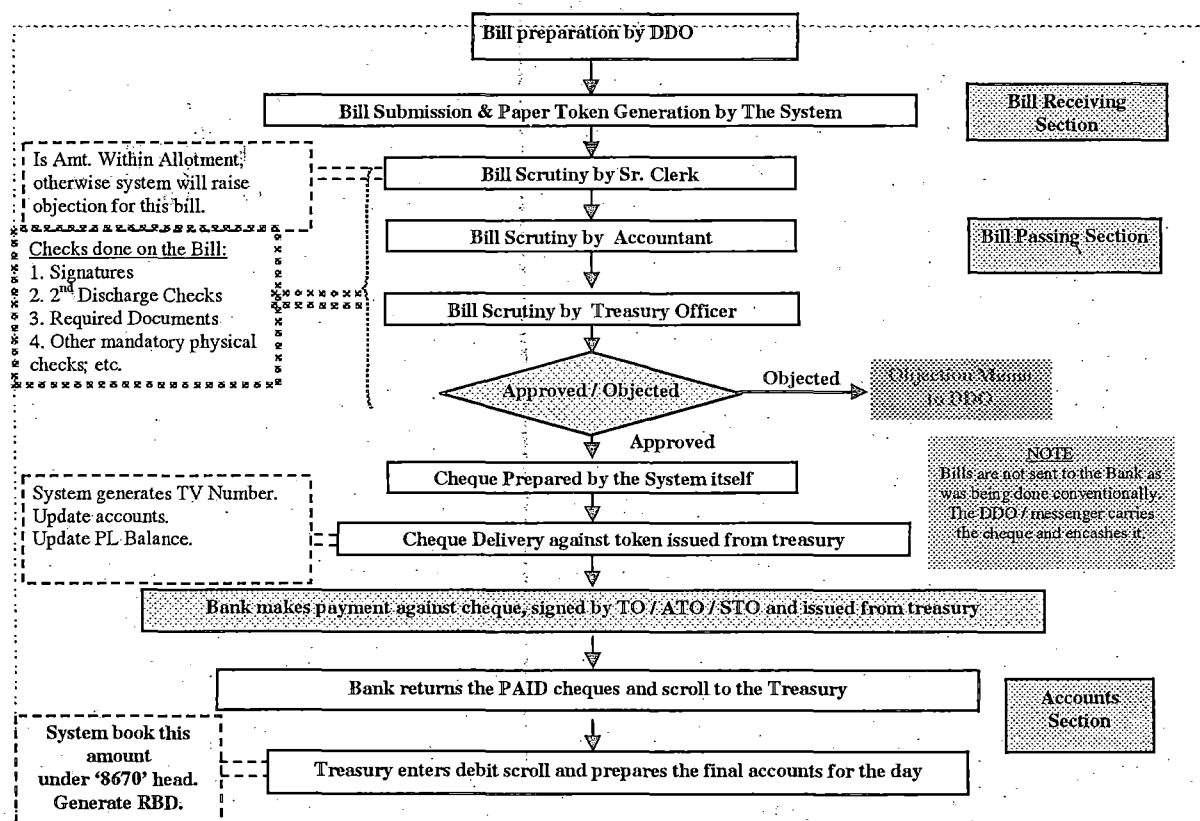
### 3.3.2 Organisational Set-up

There are 23 District Treasuries and 30 Sub-Treasuries in Assam. In addition, there is a Pay and Accounts Office at Assam House, New Delhi. Of these 30 Sub-treasuries, there are 8 Sub-treasuries functioning as independent treasuries for the purpose of maintenance of accounts and submission of various reports to the concerned authorities. The other Sub-treasuries are working as subordinate to the district Treasuries and have to submit their monthly accounts and other prescribed returns through the Treasury.

### 3.3.3 Workflow of bill processing & accounting in treasury

The process flow diagram of the processing of bills/challans in the treasury and its accounting is shown below:

#### WORKFLOW OF BILL PROCESSING & ACCOUNTING IN TREASURY



### 3.3.4 *Objectives of computerisation*

The major objectives of the CTMIS *inter-alia*, included:-

- Allowing the Department to exercise desired control over financial transactions by rational allocation of budget to drawing and disbursing officers (DDOs), thereby enabling treasury officers to have a tight control over expenditure as per the budget allocation.
- To make flow of information current, authentic and consistent, thus eliminating any excess or un-authorized drawals, diversion of funds, wrong booking, etc.
- Compilation of monthly accounts and their timely submission to Accountant General.

### 3.3.5 *Audit Objectives*

The objectives of the review were to assess, whether:

- objectives and benefits of CTMIS have been achieved as envisaged
- the CTMIS software and its web based application is designed properly with adequate controls and whether the development of the software was in line with the treasury rules
- General controls which include control over data centre operations, system software development and maintenance, access security and application system development and maintenance have been properly effected as per the project documents.
- Application controls ensure proper authorization and completeness of data input as well as output.
- Adequate trained manpower is available at various levels exits and its proper utilisation
- Policy for IT security has been formulated and implemented

### 3.3.6 *Audit Scope and Methodology*

The records of the Directorate of Treasury were analyzed to review the initial planning for computerisation and the SDLC process of system development (April-June 2007). Discussions were held with the software developer, hardware provider and treasury officials. Records from the central server, facilities management provider, Kamrup and Dispur treasury were also scrutinized. The data was analysed through an audit software tool namely Interactive Data Extraction and Analysis (IDEA) to ensure completeness, regularity, authenticity, consistency and reliability. The on-line software at Kamrup and Dispur Treasury was studied for verification of the controls.

## Audit Findings

### 3.3.7 *Project proposal, planning and documentation*

The Department had not conducted any feasibility study before taking up the computerization of treasuries. Documentation relating to User's requirements, programme specifications, testing etc. did not exist. Documentation relating to various stages in the SDLC had also not been prepared. Thus, the system development



methodology adopted was not discernible and was ad-hoc. The Director of Accounts and Treasuries (DoAT) stated (August 2007) that a feasibility study was conducted by the Technical Advisor before taking up the new software and SRS was also prepared by the vendor but scrutiny revealed it was only a proposal submitted by the Technical Advisor. The DoAT stated (August 2007) that system documentation is maintained by the software vendor only. The DoAT could not furnish the User Requirement Specification also.

### **3.3.8            *Delay in completion & implementation***

Initially computerization of treasuries was attempted in 1998-99 but after its failure, a new project viz. CTMIS was started in 2002-03. However, despite lapse of 4 years (target date June 2003) and incurring Rs.13.3 crore, only one module out of the five modules has been implemented (May 2007) and the other four modules are still under implementation. The delay was attributed to delay in procurement and installation of the related hardware.

### **3.3.9            *Disaster Recovery Policy & Business Continuity Plan***

The Department had not formulated and documented any Disaster Recovery Policy and Business Continuity Plan. In the absence of adequate back up and off-site storage of data, it would be difficult to restore the system in the event of a disaster. The DoAT stated (August 2007) that Disaster Recovery Centre has already been planned and is likely to be made functional shortly. No fire fighting equipments were found installed in Dispur as well as Kamrup Treasuries.

### **3.3.10           *System design deficiencies***

Analysis of the system through data entry screens of the treasury module of CTMIS at Kamrup and Dispur Treasury revealed the following shortcomings:

- a. There is no provision in the system to record the AC bills with sanction no. and date. There is also no provision in the software for the pairing off of the AC bills with the DCC bills. Thus receipt of DCC bills and previous AC bills pending adjustment are not being monitored in the system at the time of approving the subsequent AC bill. The DoAT stated (August 2007) that the provision of recording of DCC bills is not provided in the system since DCC bills are neither routed through the treasury nor recorded in the treasury.
- b. There is also no provision to check frozen amount (lapsed deposit) before passing a bill. This is done manually.
- c. The data entry form for deposits as well as report generation is incomplete. The lapsed deposits are still being monitored manually. The DoAT stated (August 2007) that though the system has a provision for tracking lapsed deposits, the full functionality is not being used, as transferring of records of all types of deposits from manual register to computer system is not yet completed.
- d. There is no provision to generate a report on the details of stamps issued on a particular day or stamps issued to a particular vendor and also for automatic deduction of income tax from a stamp vendor whose commission exceeds Rs 2,500 in a financial year. The DoAT admitted (August 2007) that the stamp module is not being fully used in any of the treasuries till date.

- e. Huge number of deposits lapsed, as they were lying in “8443 Civil Deposits” for more than 3 years. The software does not have any provision for tracking such deposits. The DoAT stated (August 2007) that capturing of deposit details made at treasuries prior to the implementation of the system is yet to be completed.
- f. Since the checking of the pay bill in the system was not implemented till date, there were errors in calculation of GPF, Professional Tax etc. The DoAT stated (August 2007) that the Government is considering the inclusion of employee level salary break up as a part of the salary bill details, to remove the errors.
- g. Since the Budget module was not implemented till date (May 2007), porting of annual budget provisions in the central server for the year 2005-06, 2006-07 and 2007-08 was incomplete. Thus, checking of expenditure figures against the budget was still being done manually. The control for passing the bill after adequate budget provision has been deactivated and thus may lead to excess expenditure. The DoAT stated (August 2007) that it has planned to implement the Budget module in October 2007 and preparation of State budget for the year 2008-09 will be done through the system.
- h. Since the Department and DDO module were not implemented, allocation of funds to the Department and further DDO wise allotments were not available on computers. The Treasury has to verify that the bills are within the allotment based on DDO's self-certification at the back of the bills and DDO registers maintained in the Treasuries. The DoAT stated (August 2007) that after completion of capturing of State budget information into the system, automatic checking of budget availability will be made mandatory, which is now optional.
- i. The employee data, which is a part of the department module, is still pending. Thus no computerized validation for employees for pay bills and other entitlement bills is being done. The DoAT stated (August 2007) that building of employee database is going on.

### **3.3.11 Non-mapping of Business rules**

Non- implementation of the other modules has inactivated a number of checks prescribed under Assam Treasury Code which have to be still carried out manually at the Treasuries. These are as follows:

- There is a provision in the software to edit the errors of accounting. Scrutiny revealed that errors pertaining to the past months can be rectified directly by means of updating in the account of the month in which the error occurred. This is a violation of the Assam Treasury code wherein it is clearly stated that the accounts once submitted to AG office, cannot be modified. Only a note of correction may be made after informing AG office and necessary transfer entries would be subsequently made. Thus manipulation of accounts after closure can be done in the system, which is irregular. The DoAT admitted (August 2007) that though month end closing process exists in the system, there is no provision for subsequent adjustment entry in the system. Closing of month's accounts is done only after acceptance of the accounts by the AG.
- As per codal provisions, if a final bill for advance drawn is not presented within 3 months of its drawal, the entire amount of advance is to be recovered



from the next salary bill of the Self Drawing Officer (SDO) concerned with interest. But there is no provision in the software to recover such advance with interest. The DoAT stated (August 2007) that the Government will consider including this aspect in the system, when the preparation of employee database is completed.

### **3.3.12            *IS Security***

Since the data is transmitted over the net using dedicated leased line, satellite link and normal broadband provided by BSNL, net security is very essential. No configured firewall was found in the server though Antivirus program exists. The DoAT stated (August 2007) that the process of procurement of firewall is underway and that it is expected to be deployed by September 2007.

- No password policy was documented and applied. As such, many users were using the same passwords and many super users were still using default passwords of the system.
- Analysis of login screen revealed 2 to 5 login attempts by users due to absence of provision to restrict unauthorised log on and/or provision for automatic terminal shut down after 2 unsuccessful login attempts. This increases the risk of unauthorized access to the system.
- The operation of the system is in the hands of contractual staff since no formal Database/System administrator is appointed by the Department. One Assistant System Administrator was appointed (April 2007) without any defined job description. Depending entirely on contractual expertise may lead to risk, as their continuous existence in the organisation is unpredictable. The Department admitted (August 2007) its dependency on TCS (software vendor) for support works and stated that attempts are being made to strengthen the technical team with own resources to reduce dependency on TCS.
- The system does not maintain any logs of actions performed by the three levels of users in the Treasuries to verify when and by whom changes in the system are carried out. The DoAT stated (August 2007) that maintenance of log files for longer period has been stopped temporarily because of the high disk storage requirement. It was seen that in case of any modification to be done in the transactions after its approval by the Treasury Officer, the vendor of the software (TCS) is requested to do the same from the back end, since provision for modification after its final approval is not allowed by the software. This could lead to risk of data manipulation and inconsistency since the treasury officer will be totally unaware in case any data is deleted or modified in the central data server by mistake. The DoAT stated (August 2007) that the changes are done by the administrator and audit trail is generated and stored in respect of such transactions. The reply is not tenable, since the modification to the database is stated to be done from the back end, as such no log could be generated in the system.
- Server room is kept open and could be accessed by operators and others.

### **3.3.13            *Failure to monitor Audit Trail***

As per standard computer control practice, audit trail is incorporated into an IT System for tracing an item from input through to its final stage. CTMIS has the facility to capture details of terminal log on, start up time, activities of user etc.

However, this facility was disabled by the system administrator at the central data server.

### **3.3.14 Contract management**

#### **3.3.14.1 Avoidable payment of Rs.3.20 lakh for FMS**

Wipro Limited was engaged for rendering Facility Management Service (FMS) to Treasury Computer System from October 2005 to March 2006. The contract for six month period was for Rs.3.20 lakh. Scrutiny revealed that the items that were to be covered under the FMS were mostly covered by the warranty clause of the agreement with different vendors for the above mentioned period. For instance, all hardware were supplied by M/s Wipro limited in December 2003 and it was covered by a comprehensive warranty and on-site maintenance for three years (i.e. upto December 2006) from the date of installation (clause 4.1 of the agreement). Further, Annual Technical Support for Oracle products was also obtained by paying around 15 lakh to Oracle inc. for application software management. TCS was also engaged during that period for annual on site service/maintenance of the CTMIS Software/database management. Thus, requirement of FMS was duplication of existing contract and was unjustified which resulted in avoidable expenditure Rs.3.20 lakh.

#### **3.3.14.2 Non-compliance of Government's directions**

In October 2001, Government of Assam directed all Departmental heads to procure electronic equipment like computer hardware, repairing and servicing including AMC, installation of WAN/LAN, software development, consultancy service, education and training of manpower in computers from AMTRON, a State Government undertaking so that uniformity is maintained in the computer and software procured by different departments. However, these directives were violated by DoAT without assigning any reason.

#### **3.3.14.3 Training**

As per clause 1.6 of the agreement with M/s TCS, the software vendor was to provide application software related training with "train the trainers" approach for which, it was paid Rs.13.3 lakh (10 percent of total agreement value). DoAT, Assam stated (May 2007) that training relating to operation of Treasury module was imparted to the staff of Dispur and Kamrup Treasuries at the time of testing of the module with live data. However, dependence on TCS for small corrections or problems faced during day to day operations, itself implies that the staff/manpower were not fully trained in CTMIS application.

### **3.3.15 Analytical review of data**

Analysis of master data and transaction data for all treasuries for the period from August 2004 to May 2007 revealed the following inconsistencies:

#### **3.3.15.1 Master data**

- a) A number of test or dummy data existed in the database as a number of TCS personnel had administrator access.
- b) The DDO master table has 8044 records. In all records, the DDO name and designations have identical entries viz. description of the DDO. This data is



- redundant and a wastage of storage space. The DoAT stated (August 2007) that removal of DDO designation description appearing in the DDO name field is being done.
- c) Further, the same table contains two records which have been modified later, but the user who has modified is not available. This indicates absence of audit trail. The DoAT admitted (August 2007) that this was due to modification works being done centrally from the back end.
  - d) Further, 194 dummy records were found in this table, which may have been used for testing purpose but had not been deleted before going on-line. The dummy records have treasury code as 'XXX'. The DoAT stated (August 2007) that the 'Test' Treasury has been provided for the purpose of on line training/testing/demo etc.
  - e) The DDO code consists of the department code and a three digit serial number. The department code is of two or three digits, thus, DDO code is of variable length. Further, the DDO code is not independent and unique as the same code exists for different treasuries. Thus in the central database, the combination of treasury code and DDO code is unique for Assam. This is in contravention of established norms for codification, where codes are given to uniquely identify the DDO. The DoAT stated (August 2007) that this codification structure is followed across most states in India.
  - f) The DDO table has 54 records where 20 DDOs are given multiple codes to identify the Department. For instance, Deputy Commissioner, Bongaigaon has DDO codes of SWD/001, POL/001, LRA/001 and DA/001. This further frustrates the objective of uniquely identifying the DDO. Further there are also cases of duplicate records viz. Prin. Kuthari HS School has two DDO codes SE/015 and SE/003 for the same treasury Karbi Anglong, (KLB). This clearly indicates inconsistencies in the master table. The DoAT has noted (August 2007) it for correction.
  - g) The DDO table has 217 records having blank date for entry in the system and 177 records wherein the person who entered in the software is not known. The DoAT has noted (August 2007) it for guidance.
  - h) The table for the department master has two digit numbers from 00 to 99. There are 6 records wherein the department name is blank and also 26 missing sequences. The DoAT has noted (August 2007) it for rectification.
  - i) The table to store the roles created, has 13 roles with no create date, user id. The DoAT stated (August 2007) that the data was uploaded at the time of initial set up and were not entered through the application. Entering data from the back end was however, irregular.

### **3.3.15.2 Transaction databases**

The transaction data for vouchers and challans are stored separately in the software. The basic details of the voucher are stored in one table whereas the bill type wise details are stored in different tables. Since there is no provision for segregation of records year wise or by any other parameter, the transactions are accumulating in the respective tables. The table containing challan details has 36,74,321 records whereas

the voucher table has 10,36,388 records . This makes retrieval difficult. Thus, for analysis, data on Dispur treasury was extracted and analyzed.

- a. In the table meant for capturing details of all the sanctions granted by the government, date of sanction ranged from 21-8-1900 to 13-11-2989. These dates were much prior to computerization. Thus, validation of the date field in the master table was absent. The DoAT stated (August 2007) that the data may have got in as a part of initial data loading carried out at the beginning of testing.
- b. In the table storing data for employee pay bills, there were 59 records where the gross pay was less than net pay which indicates lack of basic validation checks in the system.
- c. There were 164 records where voucher date of the bill was prior to the date of entry of the bill in the system. 39014 records contain voucher date prior to the date of entry of the bill. Records relating to Dispur Treasury are shown as an illustration.
- d. 8 duplicate PPO codes were found recorded.
- e. There were 40 records where the challans were deposited with zero amounts.
- f. 101 records were found with zero amounts.
- g. 416152 records had blank date fields and 19123 records exist without any voucher number.
- h. The data for Token number was blank in six cases in the table for entry of pensioner's bills.
- i. The table for details of pensioners revealed that there were 90 cases where the pension was drawn even after the death of the pensioner.
- j. The table for details of pensioner's payments had 214 dummy records wherein treasury code was 'XXX'. The DoAT stated (August 2007) that the Test Treasury has been provided for the purpose of on line training/testing/demo etc.

The DoAT has noted (August 2007) these observations.

### **3.3.16 Procedural & General Issues**

#### **3.3.16.1 Accounts rendered to AG(A&E)**

Scrutiny of receipt of accounts and interaction with A&E officials revealed the following deficiencies:

- a. There had been extensive delay by most of the treasuries in rendition of monthly accounts to the AG (A&E) office. Kamrup treasury delayed submission from a minimum period of 68 days (for the month August 06) to a maximum of 147 days (for the month of Dec 05) even after implementation of CTMIS. The DoAT stated (August 2007) that the delay was due to clearing of backlog months of earlier manual treasury operations.
- b. There are differences in the figures of List of Payments (LOP) and Cash Account. The DoAT stated (August 2007) that this was because of initialization problem in the month end compilation process which is rectified



now.

- c. In some major heads, classification up to object head has not been submitted by the Treasuries. The DoAT stated (August 2007) that the classification of all expenditure has been made according to the budget provision provided in the State budget. The reply is not tenable because in any case, seven tier classification is mandatory.

### **3.3.16.2 DDO Reconciliation**

Prior to submission of accounts to the AG (A&E) office, the treasuries are required to reconcile the figures with the concerned DDOs and once accounts are submitted to the AG(A&E), the accounts should be automatically closed for modification. Scrutiny revealed that accounts were modified on the basis of DDO reconciliation after the accounts were submitted to the AG (A&E) office. This could lead to misrepresentation of facts and figures. For instance, in case of Belsor Treasury there was a difference of Rs.8,64,645/- in the LOP generated(17/5/07) from CTMIS for the month of Feb 07 and LOP submitted (13/3/07) by the Treasury. The DoAT stated (August 2007) that provision for rectification of errors by adjusting entry is being provided in the system and on operation of the system, the closing of month end account on submission to AG will be made mandatory.

### **3.3.16.3 Absence of Internal Audit in computerised Treasuries**

Internal Auditors have an important role in protecting the IT Systems by detecting deviations in prescribed procedure, identifying threats to information system, suggesting safeguards for timely rectification. Scrutiny of records revealed that there was no inspection/review of the system at various stages of development or even at post-implementation stage. Thus, shortcomings/deficiencies could not be identified and rectified till date. The DoAT stated (August 2007) that the system architecture is the central server base system. Internal audit for any type of issues can be performed at the central site. Monitoring of the system has also been done through FMS group from central site. The reply is not tenable since the DoAT could not produce any inspection report/review of the system at different stage to identify and rectify the shortcomings/deficiencies.

### **3.3.17 Other points of interest**

#### **3.3.17.1 Unfruitful expenditure**

Computerisation of Treasury Accounts was first carried out in 1998-99 with the help of AMTRON (a State Govt. undertaking) and NIC. AMTRON provided the hardware whereas NIC provided application software called Treasury Accounting Application Software (TAAS). The total cost of the project was Rs.2.39 crore. The TAAS system was implemented (during the year 2001-02) only for preparation of monthly accounts and maintenance of records thereof. However, during implementation it was found that the computer system could not cover the entire gamut of treasury functioning and had serious limitations. Thus, the treasury computerization was reviewed and a new Project called Comprehensive Treasury Management System (CTMIS) was developed (2002-03) comprising of 5 modules viz. Finance module, Treasury module, department module DDO module and Head office module. Failure to implement the TAAS project fully in time and non fulfillment of the requirements of the treasuries as well as the government rules resulted in an unfruitful expenditure of Rs.2.39 crore.

Further, hardware<sup>1</sup> procured for the projects were also lying unutilized as those were not compatible with the new projects. There was nothing on record regarding disposal of old hardware. The DoAT in its reply (August 2007) admitted that except the dumb terminals other hardware was reused in the new system.

### **3.3.18 Conclusions**

There is considerable delay in implementation of the various modules of the CTMIS. Though the TCS (Software vendor) installed and handed over the CTMIS software in March 2004, only one module viz. Treasury module could be implemented till date (May 2007). Thus, the full potential of the software has yet not been realized. Further, the controls and validation required as per Rules could not be fully implemented. This has adversely affected macro level budget monitoring for effective Ways and Means control. Also, since there were delays in receipt of Treasury accounts, one of the objectives for timely rendition of accounts is defeated. The system also remains vulnerable due to inadequate application controls.

### **3.3.19 Recommendations**

- Structured procedure and documentation for the development, modification and implementation of the system should be followed to achieve the objectives and user requirements.
- All other modules should be implemented at an early date to ensure proper controls and validation in the modules.
- Policy procedure regarding data security, documentation of data, backup and restoration should be prepared and implemented accordingly.
- Security of data and anti-virus measures should be immediately implemented to prevent data loss and corruption.
- Changes in data after passing of bills and changes in data after submission of accounts to AG should be dispensed with immediately and necessary modifications be made to the software to record any such discrepancy noticed strictly as per ATC.
- The provisions for AC/DC bills, issues in entry of PD accounts should be incorporated in the software.
- The DoAT may train its own technical persons for project management and data management instead of fully depending on the TCS and the facility management vendor.

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<sup>1</sup> Servers, Dump Terminals, Printers, UPS etc



## PUBLIC WORKS DEPARTMENT

### 3.4 Roads and Bridges funded by North Eastern Council (NEC)

#### Highlights

One of the objectives of setting up the North Eastern Council (NEC) was to develop infrastructure in the North Eastern States, specially construction of roads and bridges. During the period 2002-03 to 2006-07, GOI, through NEC, Shillong, approved 11 schemes under 9<sup>th</sup> Plan and 21 schemes under 10<sup>th</sup> Plan for implementation in Assam, in addition to 26 on going schemes, pertaining to previous Five Year Plans. Out of 58 schemes, only 28 schemes (48 per cent) could be completed as of March 2007 after incurring 44 per cent expenditure out of the approved outlay of Rs.816 crore. Performance review of "Roads and bridges funded by NEC" revealed the following shortcomings:

There was a discrepancy of Rs.8.32 crore relating to release of funds between the records of Finance Department and Chief Engineer.

(Paragraph 3.4.9.2)

There was diversion of Rs.39.40 lakh for repair works and travelling expenses not permissible under NEC funded scheme.

(Paragraph 3.4.9.4)

Undue financial benefit of Rs.15.53 lakh was extended to a contractor in construction of approaches to RCC bridge.

(Paragraph 3.4.11.7)

There was excess expenditure of Rs.63.66 lakh besides doubtful expenditure of Rs.84.69 lakh due to execution of works in deviation of the sanctioned estimates.

(Paragraphs 3.4.11.3, 3.4.11.4 and 3.4.11.5)

Quality of roads and bridges constructed out of NEC funds was not ensured despite provision for quality control.

(Paragraph 3.4.13)

#### 3.4.1 Introduction

The NEC was established on 1<sup>st</sup> August 1972 by the GOI for securing balanced development of the North Eastern States and to facilitate regional integration and flow of trade. One of the objectives of the NEC, was to develop infrastructure, which included construction of roads and bridges in the North Eastern Region with inter state connectivity. The NEC, functioning as a regional planning body, is responsible for:

- Scrutiny of schemes/projects proposed by the NE State Governments for inclusion in the regional plan and for approval by the Planning Commission
- Formulation of budgets and plans
- Sanction of estimates
- Release of funds
- Physical performance and
- Monitoring and evaluation

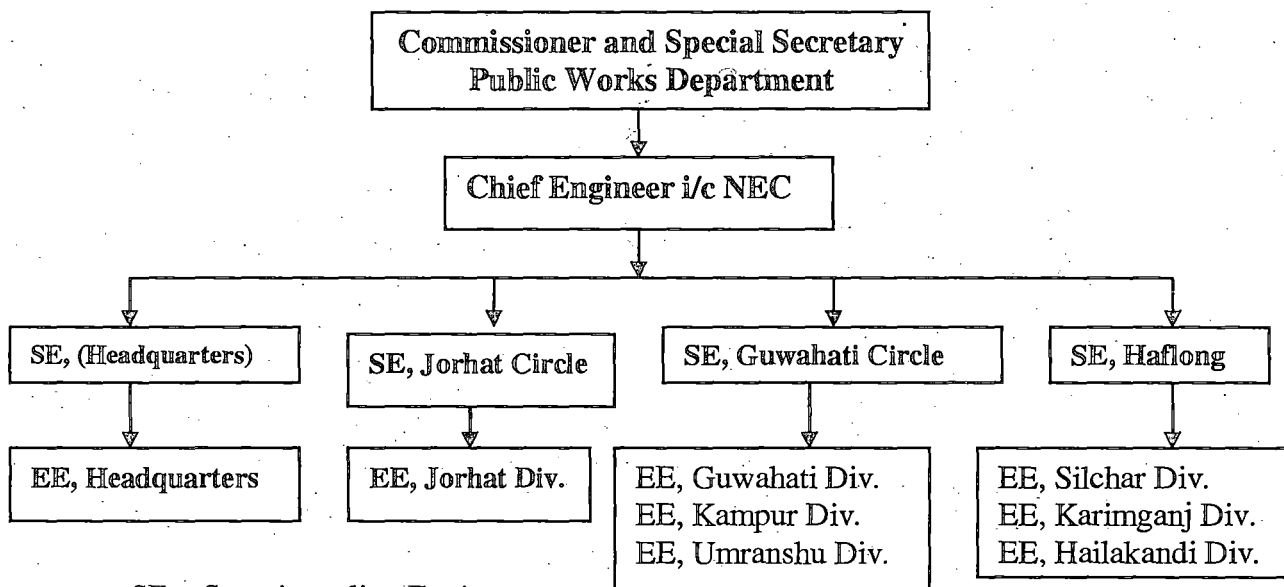


- In Assam, as of March 2005, the total rural road length including 'Other District Roads' was 26,890 km. As of March 2007, 1,915.91 km rural road length and 170 bridges were taken up under NEC plan schemes of which, construction/conversion of road length of 1,272.71 km and 46 bridges were completed.

### 3.4.2 Organisational set up

The Public Works Department (PWD) is responsible for implementation of NEC funded roads and bridges. The organizational structure of the Department is detailed in Chart-1 below:

**Chart-I**



SE = Superintending Engineer

EE = Executive Engineer

In addition to these seven executing NEC divisions, Silchar PWD Rural Road Division, Tinsukia PWD State Road Division and Kaliabor PWD Rural Road Division are also executing a few NEC schemes under the SE Haflong Circle; SE Jorhat Circle and SE Guwahati Circle respectively.

### 3.4.3 Scope of audit

The implementation of various NEC schemes (Roads & bridges) during 2002-03 to 2006-07 in Assam was reviewed in audit through a test check (April/May 2007) of the records of the Commissioner and Special Secretary to the Government of Assam, PWD, Chief Engineer, i/c NEC and four<sup>1</sup> out of seven NEC divisions and three Rural Road divisions covering 76 percent expenditure (Rs.269.34 crore) pertaining to 33 schemes out of a total expenditure of Rs.356.34 crore.

### 3.4.4 Audit Objectives

The objectives of the review were to ascertain whether:

- schemes were formulated to facilitate inter state connectivity and trade flow;
- funds were used for the purpose for which these were provided;

<sup>1</sup>Kampur, Guwahati, Silchar and Jorhat

- schemes were implemented on time and in a cost effective manner;
- prescribed quality parameters were adhered to during execution of schemes;
- roads constructed were being maintained properly; and
- monitoring system was adequate and effective.

#### **3.4.5            *Audit Criteria***

The review was benchmarked against the following audit criteria:

- Schedule of Rates used in preparation and sanction of detailed estimate.
- Scope of works sanctioned.
- Specification and design of works.
- Norms and prescribed time frame for releasing funds.
- Norms for quality control.
- Prescribed monitoring mechanism.

#### **3.4.6            *Audit methodology***

The review commenced with an entry conference in March 2007 with the Commissioner and Special Secretary, PWD, and departmental officials, wherein the audit objectives, criteria and scope of the review were explained. The sample selection was based on Random sampling and records of all the schemes implemented by the selected divisions along with the records of the CE, Roads i/c of NEC projects were scrutinized during audit. An exit conference was held in July 2007 with the Chief Engineer i/c NEC, PWD, wherein the audit findings were discussed. The replies of the Department have been incorporated at appropriate places in the review.

#### **3.4.7            *Audit findings***

The performance audit of NEC funded roads and bridges revealed improper identification of projects; release of funds by NEC without actual requirement; non-release of funds by the State Finance Department leading to unspent balances, delay in implementation of the schemes, irregular and unauthorised expenditure, diversion of funds, extra expenditure due to deviation from sanctioned scope/estimates, sub-standard execution, preparation of inflated estimates, etc.

Audit findings are discussed in detail in succeeding paragraphs.

#### **3.4.8            *Non-formulation of perspective plan and abnormal delay in completion***

Systematic and realistic planning from project formulation stage to execution is a pre-requisite for successful implementation of road projects in a cost effective manner.

As of March 2007, the progress of implementation of various ongoing schemes pertaining to various Five Year Plans are as below:

Table-1

(Rs in crore)

Plan	No. of on going schemes (April 2002)	Approved Cost	Road length (no. of Bridges.)	No. of completed schemes as on March 2007		Total Expenditure (cumulative)	(+/-) Excess (-) Savings
				Schemes	Road length (no. of bridges)		
5 <sup>th</sup>	2	10.11	43.64 km (11)	2	43.64 (11)	13.83	(+)3.72
6 <sup>th</sup>	8	59.18	152.58 km (33)	8	152.58 (33)	54.62	(-)4.56
7 <sup>th</sup>	5	205.87	295.35 km (29)	5	295.35(29)	196.54	(-)9.33
9 <sup>th</sup>	11(including 5 Conv.)	134.00	157.53 km (52)	6	70.53(27)	104.31	(-)29.69
<b>Total</b>	<b>26</b>	<b>409.16</b>	<b>649.10 km (125)</b>	<b>21</b>	<b>562.10 (100)</b>	<b>369.30</b>	

Source: CE's records

The table indicates that 26 road schemes involving 649.10 kms of road and 125 bridges, approved during 5<sup>th</sup>, 6<sup>th</sup>, 7<sup>th</sup> and 9<sup>th</sup> Plans covering the period 1977-2002, were in progress in April 2002 out of which, 21 projects involving 562.10 kms of road and 100 bridges were completed during the 10<sup>th</sup> Plan period (2002-07) with a cumulative expenditure of Rs.369.30 crore. This clearly indicates time overrun ranging from 10 years to 20 years in respect of 15 schemes pertaining to 5<sup>th</sup>, 6<sup>th</sup> and 7<sup>th</sup> Plan, and more than 5 years in respect of 9<sup>th</sup> Plan schemes with consequential cost overrun.

Further, the progress (March 2007) of 32 road projects including 108 bridges under 9<sup>th</sup> and 10<sup>th</sup> Plans sanctioned during 2002-03 to 2006-07 are as below:

Table-2

(Rs in crore)

Plan	No. of road schemes	No. of works (AA)	Road length (bridges)	Approved Cost	No. of completed schemes	Completed road length(bridges)	Total cumulative exp. as of March 2007
9 <sup>th</sup>	11	15	13.10 Km (35)	54.03	3	Nil(7)	17.69
10 <sup>th</sup>	21	23	571.05 Km (73)	582.07	4	27.95(2)	115.39
<b>Total</b>	<b>32</b>	<b>38</b>	<b>584.15 Km (108)</b>	<b>636.10</b>	<b>7</b>	<b>27.95(9)</b>	<b>133.08</b>

Source: CE's records

The table indicates that out of 584.15 km road length and 108 bridges only 27.95 km road length (5 percent) and 9 (8 percent) bridges sanctioned during 1997-98 to 2002-07 could be completed till March 2007. Expenditure incurred against the schemes was only 21 percent (Rs.133.08 crore) against total estimated cost of Rs.636.11 crore. This indicates very slow progress of implementation with remote chance of completion of the scheme in the near future.

The abnormal delay in completion of projects retarded the development process and frustrated the objective of NEC to provide networks with inter State connectivity to facilitate regional integration and trade flow.

The Department did not make any realistic assessment of the requirement of funds for the construction of roads and bridges. The basis for selection and prioritization of road projects was also not on record.



### 3.4.9 Funding pattern and financial management

NEC provided funds to the State Government as 90 percent grant and 10 percent loan up to 2004-05 out of the Five Year Plan outlay. According to the recommendations of the Twelfth Finance Commission, the 10 percent loan component was discontinued from 2005-06 and was to be borne by the respective State Governments.

#### 3.4.9.1 Deficiencies in release of funds

The details of funds released by NEC, State Government, and the expenditure incurred thereagainst during the period 2002-03 to 2006-07 are as below:

Table - 3

(Rs. in crore)

Year	Funds released by NEC	Funds to be released by State Finance Deptt.	Funds released by State Finance Deptt. as well as by CE to the division.	Expenditure incurred by the executing Divisions	(-) Shortfall/(+) excess in utilisation of available funds by the executing divisions
2002-03	63.55	63.55	63.50	32.90	(-) 30.60
2003-04	140.30	140.30	140.30	65.11	(-) 75.19
2004-05	87.20	87.20	82.82	96.56	(+) 13.74
2005-06	64.31	71.46 <sup>2</sup>	51.75	96.94	(+) 45.19
2006-07	91.95	102.00 <sup>3</sup>	41.21	64.83	(+) 23.62
<b>Total</b>	<b>447.31</b>	<b>464.51</b>	<b>379.58</b>	<b>356.34</b>	

Source: Information furnished by P&D Department (finance) and CE, PWD i/c NEC

Availability of adequate funds was not a constraint for the progress of the sanctioned projects. On the other hand, there were deficiencies in financial management leading to non-release of funds on time, non-release of State share, discrepancy in unspent balance, release of funds by NEC beyond actual requirement, etc. There were also instances of excess expenditure, diversion of fund; irregular/unauthorised expenditure as would be evident from the observations made in the succeeding paragraphs.

#### 3.4.9.2 Discrepancy relating to release of funds

Table-3 disclosed that against Rs.447.31 crore released by NEC during 2002-07 the Finance Department had released only Rs.379.58 crore in the corresponding period. Records of CE, PWD i/c NEC, however, showed (May 2007) that a total amount of Rs.387.90 crore was released by Finance Department. Thus, there was a discrepancy of Rs.8.32 crore relating to release of funds between the statements furnished by Planning and Development Department (Finance) and the chief Engineer, PWD i/c NEC which was not reconciled (July 2007).

Further, discrepancy of Rs.31.36 crore as per divisions statements of fund received (Rs.356.54 crore) and fund stated to be released (Rs.387.90 crore) by CE to this division was also noticed. The discrepancy was neither reconciled nor the reasons for it explained to audit.

<sup>2</sup> NEC share: Rs.64.31 crore (90 percent) + State share: Rs.7.15 crore (10 percent) = Rs.71.46 crore

<sup>3</sup> NEC share: Rs.91.95 crore (90 percent) + State share: Rs.10.05 crore (10 percent) = Rs. 102.00 crore

Discrepancy between the records of two Departments, and even in the same Department, between the records of CE and the divisions, on fundamental issues like release and receipt of funds, indicate serious lapses in record keeping, maintenance of accounts and even monitoring. In the exit conference (July 2007) the CE assured that the discrepancy would be reconciled.

#### **3.4.9.3 Short release of funds by the State Finance Department**

During 2002-07, State Finance Department was to release Rs.464.51 crore (including State share of Rs.17.20 crore) to the PWD. Against this, only Rs.379.58 crore was released during the period resulting in short release of Rs.84.93 crore (including State share of Rs.17.20 crore) thereby adversely affecting the implementation of the schemes. The short release was stated by the Planning and Development Department to be mainly due to release of about 50 percent of funds for 2006-07 by the NEC at the fag end of March 2007.

#### **3.4.9.4 Diversion of funds**

Scrutiny of records revealed that EE, Kampur and Jorhat divisions diverted (January 2004 to August 2006) Rs.39.40 lakh towards repair works and travelling expenses not covered by the NEC funded schemes (Improvement of BKR road :Rs.30.73 lakh under Kampur division and eight roads and bridge works under Jorhat division : Rs.8.67 lakh).

#### **3.4.9.5 Sponsoring of works by NEC beyond its objective**

The main objective of NEC, so far as road projects were concerned, was to create communication infrastructure with inter-State connectivity. Contrary to this objective, on the basis of proposal submitted by the State Government to NEC wrongly, NEC sanctioned "Renovation of Inspection Bungalow at Silchar" for Rs.33.11 lakh, in the revised estimate of "Construction of RCC bridge over river Barak at Rainferry". The executing division, viz, Silchar Rural Road division incurred an expenditure of Rs.31.88 lakh on the said renovation work during January 2004 to January 2006.

Similarly, administrative approval for Rs.98.52 crore was accorded for execution of six<sup>4</sup> other NEC sponsored road projects not having inter-State connectivity in violation of NEC objectives. The executing divisions incurred expenditure of Rs.44.73 crore as of March 2007 on these unauthorised projects.

Thus, Rs.45.05 crore was spent on projects not in conformity with the NEC objective.

#### **3.4.9.6 Non-ascertainment of outstanding liability**

As mentioned in paragraph 3.4.9, up to 2004-05, funds were released by NEC to the State Government by way of 90 percent grant and 10 percent loan. The loan along with interest was to be repaid within the prescribed period of 20 years commencing one year from the date of drawal. The position of outstanding loan and interest accrued thereon as of March 2007 was neither available with the Finance Department nor with the PWD. However, scrutiny of available records revealed that an amount of

<sup>4</sup> i. Improvement of road of Silchar Town in the Municipal Area for 2004-05 (10th) (11 roads)  
 ii. Improvement of Barma Rangagarah Road via Sivasthan (10<sup>th</sup>)  
 iii. Improvement and construction of Chowkigate- Agiathuri- Ganesh Mandir Road.  
 iv. Improvement of Amingaon-North Guwahati- Dolgobindo- Kanai Boroshi - Bowashil Road.  
 v. Improvement of Rampur – Belsor road.  
 vi. Improvement of Hajo – Nalbari- Sarthebari- Nagaon Road

Rs.29.10 crore were received as loan during 2002-03 to 2004-05. The position of repayment made with interest during the period under review was not furnished by the State Government. Besides, the NEC also did not have any information in this regard. Thus, the State was unaware of its liability on account of outstanding loan and interest which is indicative of poor financial management.

#### 3.4.9.7 Flow of funds

Scrutiny of records revealed, that Rs.46.74 crore funds were released by NEC for 5 schemes under 3 divisions as per demands placed by the State Government without taking into account actual requirement of funds. After the completion of these works in September 2005 the NEC withdrew the excess funds amounting to Rs.19 crore from these schemes and re-allocated to 6 other schemes under this division and 2 other divisions in 2005-06. Allocation and release of funds in excess of requirement and subsequent adjustment/reallocation of the same against some other works indicates defective funds management and unrealistic assessment of fund requirement.

The details of withdrawal of released funds and re-allotments are given in the Table-4 below:

Table-4

(Rupees in crore)

Name of scheme & Division	Sanctioned cost	Funds released	Excess funds	Funds adjusted against other works	Remarks
Sepakhati-Pithaghuli Road (Jorhat NEC)	12.32	10.50	Nil	9.00	Non- allotment of work
Jotte-Baliyan Road (Jorhat NEC)	15.15	8.50	Nil	2.00	Slow progress of work
Chowkigate-Agiathuri -Ganesh Mandir Road (Guwahati NEC)	3.21	5.01	1.80	1.80	Excess released
Rampur Belsor Road. (Guwahati NEC)	14.43	9.60	Nil	1.00	Slow progress of work
Bridge over Barak at Fulertol (Silchar NEC)	14.38	13.13	Nil	5.20	Slow progress of work
<b>Total</b>	<b>59.49</b>	<b>46.74</b>	<b>1.80</b>	<b>19.00</b>	

Source: CE's records

#### 3.4.9.8 Idle funds

EE, Silchar NEC division had drawn unutilized funds and kept the same as bankers cheques (14 nos.) totalling Rs.20.16 crore during April 2002 to March 2005 to avoid surrender and incurred expenditure after encashment of these bankers cheques in subsequent periods with NIL closing balance as of March 2005. This indicates release of funds without actual requirement and non-surrender of un-utilised funds by the division.

#### 3.4.9.9 Committed liability

Test-check of Silchar NEC division revealed that the EE incurred a liability of Rs.99.85 lakh during 2005-06 and 2006-07 towards repair works of Silchar Kalain Road at various stretches without obtaining any sanction either from NEC or from the State Government (2005-07). This liability was sought to be cleared from the overall savings of Rs.2.01 crore out of an amount of Rs.49.31 crore accorded (February 1999 to July 2004) earlier for 15 other works relating to Silchar Kalain Road without obtaining the approval of NEC.



#### 3.4.9.10 Avoidable sanction of revised estimate

Test check of sanctions of four<sup>5</sup> works under Silchar NEC division initially sanctioned (September 1999 to March 2004) for Rs 3.85 crore revealed that revised estimates of these works were proposed and duly sanctioned (March 2004) with increased amount of Rs.70 lakh; although these works were completed (March 2007) within the original sanctioned amount.

#### 3.4.9.11 Preparation of inflated estimates

Scrutiny of estimates of various road projects in four<sup>6</sup> test checked divisions revealed that additional provision for Assam General Sales Tax (AGST) was included in the total estimated cost of works (roads and bridges). As the rates provided in the estimates were inclusive of AGST, additional provision of AGST in the abstract of estimates was irregular and resulted in double inclusion of AGST. Thus, there was additional sanction of Rs.13.96 crore by NEC due to inclusion of double AGST leading to accumulation of unspent balances revealing a tendency to incur extra expenditure without further sanction from competent authority on ground of availability of savings.

#### 3.4.10 Blocking of funds

Test check of records of selected divisions revealed that the EE Guwahati NEC division paid (September 2004) Rs.52.89 lakh to State Forest Department for getting forest land in respect of "Construction of Panjabari Batahghuli Road" for which Expenditure Finance Committee approval was obtained for Rs.14.98 crore and Detailed Project Report submitted by CE (July 2004) for administrative approval by NEC. The forest land was, however, not handed over to the PWD due to presence of an Elephant Corridor leading to abandonment of the project and eventually the Forest Department was asked (January 2007) to refund the money but no refund was obtained till the date of audit (May 2007) leading to blocking of funds since July 2004.

Further, the EE Jorhat NEC division paid (July 2004) Rs.41.62 lakh to N.F Railway against their estimates for construction of a B-class manned level crossing gate on Bokajan Wokha road taken-up (March 2004) as Deposit work under NEC programme. But the NF Rly failed to complete the level crossing till April 2007.

The Department had not pursued the matter to get back the amount from the Forest Department and for completion of the level crossing by the Railway (August 2007). These resulted in blocking of funds of Rs.94.51 lakh.

#### 3.4.11 Execution of works

Scrutiny of records of the selected divisions revealed irregularities in execution of various schemes.

<sup>5</sup> 1) C/o RC slab culverts in place of SPT bridge no. 17/1 21/2, 22/1 and at 29<sup>th</sup> km with sub-way on SK road

2) C/o approach road to RC bridge no. 15/1, 17/2, 21/2, 22/2, 23/1, 24/1 & 26/1 on S.K. Road

3) Approaches to RCC bridge No. 1/1 on S B road.

4) C/O double lane RCC Bridge No. 16/1 on SB Broad including approaches.

<sup>6</sup> Division-wise Additional Provision of AGST Kamrup: Rs.115.70 lakh; Silchar: Rs.836.94 lakh; Guwahati: Rs.387.09 lakh & Jorhat: Rs.56.57 lakh



### 3.4.11.1 Delay in processing of bids and finalisation of tenders

Scrutiny of the records revealed that during 2002-07, against 32 sanctioned schemes, sub-divided into 179 packages for invitation of bids, there was delay in finalisation of 135 tenders, ranging from 3 to 24 months. The tender finalisation for 40 works sanctioned during August 2004 to March 2007 was under process (March 2007). In respect of the remaining 4 tenders, no information was furnished.

The details of delay in allotment of works sanctioned during 2002-03 to 2006-07 (9<sup>th</sup> & 10<sup>th</sup> Plan) are shown in Table-5 below:

**Table-5**

Projects/ schemes	Total no. of sanctioned schemes	Total no. of groups/ packages for which bids invited	Delays in processing of bids and finalization of tenders						Total
			Within 3 months	3 months to 6 months	6 months to 1 year	1 year to 2 years	More than 2 years	Tender under process (03/07)	
A. Roadworks	2 (9 <sup>th</sup> plan) 21 (10 <sup>th</sup> Plan)	6 159	26 --	25 --	25 6	38 --	4 --	37 --	155 6
B. Conv. Of timber to RCC bridges	9 (9 <sup>th</sup> plan)	14	1	2	2	4	2	3	14
<b>Total</b>	<b>32</b>	<b>179</b>	<b>27</b>	<b>27</b>	<b>33</b>	<b>42</b>	<b>6</b>	<b>40</b>	<b>175</b>

Source: Information furnished by CE, PWD i/c NEC.

Thus, execution of road works was delayed from the very first stage of tender and thus the targeted population was deprived of the benefit of improved road communication infrastructure.

### 3.4.11.2 Lack of transparency in allotment of work in Laisong-Rajabazar Road

For construction of RCC bridge No.2/1,12/2,5/3,14/5 and 9/2 on Laisong-Rajabazar Road under Silchar NEC division, sanctioned by NEC (August 2000) for Rs.6.81 crore, tender agreements were drawn (December 2000 and February 2001) with three contractors for Rs.4.89 crore with stipulation to complete the work within 24 months from the date of formal work orders (December 2000 and February 2001). The work was allotted without proper sub-soil Investigation. Scrutiny of records revealed that three supplementary tenders (Agreements) were drawn (May 2001 to February 2002) in favour of the same contractors for total tender amount of Rs.6.60 crore by deleting (May 2001 to February 2002) the entire original tender provision for Rs.4.89 crore due to complete change of scope of work of super structure from RCC to steel BUG due to different sub-soil strata encountered. The supplementary tender agreement amount was finalized as per the amounts quoted by the contractor and revised AAs (two no.) for Rs.7.70 crore were also accorded subsequently by NEC (March 2004), without any supporting detailed estimates. Against the supplementary tenders, payment of Rs.6.57 crore was made to the contractors during September 2004 to September 2005. Thus the execution of supplementary agreements to the original work the scope of which was completely modified was irregular.



### 3.4.11.3 Excess expenditure due to deviations from estimates in Baithalangshu-Kampur-Raha Road

Improvement of formation and pavement work of Baithalangshu-Kampur-Raha road at 1<sup>st</sup> to 24<sup>th</sup> km and 37<sup>th</sup> to 47<sup>th</sup> km was sanctioned by NEC (March 2003) for Rs.18.22 crore and no technical sanction was accorded (April 2007). According to detailed estimates of the work and BOQ<sup>7</sup> of tender agreement, 6,36,760.01 cum of earth work in core and sub-grade was to be executed on the said stretch of the road. Against this, the EE, Kampur NEC division recorded execution of 7,28,604.51 cum of earth work by the contractors. This resulted in depiction of excess execution of 91,844.50 cum (14.42 percent) of earth work over the estimate and tendered provision beyond the competency of the E.E involving extra expenditure of Rs.63.66 lakh as detailed in Table-6 below:

**Table-6**

Particulars of Earthwork	Estimated Quantity	Executed and billed for	Excess execution	Rate (Average)	Amount (Rs. in lakh)
E/W in Core	467708.01 m <sup>3</sup>	543388.59 m <sup>3</sup>	75680.58 m <sup>3</sup>	Rs.68.00 per cum.	51.46
E/W in Sub-grade.	169052.00 m <sup>3</sup>	185215.92 m <sup>3</sup>	16163.92 m <sup>3</sup>	Rs.75.50 per cum	12.20
<b>Total: -</b>	<b>636760.01</b>	<b>728604.51</b>	<b>91844.50</b> (14.42 per cent)	<b>--</b>	<b>63.66</b>

Source: Records of Kampur NEC division

### 3.4.11.4 Doubtful expenditure of Rs.43.90 lakh

According to the sanctioned estimates of the work in the Baithalangshu-Kampur-Raha road, premix carpeting area and volume of Water Bound Macadam (WBM) works in three layers were 19,4458.15 m<sup>2</sup> and 44,521.95 m<sup>3</sup> respectively, for the same stretch of road works. The estimated volume of WBM works per square metre thus arrived at was 0.23 m<sup>3</sup>. Against this, the EE recorded execution of pre-mix carpeting area of 18,6095.29 m<sup>2</sup> and WBM works for 46,918.00 m<sup>3</sup> and payments were made to contractors. Reduction in carpet area should have corresponding reduction in volume of WBM works. Accordingly, the volume of WBM works at the rate of 0.23 m<sup>3</sup> per square metre, for total quantity of carpet area of 18,6095.29 m<sup>2</sup> should have been 42,801.92 m<sup>3</sup> instead of 46,918 m<sup>3</sup>. Thus, excess execution of 4,116.00 m<sup>3</sup> of WBM works involving expenditure of Rs.43.90 lakh is doubtful. The EE stated (April 2007) that the matter would be examined and the result thereof would be intimated to audit. But no reply has yet been received (August 2007)

### 3.4.11.5 Doubtful expenditure of Rs 40.79 lakh

The improvement work of the Bhanga-Anipur-Kanaibazar Road for a total length of 65 km was sanctioned by NEC (August 2004) for Rs.86.91 crore and a portion from 0 km to 15<sup>th</sup> km was entrusted for execution to Silchar NEC division. No technical sanction was accorded till April 2007. The EE recorded excess execution of "Earth work in core of embankment etc" over estimated quantity by 40,165.65 cum. (44.60 percent) involving extra expenditure of Rs.40.79 lakh as detailed below: -

<sup>7</sup> BOQ: Bill of quantities



Table-7

Package No.	Rate per cum (in Rupees)	Quantity as per bills (cum)	Estimated Quantity (cum)	Excess (cum) (percent)	Amount (Rupees in lakh)
S-16	127	21312.24	10814.70	10497.54 (97)	13.33
S-17	100	31840.86	24262.09	7578.77 (31)	7.58
S-18	90	29632.65	14815.26	14817.39 (100)	13.34
S-19	90	30,048.40	22776.45	7271.95 (32)	6.54
<b>Total</b>		<b>1,12,834.15</b>	<b>72,668.50</b>	<b>40,165.65</b>	<b>40.79</b>

Source: Records of Silchar NEC division

Thus, deviations (31 percent to 100 percent) involving huge extra cost without any change of scope of work, and prior approval of higher authority was not only irregular but also doubtful.

#### 3.4.11.6 Allotment of works without inviting tenders

The NEC accorded sanction for Rs.1.91 crore (February 2003) which was revised (November 2005) to Rs.2.57 crore for construction of approaches to RCC Bridge No.12/1, 18/1, 20/2, 25/1, 29/1 and protection work of bridge no. 32/1 on Orang Mazbat Rupa Road. The CE allotted the approach works of bridge no.12/1, 20/2 and 25/1 on the same road arbitrarily through supplementary tenders instead of calling for fresh tenders during 2003-04, to the contractors entrusted earlier with the construction of these bridges proper.

The works, constructions of bridges proper already completed in 2001-02 and construction of approaches (awarded in 2003-04) are two different types of work having different specifications. Applying the terms and conditions of long completed bridges proper to the approaches after two years through supplementary tenders was irregular.

Thus, allotment (December 2003 to March 2004) of these approach works, to the contractors of the bridge proper, without inviting fresh tenders, was irregular and deprived the Department of benefit of competitive rates.

#### 3.4.11.7 Undue benefit to the contractor

As per APWD schedule of rate (SOR) for the year 2000-01, a premium of 10 percent over the SOR, purely for estimate purpose, can be considered due to inaccessibility and remoteness in hill districts and in the area bordering India-Bangladesh. The estimate of the approach to RCC bridge no .5/1 and 6/3 on M.P.Road work under Guwahati NEC division was sanctioned (November 2003) for Rs.2.06 crore by NEC and technical sanction was also accorded by CE (November 2003).

Scrutiny of records revealed that the contractors of bridge proper were allotted the approach works through supplementary tenders (March 2005) for Rs.1.80 crore and on completion of works (5/1 in February 2004 and 6/3 in January 2005) they were paid a total amount of Rs.1.71 crore which included inadmissible amount of Rs.15.53 lakh as 10 percent premium meant for estimate purpose only, despite the fact that the original tender had no provision for payment of 10 percent premium.

Thus, inclusion of 10 per cent premium in the supplementary tenders and payments made thereagainst (Rs.15.53 lakh) resulted in undue financial benefit to the contractor.

### 3.4.11.8 Sub-standard work

The NEC sanctioned (November 2002) improvement work of Jotte-Balijan Road from chainage 0 to 13.105 km for Rs.6.44 crore under Jorhat NEC Division. No technical sanction was accorded by CE i/c NEC till May 2007. The work was tendered and allotted (May 2003 to July 2003) in three packages (L<sub>1</sub>, L<sub>2</sub> and L<sub>3</sub>) to three different contractors for Rs 4.79 crore. The work was completed in April 2005 and the contractors were paid Rs.1.41 crore. Scrutiny of the final bill of package no L-2 (5<sup>th</sup> to 8<sup>th</sup> km) revealed shortfall/excess in execution of all components of road works as shown in the Table-8 below:

**Table-8**

Item No.	Particulars	Est./tender Qty	Executed Quantity	Variation Excess(+)/Less(-)
2.02	E/work:			
	(i) by head load	4912.40 m <sup>3</sup>	1095.90 m <sup>3</sup>	(-)3816.50 m <sup>3</sup>
	(ii) by Truck carriage	49858.00 m <sup>3</sup>	49614.53 m <sup>3</sup>	(-)243.47 m <sup>3</sup>
2.03	Sub-grade by truck carriage	15518.20 m <sup>3</sup>	16985.40 m <sup>3</sup>	(+)1467.20 m <sup>3</sup>
3.02	WBM Gr. II	1636.38 m <sup>3</sup>	1689.60 m <sup>3</sup>	(+)53.22 m <sup>3</sup>
	Gr. III	1636.38 m <sup>3</sup>	1486.10 m <sup>3</sup>	(-)150.28 m <sup>3</sup>
4.02	Premix Carpeting	21818.50 m <sup>2</sup>	21065.00 m <sup>2</sup>	(-)753.50 m <sup>2</sup>

Source: Records of Jorhat NEC division

Construction of roads should conform to prescribed specifications. Variations from estimate specially of WBM and premix carpeting which should be of standard thickness, results in unspecified/substandard work. The abnormal variations in all the components of road construction particularly reduction of pavement area from the estimated provisions in the execution of this particular stretch of work (5<sup>th</sup> to 8<sup>th</sup> km) resulted in substandard work involving Rs.1.41 crore.

### 3.4.12 Material Management

#### 3.4.12.1 WMC memos-non accountal of material

Test check of records of Guwahati NEC division revealed that receipt and accountal in respect of 10 nos. of WMC memos for Rs.16.54 lakh for supply of bitumen and other stock material between 1985 and 1996 was not certified till April 2007. Thus, store material for Rs.16.54 lakh remained unaccounted for 11 to 22 years.

### 3.4.13 Ineffective quality control

As per norms, one percent provision was made in each work sanctioned by NEC for quality control. The inspection notes of the concerned SE in respect of Baithalangshu Kampur Roha road (46.40 km) under Kampur NEC division revealed poor supervision of works; utilization of low quality soil and soft variety stone causing low-standard sub-grade and pavement work with inadequate compaction. The notes also disclosed defects in newly built hard crust of the road.

Further, minutes of discussion held at Silchar (April 2006) attended by the Advisor (T & C), NEC and the Addl. CE (NEC) indicated that no laboratory for quality control check/test was found at site during their field visit (April 2006) of Silchar - Dwarband



- Phaisen Road (Package No. S-36) under Silchar NEC division. The Additional CE, PWD (R) NEC, during his inspection (November 2004) also pointed out utilization of unspecified size of river boulders in protection work of approach to Raniferry bridge under Silchar Division. As regards rectification of the defective works and subsequent verification by responsible officer and any departmental action, if any, on these notes, nothing was available on records.

These cases indicated absence of effective mechanism to ensure quality control of works.

### 3.4.14 *Inadequate monitoring and evaluation*

Scrutiny of records revealed that third party monitoring system was to be introduced in NEC 10<sup>th</sup> Plan road schemes (December 2004). Accordingly, State Government was to engage a consultant out of seventeen members short listed (March 2006) by NEC to establish a truly participatory monitoring system. The State Government (April 2007) had not yet identified any consultant to undertake the monitoring of projects executed in the State as required. In the absence of proper monitoring, the extent of success of the scheme is yet to be evaluated (April 2007).

### 3.4.15 *Lack of proper maintenance of roads and bridges constructed under NEC projects*

There was no system of maintenance. Comprehensive proposals for annual maintenance were also not made. During 2002-07, the NEC released Rs.9.80 crore against EFC amount of Rs.10.12 crore for maintenance of a few specific completed roads and SPT bridges. The release of funds was made yearly for selected schemes and road lengths as shown in the Table below. Maintenance of completed roads/bridges, being the sole responsibility of the State Government, adequate funds for maintenance should have been provided for by the State Government. But in all these years, no funds except that of the NEC, was provided for by the State Government. Funds for maintenance of NEC schemes during 2002-07 are detailed in Table-9 below:

**Table-9**

(Rs. in lakh)

Year	Length of road	EFC amount	Released by NEC	Released by State Finance Department
2002-03	25.25 km	236.89	300	-Nil-
2003-04	281.40 km 5.00 km	287.15 29.85	300 <sup>8</sup>	317.54
2004-05	29.50 km 363.81 km	57.91 200.00	200	231.94
2005-06	534.53 km	200.00	180	213.52
2006-07	-	-	-	220.00
<b>Total</b>		<b>1011.80</b>	<b>980.00</b>	<b>983.00<sup>9</sup></b>

Source: Departmental records

Maintenance of roads was carried out in ad hoc manner depending on availability of fund. The CE also stated (May 2007) that maintenance works were not done for full

<sup>8</sup> included provision for repairing of 4 SPT bridges

<sup>9</sup> Rs.3.00 lakh from earlier release



length due to inadequate allocation of funds. This fund crunch led to damage of completed NEC roads beyond repair leading to non-fulfillment of NEC objectives.

#### **3.4.16 Conclusion**

There was shortfall on various counts. NEC funded road sector projects under execution during 2002-03 to 2006-07 were not implemented effectively and economically. Road works were not executed according to sanctioned provision. Lack of adequate planning delayed the completion of roads and bridges. Funds were not utilized optimally. Lack of proper maintenance of completed roads/bridges led to non-fulfillment of ultimate objective of providing all weather inter-State road connectivity. Thus, the overall impact of the NEC funded road schemes in the State was unsatisfactory.

#### **3.4.17 Recommendations**

- Planning and monitoring should be toned up to ensure completion of schemes within the prescribed time frame and estimates.
- Timely release and optimum utilisation of funds by State machinery should be ensured.
- Executing divisions should adhere strictly to the provisions of the sanctioned estimates and technical sanction accorded by the competent authority.
- Proper mechanism should be put in place to ensure effective quality control.
- Monitoring mechanism should be strengthened for effective evaluation of projects.

The foregoing findings were reported to the Government in June 2007; replies had not been received (September 2007).

## HEALTH AND FAMILY WELFARE DEPARTMENT

### 3.5 Procurement and distribution of medicines

#### Highlights

*Health care services to the people of the State have been a priority item in the planning of social services by the State Government. Distribution of medicines through the health care units viz. hospitals, community health centres, primary health centres and dispensaries are an integral part of providing health care. A review of procurement and distribution of medicines in Health and Family Welfare Department revealed that procurement of medicines was not need based. During the last five years (2002-03 to 2006-07), supply of medicines to health care units was inadequate. Thus, the intended health care services were not made available to a large section of the people of the State.*

**Rs.38.30 crore (31 percent) were short released under Hospitals and Dispensaries during 2002-2007 despite budget provision. Under Medical Education also there was short release of funds of Rs.11.65 crore (34 percent) indicating unrealistic budgeting.**

(Paragraphs 3.5.7.1 and 3.5.7.5)

**The Department diverted Rs.3.27 crore to meet arrear claims.**

(Paragraph 3.5.7.2)

**In contravention of Assam Preferential Store Purchase Act, 1989, the Department procured medicines at higher rates, resulting in avoidable expenditure of Rs.2.87 crore.**

(Paragraph 3.5.9.3)

**Procurement of medicines at rates higher than the approved rates resulted in excess expenditure of Rs.45.14 lakh.**

(Paragraph 3.5.9.4)

**Shortfall in procurement of medicines ranged between five percent and 100 percent with reference to requirement projected by DHS. Short supply of medicines to Health care units ranged between 64 percent and 100 percent with reference to actual requirement. As a result, the health care units remained without medicines for one to eight months in a year adversely affecting health care delivery to the patients.**

(Paragraph 3.5.8 and 3.5.11.3)

**The practice of allopathic medicines by Ayurvedic doctors due to non-procurement of ayurvedic medicines defeated the objective of providing health care in Indian System of Medicines.**

(Paragraph 3.5.9.9)

#### 3.5.1 Introduction

Public health is one of the major thrust areas for social development of the country. With a view to providing comprehensive health care and prevention and control of major communicable diseases, the Department of Health and Family Welfare (DH&FW) implements Centrally sponsored, Central Plan and State Plan programmes through a network of one State hospital, 21 District hospitals, four Sub-divisional

hospitals, 100 community health centres, 610 Primary health centres, 358 Ayurvedic dispensaries and three Medical College Hospitals.

As per the procurement policy the DHS and Superintendents of each medical college hospital procure medicines from small scale industry (SSI) units and through open tenders.

The State Medical Stores Purchase Committee (comprising five members), constituted by the DH&FW for each of the Directorate, with the respective Director as its ex-officio chairman, approves the panel of suppliers and rates based on which medicines are procured by the Directorates from time to time as per requirement.

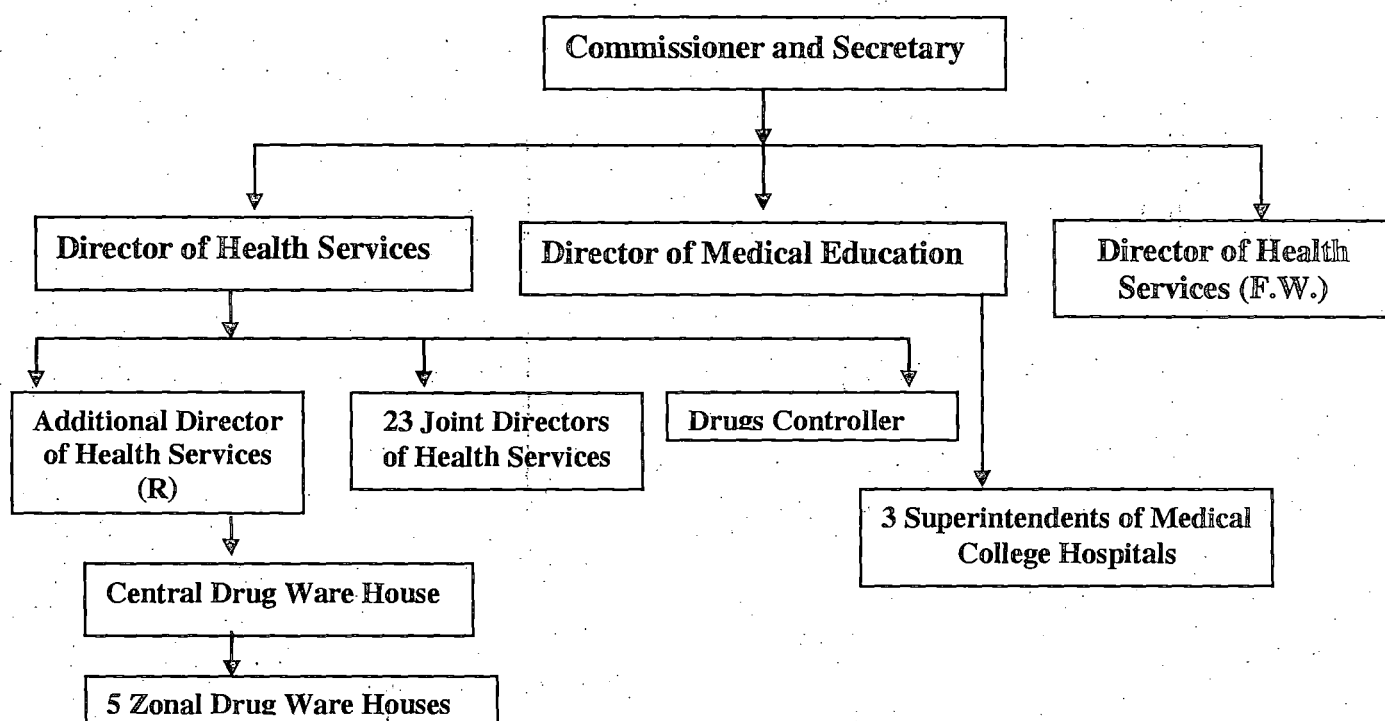
However, in emergencies i.e., in case of epidemics, floods, earthquakes etc., medicines are purchased at institutional rates (market rates) at the Directorate level.

### 3.5.2 *Organisational set up*

The DH&FW is headed by a Commissioner and Secretary. He is assisted by three Directors – viz, Director of Health Services (DHS), Director of Medical Education (DME), and Director of Health services (Family Welfare). While the DHS exercises control in procurement and distribution of medicines for hospitals and dispensaries, DME exercises control and supervision in procurement of medicines, etc. for three Medical College Hospitals (MCHs). Family welfare programmes are implemented by the Director of Family Welfare, for which medicines are procured and supplied by GOI.

The Drugs Controller of the Department assures quality control of procured drugs through the Drugs and Cosmetics Act, 1940 in the State. He is assisted by three Assistant Drugs Controllers, six Senior Inspectors and 17 Inspectors in implementation of the Act. The organizational setup of the Department is given in Chart-1: -

Chart 1





### **3.5.3            Scope of audit**

Procurement and distribution of medicines by the DH&FW during 2002-2003 to 2006-2007 was reviewed in audit between March and May 2007 through a test check of the records of the following offices in seven<sup>1</sup> out of 23 districts in the State.

DHS, Guwahati; DME Guwahati; Guwahati Medical College Hospital (GMCH); Assam Medical College Hospital (AMCH), Dibrugarh; Mahendra Mohan Choudhury Hospital (State); seven Joint Directors of Health Services<sup>2</sup> out of a total of 23; Central Drug Warehouse, Narengi; two<sup>3</sup> out of five zonal warehouses; 33 Community health centres out of 100; 50 Primary health centres out of 610, and nine Ayurvedic dispensaries out of 358.

### **3.5.4            Audit objectives**

The main objectives of audit were to examine the following:

- efficiency in assessment of requirement,
- economy and efficiency in procurement and distribution,
- efficiency of funding system,
- system of payment against supplies, and
- quality of drugs procured and system of storage of the procured medicines.

### **3.5.5            Audit Criteria**

The criteria set out for achieving the above objectives were:

- Guidelines of the Government for procurement of medicines;
- Codal provisions and delegation of financial powers;
- Instructions of the Purchase committee;
- Standard of drugs specified by the Government;
- Quality assurance norms of drugs;
- Storage norms of medicines.

### **3.5.6            Audit Methodology**

An entry conference was held with the officers of the Directorate of Medical Education in April 2007 wherein audit objectives and criteria were explained. The selection of samples for test check was done on random sampling basis. Seven out of 23 (30 percent) districts in the State were selected for test check. Besides the Capital district of Kamrup, two out of six districts covered by Central Stores, two out of 15 districts covered by Zonal Warehouses, one out of two hill districts and two Medical College Hospitals out of three were covered in audit. Exit conference was held with the Commissioner, DH&FW in August 2007 and replies of the Department have been incorporated where appropriate.

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<sup>1</sup> Kamrup, Nalbari, Morigaon, Nagaon, Cachar, Dibrugarh and Karbi Anglong.

<sup>2</sup> Guwahati, Nalbari, Morigaon, Nagaon, Silchar, Dibrugarh and Diphu.

<sup>3</sup> Nagaon and Silchar

### Audit Findings

The important points noticed during audit are discussed in the succeeding paragraphs.

#### 3.5.7 Budget and expenditure

##### 3.5.7.1 Directorate of Health Services (DHS)

According to the delegation of Financial Power Rules, 1960, DHS has full power to procure medicines subject to monthly limit of funds released by Finance Department and also subject to a maximum of Rs.20 crore in a year. Further, the State Government provided a fixed ceiling (FOC) of Rs.1.5 crore per month for procurement of medicines. Superintendents of Medical College Hospitals (SMCHs) are empowered to procure medicines for Rs. 25,000 in each case subject to a maximum of Rs.20 lakh per year. Further, according to DH&FW order (October 2003), prior approval of Government is to be obtained for procurement of medicines showing names of medicines, quantity, approved rates and names of the firms approved by the Purchase Board. Scrutiny of records of DHS revealed that budget estimates for procurement of medicines under hospitals and dispensaries etc. were prepared as per FOC and not on realistic and need basis. The basis of preparation of estimates under Medical Education was neither explained nor made available to audit. Budget allocation for procurement of medicines for the years 2002-03 to 2006-07 and expenditure thereagainst is shown in Table-1: -

**Table-1**  
**Hospitals and Dispensaries, etc. (DHS)**

(Rs. in crore)

Year	Budget Provision				Expenditure				Short release of funds (percentage)
	Allopathy				Allopathy				
	General Area	Arrear clearance	Epidemic	Total	General Area	Arrear clearance	Epidemic	Total	
2002-03	18	--	--	18.00	8.40	--	--	8.40	9.60 (53)
2003-04	18	5	--	23.00	8.40	5	--	13.40	9.60 (42)
2004-05	18	9	--	27.00	14.00	9	--	23.00	4.00 (15)
2005-06	18	9	--	27.00	18.00	4	--	22.00	5.00 (19)
2006-07	18	9	1.10	28.10	18.00	--	--	18.00	10.10 (36)
Total	90	32	1.10	123.10	66.80	18	--	84.80	38.30

Source: Information furnished by DHS

During 2002-07 the short release of funds ranged between 15 to 53 percent and totalled Rs.38.30 crore despite preparation of estimates on FOC basis. Due to short release, the people of the State were deprived of full medical facilities. Further, due to short release of funds, supplier's bills spilled over to next year and resulted in accumulation of arrears in payment.

##### 3.5.7.2 Diversion of funds to meet arrear claims

The Budget provided separate provision for payment of pending supplier's bills. However, during 2005-06 and 2006-07, against budget provision of Rs.18 crore

<sup>4</sup> Due to financial constraints there was short release of funds for which suppliers bills of the previous years were not cleared. This resulted in accumulation of arrear claims. To clear the pending bills of medicines supplied, allocation of funds for arrear clearance was made in the budget

(2005-06: Rs.9 crore, 2006-07: Rs.9 crore), only Rs 4 crore was released in 2005-06. As a result, arrear claims accumulated to Rs.14 crore and remained uncleared. Due to non release of earmarked provisions under arrear claims, DHS spent a sum of Rs.3.27 crore in 2006-07 in clearance of arrear claims by diverting the funds provided for procurement of medicines in the current year, thus reducing the procurement of medicine in 2006-07 to that extent.

This indicates lack of effective financial management in the Department.

### **3.5.7.3 Absence of contingency plan for epidemics**

The Department did not formulate any contingency plan for sudden outbreak of diseases like malaria, diarrhoea, cholera etc except provisioning funds of Rs.1.10 crore in 2006-07 which was also not released.

### **3.5.7.4 PMGY and TFC funds**

PMGY<sup>5</sup> (launched in 2000-01) is a new initiative to accelerate provision of basic minimum services in rural areas to promote the objectives of sustainable human development. According to guidelines 15 percent of PMGY allocation must be spent under primary health to strengthen the functioning of primary health care institutions (PHCs) by procurement of drugs etc.

Records of the DHS revealed that additional Central assistance of Rs.25.15 crore was released under PMGY (Rs.12.65 crore in 2003-04 and Rs. 12.50 crore in 2004-05) for procurement of medicines to be utilised by PHCs under rural health sector. Medicines were procured and distributed centrally. But it was noticed that the Additional DHS(R), Narengi did not maintain separate stock register of medicines for PMGY funds. As such it could not be verified whether medicines procured out of PMGY funds were actually distributed to PHCs only.

Records further revealed that out of Rs.12.50 crore released in 2004-05, Rs.10.88 crore was drawn (March 2005) on AC bill and the funds were utilised in procurement of medicines between March 2005 and May 2007. Thus, funds meant for utilisation in 2004-05 spilled over to even 2007-08 indicating that funds were drawn only to avoid their lapsing, rather than any immediate requirement.

Further, Rs.8.01 crore to DHS and Rs.4 crore to DME were released as additional funds by Government in March 2007 for procurement of medicines under the award of Twelfth Finance Commission, which was utilized in March 2007 itself. Thus, there was a rush of expenditure during March 2007. Which indicates lack of proper financial management.

### **3.5.7.5 Directorate of Medical Education (DME)**

The budget provision for procurement of medicines for the years 2002-03 to 2006-07 and expenditure thereagainst are shown in Table-2 below: -

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<sup>5</sup> Prime Minister's Gramodaya Yojana



Table-2

(Rs. in crore)

Year	Budget provision	Funds released	Expenditure	Saving	Percentage of saving
2002-03	5.20	3.00	3.00	2.20	42
2003-04	5.20	3.00	3.00	2.20	42
2004-05	8.00	4.75	4.75	3.25	41
2005-06	8.00	6.00	6.00	2.00	25
2006-07	8.00	6.00	6.00	2.00	25
<b>Total</b>	<b>34.40</b>	<b>22.75</b>	<b>22.75</b>		

Source: Information furnished by DME

The table indicates persistent short release of funds against Budget provision as well as persistent savings ranging between 25 to 42 percent during 2002-2007, which indicated unrealistic budgeting. Further, the savings were also not surrendered during the respective years. The reasons for savings were not stated.

### 3.5.8 Assessment of requirement and inadequate procurement

Proper and realistic assessment of requirement is necessary to ensure economy and efficiency in expenditure i.e. no wastage and surplus. Requirement of medicines is generally assessed on the basis of population of an area covered by healthcare unit or number of patients receiving healthcare services as well as trends of expenditure in previous year. However, the DHS failed to furnish information relating to patient data and other factors for any of the years during 2002-2007. This information was also not available in the districts<sup>6</sup> test checked.

Scrutiny of records revealed that peripheral health care units submitted their monthly requirements to the Joint Director of the district or to the Joint Director in-charge of zonal drug warehouse, as the case may be. Thereafter, the Joint Director prepared a consolidated requirement of medicines for the district and placed the indent with the Additional DHS (R) incharge of CDWH for supply of medicines. Additional DHS (R) then assessed the monthly requirement placed by the districts within the monthly ceiling released by the Department followed by proposals for procurement. However, compiled consolidated requirements year wise for all the districts during 2002-03 to 2006-07 were not made (May 2007) available to audit. As a result, the extent of reduction in requirement made centrally by the Additional DHS (R) could not be ascertained in audit. The requirement of medicines in the State as assessed by Additional DHS (R) and medicines actually procured during 2004-05 to 2006-07 in respect of some important items of medicines are illustrated in **Appendix-3.11**.

The above monthly purchase procedure is an indicator that the peripheral health care units never got their medicine supplies in time and faced scarcity of medicines. Further, **Appendix 3.11** shows that shortfall in procurement of medicines in respect of some important items actually supplied during 2004-05 to 2006-07 ranged between 5 and 100 percent with reference to the requirement projected by the DHS. Infact some of the items were not procured at all. This adversely affected the quality of health care services in the State.

<sup>6</sup> Kamrup, Nalbari, Morigaon, Nagaon, Cachar, Dibrugarh and Karbi Anglong

In respect of medical education, there was no procedure for assessment of requirement of medicines. SMCH's procured medicines monthly, on the basis of funds released to them and not on actual requirements.

In the Karbi Anglong District Council, no specific provision for procurement of medicines was made in the budget. Proposals for medicines were made on the basis of funds released or likely to be released by the Council during a year and not based on requirements and past consumption and distribution.

### **3.5.9 Procurement of Medicines**

#### **3.5.9.1 Planning**

The Department neither formulated any annual action plan for procurement of drugs for distribution to the health care units nor fixed annual rate contracts. Thus audit could not verify whether procurement was based on demand and whether there was efficiency in expenditure. The Department also did not make any plan to make available ready stock of essential drugs that are required to be maintained by all hospitals and dispensaries for emergency purposes.

#### **3.5.9.2 Procurement policy and procedure**

The procurement policy is enshrined in the Assam Preferential Stores Purchase (APSP) Act, 1989 wherein 10 percent price preference is allowed to Small Scale Industries (SSI) products. As per the Act, SSI products should be procured by all Departments through Assam Small Industries Development Corporation (ASIDC) at the rates fixed by the technical committees of ASIDC. In addition, commission upto five percent on value of the goods supplied by ASIDC was to be paid. Any items, which are not produced by SSI units, can be procured from other sources after obtaining NAC (Non availability Certificate) from ASIDC. Further, according to the Finance Department Notification (3 July 1999), procurement of medicines by Health Department would be made in the following order of preference.

- Local manufacturer under APSP Act, 1989
- Government of India undertakings
- Medical Stores Depot, Government of India
- From approved suppliers (through open tender)

Medicines which were not produced by SSI units under ASIDC were procured centrally through invitation of tenders. A State Medical Stores Purchase Committee (comprising five members) is constituted by the DH&FW for each of the Directorates. The Purchase Committee with the respective Director as its ex-officio chairman, approves the panel of suppliers and rates, based on which medicines are procured from time to time as per requirement.

#### **3.5.9.3 Avoidable expenditure of Rs 2.87crore.**

Scrutiny of records revealed that despite availability of medicines at ASIDC rates, DHS and the Superintendent, Guwahati Medical College Hospital without obtaining NAC from ASIDC, procured some medicines from other sources between May 2002 and December 2006 in contravention of the APSP Act, 1989. The medicines procured at the rates approved by the Purchase Board (March and May 2003) were much higher than the ASIDC rates leading to avoidable expenditure of Rs.2.87 crore as detailed in



**Appendix-3.12** The reasons for procuring medicines from other sources were not stated.

#### **3.5.9.4 Excess expenditure of Rs.45.14 lakh**

The Purchase Committee (2002-03) approved rates of Injection Dextrose 5 percent, DNS, Normal Saline (NS) at Rs.12.40 per 540 ml/500 ml bottle and Injection Ringer Lactate at Rs.14.80 per bottle of same specification. Test check of the records of GMCH and AMCH revealed that the above medicines were procured at Rs.16.50 and Rs.19.40 per bottle respectively by the MCH's on various occasions resulting in excess expenditure of Rs.45.14 lakh as detailed in **Appendix-3.13**.

The purchase of medicines at higher rates indicated lack of financial discipline and coordination in procurement.

#### **3.5.9.5 Procurement without tendering**

Records indicated that medicines were procured by Jt. DHS, Diphu without inviting any tender. It was noticed that proposals for the medicines indicating names, quantity, rates, (ASIDC/DHS) and total value of medicines were placed with the Karbi Anglong District Council for approval. The Council, while approving the proposal specifically mentioned the names of the firms (not in conformity with Government rules) which were not among the Government approved firms and value of medicines to be procured from each firm. The basis for selecting the firms by the Council was also not found on record. It was also seen that 5 percent extra over the value of medicines was allowed by the Council since March 1997. Thus, not only the purchases were made without tendering in disregard of Government rule but 5 percent extra, were also paid to the suppliers without any valid reason.

#### **3.5.9.6 Procurement in contravention of orders**

According to the DH&FW order (October 2003), prior approval of the Government is to be obtained for procurement of medicines showing name, quantity, approved rates and name of the firms approved by Purchase Committee. However purchases were made in disregard of these orders as mentioned below:

- A supply order for procurement of (Gentamycin and Salbutamol) for Rs.22.79 lakh) was issued (05 January 2006) on the basis of indents received on the same day from Additional DHS (R), Narengi without obtaining Government approval and in contravention of Finance Department Notification (July 1999) wherein SMCHs were empowered to procure medicines for Rs.25,000 in each case subject to annual limit of Rs.20 lakh.
- Scrutiny of records revealed that approval of Government as per DH&FW order (October 2003) was not obtained by the SMCH's and therefore, expenditure ranging from Rs.0.85 crore to Rs.2.53 crore per year incurred by SMCHs during 2002-03 to 2006-07 was not covered by the provisions of DFPRs,1960. The system of procurement followed was that the DME, on receipt of ceiling from the Government, reallocated the funds to the three SMCHs who purchased the medicines with the entire fund allocated to them. Rs.22.75 crore spent by the three SMCH's during 2002-03 to 2006-07 was thus in contravention of existing orders



**3.5.9.7 Undue favour to the supplier**

Records of the JD, HS, Diphu revealed that 5 percent extra on the original value of medicines was allowed by the District Council since March 1997. This 5 percent extra rate was considered by the Council in view of increasing cost of transportation, price of raw material and to meet the expenses of proper labeling and packing. As the rates approved by Government were inclusive of transportation, labeling and packing, further allowance of 5 percent was not justified and resulted in undue favour to the suppliers amounting to Rs.21.75 lakh during 2005-07. The information for other years were not made available as the Cash Books etc. were seized by police (August 2005) in connection with a case of misappropriation.

**3.5.9.8 Procurement without requirement**

Records of the Central Drug Warehouse (CDWH), Narengi, revealed that the DHS procured the medicines worth Rs.22.88 lakh from Guwahati based firms during 2003 without any requisition from the Additional DHS (R), CDWH and without approval of the Government as indicated in Table-3 below.

**Table-3**

Sl.No.	Name of medicine	Date of supply order	Period of supply	Quantity	Value (Rs in lakh)	Name of Supplier
1	Tab Domperidone	October 2003	December 2003	10 lakh	6.75	M/S Premier Sales
2	-do-	-do-	November 2003	14 lakh	9.44	M/S Maindeor Enterprise
3	Inj. Metoclopramide (2 ml)	January 2003	February 2003	1 lakh	5.39	M/S Agarwal Pharmaceuticals,
4	Inj. Ciprofloxacin (100 mg)	January 2003	February 2003	8000 bottles	1.30	-do-
<b>Total</b>					<b>22.88</b>	

Source: DHS and CDWH.

Further, the Minister of H&FW expressed displeasure (12 November 2003) for procurement of unimportant items of medicines despite issuing instructions from time to time for procurement of medicines proportionately and on priority basis.

It was noticed that medicines at Sl no 3 and 4 were ordered on a request (dated nil) made by the supplier whose earlier supply order (December 2002) for other medicines was cancelled (January 2003). This clearly indicates that procurements of these medicines were not based on demand, but to assist a supplier. In the absence of demand consumption of these medicines cannot be vouchsafed.

**3.5.9.9 Procurement of ayurvedic medicines**

As per Government policy 5 percent of funds are to be allocated for other system of medicines. Despite having specific policy, the Department did not allocate any funds in regular budget for procurement of ayurvedic medicines. It was however, noticed that PMGY funds of Rs.41 lakh were released during 2003-04 and 2004-05 for procurement of ayurvedic medicines out of which, DHS spent Rs.9.20 lakh in procurement of five ayurvedic medicines during 2003-04 and 2005-06 and Rs.31.80 lakh in procurement of liver and cough syrup having ayurvedic properties. Records

revealed that the ayurvedic medicines so procured out of PMGY funds were distributed to the dispensaries located both in urban and rural areas disregarding PMGY guidelines of supplying the same only to rural areas.

Addl. DHS (R), Narengi stated (March 2007) that proposals for procurement of ayurvedic medicines were not sent to Government due to lack of demand from field units. It was observed that there were (November 2004) demands from the field units (JD, Dibrugarh) for supply of 65 items of ayurvedic medicines-, which were not procured.

In the absence of ayurvedic medicines, the ayurvedic dispensaries were meeting the needs for health care and treatment with allopathic medicines. This resulted in under utilization of ayurvedic doctors at Government run dispensaries and also defeated the cause of Indian System of Medicines.

### **3.5.10      *Avoidable interest payment***

Records of the DHS revealed that M/s J.D. Pharmaceuticals, Guwahati (an SSI unit) filed (1993) a money suit against ASIDC. It was, further noticed that 16 other money suits were also filed (1993 to 1994) against the Department due to non-payment of bills against medicines supplied to the Department. The cases went to the higher courts and as per decree of the higher court; the Department was liable to pay interest amounting to Rs 4.33 crore in addition to payment of the outstanding bills (*Appendix-3.14*). It was seen that Rs.1.94 crore was paid (March 2006) to ASIDC to clear decretal amount (money suit No.187/93) including interest of Rs.1.74 crore. In respect of other cases, Rs.50.51 lakh was deposited (February 2005) in High Court. Non payment of supplier bills in time resulted in avoidable interest payment of Rs.1.74 crore apart from incurring a liability of Rs.2.59 crore towards interest payment calculated upto February 2005. Reasons for non-payment of claims in time were not furnished (August 2007).

### **3.5.11      *Distribution of medicines***

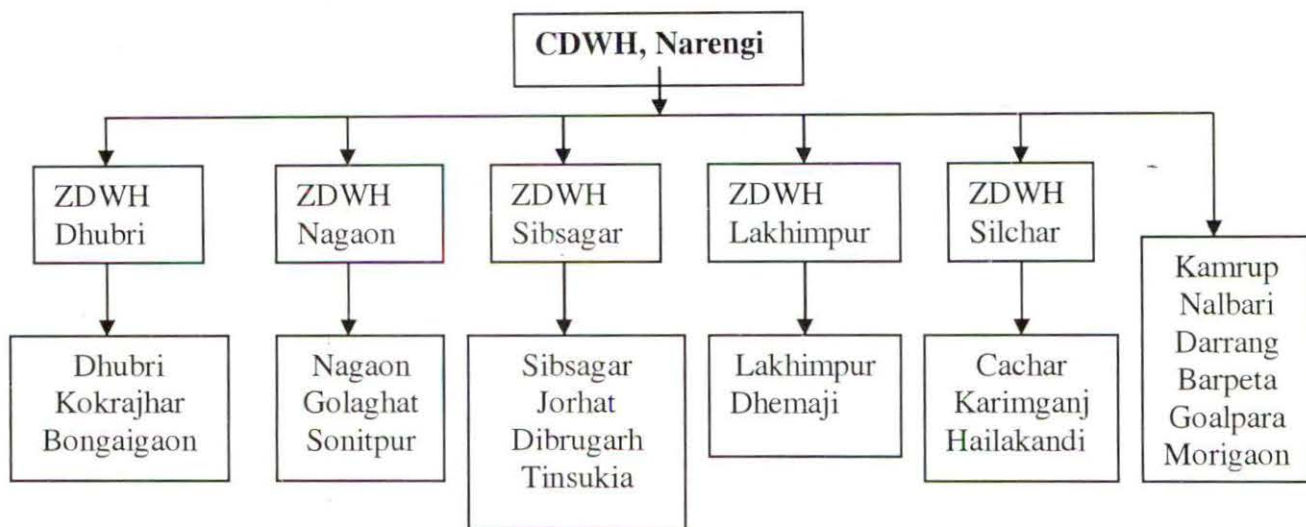
#### **3.5.11.1      *Drug delivery system***

The Department established one CDWH at Narengi, and five<sup>7</sup> Zonal Drug Warehouse (ZDWH) which started functioning from July 2002. With the setting up of drug warehouses, the distribution of drugs was centralized. The drugs supplied by the suppliers were received centrally at CDWH, Narengi and thereafter distributed to ZDWH and six other districts according to assessment made by CDWH. The ZDWH on receipt of drugs from CDWH, re-distributes to the district stores covered by them. The distribution of drugs in different districts of the state is given in a flow-chart below:

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<sup>7</sup> Dhubri, Nagaon, Sibsagar, Lakhimpur and Silchar





The Department did not maintain any records showing the value of medicines procured and distributed to the districts or ZDWH year-wise and district-wise. As such it could not be ascertained in audit whether medicines were distributed to the districts proportionately with reference to the population of the area and their demands.

### 3.5.11.2 Avoidable transportation cost due to centralized delivery of medicine

Prior to July 2002, medicines were supplied by the firms to district medical stores of each district at the approved rates and terms of contract. Receipt and distribution of medicines was centralized (July 2002) with the establishment of Central and Zonal drug warehouses. Medicines were received by CDWH, Narengi without any change in rate contract. The Department did not consider inclusion of any provision in the rate contract regarding recovery of transportation cost from the suppliers for transportation of medicines to districts after centralized receipt.

The DHS procured and delivered medicines costing Rs. 18.39<sup>8</sup> crore (average) per year. Information made available to audit revealed that the Department spent Rs.22.79 lakh (on an average) per year being 1.24 percent of value of medicines towards transportation cost up to district medical stores from July 2002 to March 2007. Had a provision been included in the contract agreement with the supplier regarding recovery of transportation cost, cost of transportation of Rs.22.79 lakh per year could have been recovered from the suppliers. During exit conference Commissioner, DH&FW stated (August 2007) that a clause to deduct @ 1.5 percent from the suppliers bill was incorporated in the NIT for the year 2007-08 to meet the transportation cost. Meanwhile, the Department incurred avoidable transportation cost of Rs.1.08 crore from July 2002 to March 2007.

### 3.5.11.3 Inadequate supply of medicines

Records of the field units test checked revealed that supply of medicines to the districts was inadequate. Important medicines like Tinidazole, Ciprofloxacin, Norfloxacin, Rantidine, Cephalaxin, Erythromycin, Ofloxacin, Ampicillin,

<sup>8</sup> (General: Rs. 66.80 crore + PMGY: Rs. 25.15 crore) / 5 = Rs. 18.39 crore.



Tetracycline, Doxycyclin, and Nimesulide etc., were either not supplied or supplied short with reference to requirements. Details of the medicines indented by the district medical stores during 2004-07 and the medicines actually supplied thereagainst are shown in *Appendix-3.15*.

*Appendix-3.15* indicates that short supply of medicines to the districts ranged between 75 and 99 percent (2004-05), 64 and 99 percent (2005-06) and 66 and 100 percent (2006-2007). Further, test check of the health care units (PHCs and CHCs) revealed that the supplies of essential medicines to the units were so inadequate that the stock hardly lasted for 3-28 days in many cases and there was no fresh supply of these medicines for the next 1-8 months because of monthly procurements which were time consuming (Paragraph 3.5.8). As a result, the centres remained without essential medicines for periods ranging from one to eight months before receipt of next consignment as detailed in *Appendix-3.16*. Thus, patients (1,082-3,090 monthly) attending the health care units were deprived of essential medicines.

### 3.5.12 *Quality control of drugs*

#### 3.5.12.1 *Delay in testing and non-receipt of test reports*

There was no system of pre – purchase testing of medicine in any of the Directorates. Post purchase testing of medicine was being done in an adhoc manner at the Regional Drug Testing Laboratory (RDTL), Guwahati on the basis of samples drawn by the Drugs Controller, Assam at random basis immediately after receipt of consignment of medicines in the Central Drug Warehouse. As per information furnished by the Drugs Controller, reports for only 2,037 samples (50%) out of a total of 4,043 samples taken were received from the laboratory as per details given in Table-4 below:

**Table-4**

Year	No. of Samples drawn	No. of reports received	No. of reports pending	No. of samples found sub-standard(percentage)
2002-03	557	437	120	55(13)
2003-04	739	400	339	34(8.5)
2004-05	612	433	179	31(7)
2005-06	1,111	416	695	23(5.5)
2006-07	1,024	351	673	16(4.5)
<b>Total</b>	<b>4,043</b>	<b>2,037</b>	<b>2,006</b>	<b>159(7.8)</b>

Source: Drugs Controller

On an average, 8 percent of the medicine samples tested were found substandard. In any such quality control, testing time taken should be such that test reports should reach the medicine issuing authority before issue of medicines. It was however noticed that time taken in receipt of laboratory reports ranged between six and 33 months, after issue of medicines. Thus the very purpose of testing the medicines was defeated.

#### 3.5.12.2 *Supply of sub standard drugs due to late receipt of test reports*

Records of the Drug Controller and CDWH, showed that out of 159 samples declared sub-standard by RDTL during 2002-07, the value of only 11 samples in respect of four items of medicines being declared sub-standard were assessed by CDWH after

13-33 months as per details given in Table-5 below. The reasons for not assessing value of 148 other samples were not stated.

**Table-5**

Name of the firm	Name of the medicines	Quantity	Batch No.	Date of samples drawn	Date of reporting	Value of medicines (Rs. in Lakh)
M/s Mann & Derek	Tab Paracetamol 500 mg	1,05,000	ALT 1137	26-8-2003	03/06/06	0.31
M/s Viva Pharma	-do-	50,000	PT-303	27-2-2004	03/06/06	0.02
M/s Hecatomb Laboratories	-do-	3,84,000	P-046	10-5-2004	03/06/06	0.29
			P-054	17-12-2004	20-6-2006	0.30
			P-037	31-12-2004	10-7-2006	0.06
			P-060	17-12-2004	4-8-2006	0.20
			P-056	-do-	-do-	0.30
M/s Mann & Derek	Cap Ampecillin 250 mg	85,600	MDA/06	23-3-2005	3-6-2006	1.49
M/s Concept Pharmaceuticals	Tab Norflox TZ	3,72,500	3033	01-6-2004	03-6-2006	9.79
			3030	31-3-2004	-do-	3.59
M/s Mann & Derek	Tab Nemisulide 100 mg	3,50,000	MDN1002	23-3-2005	21-11-2006	1.22
<b>Total</b>						<b>17.57</b>

Source: -Central Drug Ware House.

Due to delay in releasing test reports issue and consumption of substandard medicines by patients is not ruled out. The Department had taken action against the four firms (three SSI units) mentioned above by suspending two firms and withdrawing the items from other two firms for supply of sub-standard medicines. However the Department did not work out the position of balance 148 samples found sub-standard nor did it take any action against the firms. The delay in receipt of laboratory reports frustrated the purpose of quality control of drugs and put the patients at great risk.

### **3.5.12.3 Inadequate manpower for drug testing**

The Government Analyst, RDTL attributed the delay in testing the drugs to shortage of manpower. Further, RDTL stated that only four chemists were posted in the laboratory and as per all India norms, one chemist could analyse 10-11 samples per month. Calculating at this rate of 10 samples per month per chemist, minimum 480 samples per year can be analysed by the RDTL. It was noticed that this norm of 480 samples per year was not followed. There was shortfall in analyzing samples ranging from 43 to 129 per year during the period under review.

Information relating to testing of medicines in respect of procurement made by the Medical College Hospitals under Medical Education was not furnished.

### **3.5.13 Internal audit**

Two internal auditors were posted in the DHS since 2003 by Finance Department. Records revealed that no inspection of any wing of the Directorate was done by the internal auditors and no inspection report was available. Thus internal audit wing remained non functional in the Department.

### **3.5.14 Monitoring**

The Department did not put in place any monitoring system nor was any officer vested with the responsibility of monitoring the procurement. The DHS did not insist on getting monthly or quarterly reports from the additional DHS (R) regarding the quantity and value of medicines ordered, quantity and value of medicines actually supplied and the extent of delay in receipt of material. There was also no up-to-date and consolidated report indicating the total quantity and value of medicines (item-wise) declared substandard by RDTL, Guwahati during the period 2002-07. As a result, DHS remained in dark about the status of quality control of drugs maintained in the state during 2002-07.

### **3.5.15 Conclusion**

The objective of providing comprehensive health care to the people was not fulfilled due to uneconomical procurement policy, inadequate planning and funding, lack of transparency and effectiveness in bids evaluation and short supply of medicines to health care units. Medicines were procured in some cases at higher rates indicating lack of financial discipline and weak internal control mechanism. Non receipt and delayed receipt of laboratory test reports defeated the purpose of maintaining quality control of drugs. Dispensing of allopathic medicines by ayurvedic doctors due to non-procurement of ayurvedic medicines also defeated the objective of providing health care under Indian System of Medicines.

### **3.5.16 Recommendation**

- Budgeting should be realistic and funds should be utilised 100 percent.
- The Department's annual action plan for medicine procurement should be based on demand and previous years consumption. Assessment and supply of medicines should be on quarterly basis and linked to demands.
- To ensure quality of drugs, drug-testing laboratory should be made proactive and adequately manned by technically qualified people for quick and accurate results.
- Procurement of Ayurvedic medicines should be ensured so that Ayurvedic doctors are not underutilised.
- Payment of suppliers' bills should be made on time to avoid liability of interest payment.
- An effective Internal control and monitoring system should be put in place.

The foregoing paragraphs were reported to Government (June 2007); replies had not been received (September 2007). Armed with responses to the findings of this review, the Department will be in a position to develop a strategic action plan which includes incentive creating, strengthening of health care institutions in rural and urban areas and capacity building measures.



**WELFARE OF PLAIN TRIBES AND BACKWARD CLASSES  
DEPARTMENT**

**3.6 Educational Development of Scheduled Castes and Scheduled Tribes**

**Highlights**

*The benefits of the schemes implemented under Educational Development for SCs and STs did not percolate down to the targeted groups due to lack of initiatives of the nodal Department in generating awareness among the SC/ST students. There was gradual decrease in enrolment of students of both SC and ST categories. Drop-out rate remained very high. The scheme was formulated to encourage only higher education and very few incentives are available for primary and secondary levels of education. Persistent delays in release of funds resulted in denial of scholarship to many needy students. Construction of hostel buildings was delayed inordinately and some of the hostel buildings were utilised for other purposes thereby depriving the eligible students of the facilities. There is lack of co-ordination among the State and the NGOs in spreading education among weaker sections of the society. Monitoring of implementation of the schemes was not in place which facilitated deficiencies to persist without being rectified.*

Neither surveys were carried out nor was information collected on enrolment of SC/ST students from concerned departments/institutions to bring in the targeted groups of students under the ambit of the schemes. Planning was based merely on the basis of actual expenditure incurred in previous years on the schemes instead of on the basis of actual population of targeted group.

(Paragraph 3.6.8)

Percentage of applications for post matric scholarship received against enrolment of students ranged between 31 and 65 in respect of ST students. In case of SC students, it was between 28 and 52 percent. This indicates that the State had failed to generate sufficient awareness among these students to avail of the benefits of the schemes.

(Paragraph 3.6.10.2)

Inordinate delay in release of scholarships resulted in denial of the benefit to the students to the extent of Rs.3.62 crore

(Paragraph 3.6.10.4)

Scholarships amounting to Rs.32.93 lakh were retained in hand for years together in 13 institutions and 6 ITDPs.

(Paragraph 3.6.10.5)

State Government was not even aware of NGOs working in structural development of SCs/STs indicating serious deficiencies in monitoring mechanism.

(Paragraph 3.6.13)

Meager incentives with limited scope in pre matric scholarship in State Sector could not motivate the poor parents to send their wards to schools.

(Paragraph 3.6.17.1)

**3.6.1 Introduction**

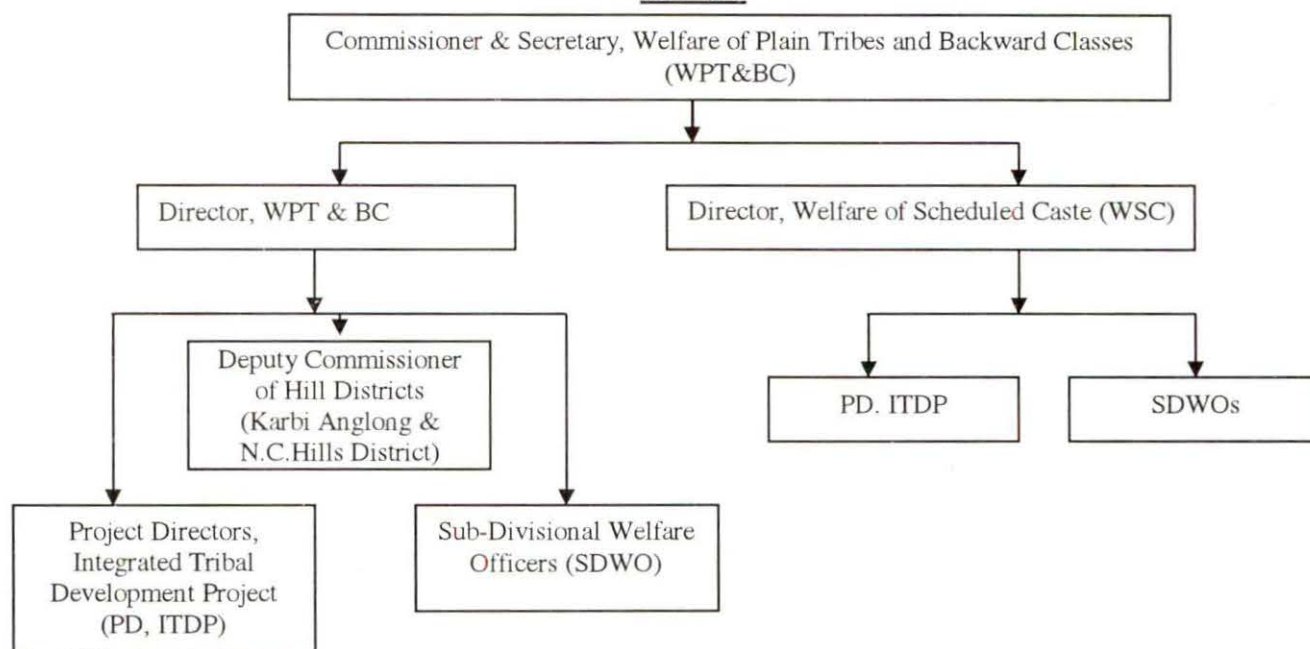
The State Government has a constitutional responsibility for promoting the educational and economic interests of the weaker sections of the society and in particular, the Scheduled Castes (SCs) and Scheduled Tribes (STs). Accordingly, the

State Government has been implementing various schemes with financial support from the Union Government and also from its own resources for enabling the SCs/STs to upgrade their educational levels and skills to generate self-confidence and self-reliance. The performance audit covered eight centrally sponsored schemes and one State scheme being implemented by the State Government during the period from 2002-03 to 2006-07.

### 3.6.2. Organizational set-up

The Commissioner and Secretary of Welfare of Plain Tribes and Backward Classes is the Nodal Officer for overall development of SC/ST students. He is assisted by two Directors viz, the Directors of Welfare of Scheduled Castes (WSC) and Welfare of Plain Tribes & Backward Classes (WPTBC). The Project Directors, Integrated Tribal Development Projects (PD-ITDP) of each district and Sub-Divisional Welfare Officers (SDWOs) in the Sub-Divisional level are the field officers responsible for implementation of the schemes. In two hills districts of Karbi Anglong and North Cachar, the Deputy Commissioner of the respective districts are implementing the schemes. Organizational set up of educational development scheme for SC/ST is shown in Chart-I below:

**Chart-I**



### 3.6.3 Scope of performance audit

The Performance audit of the “Educational Development of SCs/STs” was conducted during May-September 2006 and March - May 2007 covering the period from 2002-03 to 2006-07 by a test-check of the records in the Department of Plain Tribes and Backward Classes, Government of Assam; two Directorates viz, WSC and WPTBC, Project Directors-ITDP and SDWOs of nine<sup>1</sup> selected districts, including Deputy Commissioner of Karbi Anglong district. Information was also collected from selected universities, colleges, and schools etc, of test checked districts.

<sup>1</sup> Kamrup, Cachar, Kokrajhar, Golaghat, Karbi Anglong, Nagoan, Morigaon, Lakhimpur and Darrang.

#### **3.6.4            *Audit objectives***

The objectives of the performance audit were to:

- Examine and evaluate the efficacy of planning for implementation of various educational schemes for SC/ ST students;
- Check adequacy and effectiveness of the allocation, release and utilization of funds under various schemes;
- Assess whether the effort of the State resulted in improving the educational status of SC/ST students;
- Examine and evaluate the role of NGOs; and
- Examine effectiveness of monitoring system.

#### **3.6.5            *Audit criteria***

The criteria benchmarked for achieving the audit objectives were:

- Guidelines of various educational schemes for SCs/ STs,
- Instructions of the Government for implementation of the schemes
- Relevant rules/ orders for financial management.

#### **3.6.6            *Audit methodology***

Out of 23 districts, Kamrup being the capital district, and eight other districts were selected on the basis of statistical sampling. In the second stage, two universities, 48 colleges, 72 schools and eight NGOs of the selected districts were also selected by applying random sampling technique.

Before taking up the performance audit, an entry conference was held in June 2006 with the Secretary, Education Department, Director, WPT and BC, Director, WSC, Directors of Secondary and Elementary Education and other officers of the Department wherein, the audit objectives, audit criteria and scope of audit were explained to the Department and their suggestions as well as perceptions relating to the strengths and weaknesses in the implementation of the programme were obtained. Exit conference was held in July 2007 where audit findings were discussed with the Secretary to the Government of Assam, WPT & BC and other Officers of the Department and their replies/comments are incorporated in the report at appropriate places.

### **Audit Findings**

The important findings during the course of review are discussed in the succeeding paragraphs.

#### **3.6.7            *Summarised financial position of the Scheme***

For the development of education of students belonging to SC/ST categories, seven Centrally Sponsored Schemes and one State sector scheme were implemented in the State during 2002-2007. The summarised financial position of the schemes during 2001-2007 is shown below in Table-1.



Table-1

(Rupees in crore)

Year	Budget provision		Funds available*		Expenditure incurred		(+/-) Excess Savings	
	Central Schemes	State Schemes	Central Schemes	State Schemes	Central Schemes	State Scheme	Central Schemes	State Schemes
2002-03	15.16	0.83	16.38	0.83	3.43	0.83	(-) 12.95	-
2003-04	15.62	0.87	5.52	0.87	14.86	0.87	(+) 9.34	-
2004-05	15.66	1.15	10.49	1.15	7.80	1.15	(-) 2.69	-
2005-06	17.10	1.29	9.68	1.29	15.67	1.29	(+) 5.99	-
2006-07	33.31	1.59	28.90	1.59	31.58	1.59	(+) 2.68	-
<b>Total</b>	<b>96.85</b>	<b>5.73</b>	<b>70.97</b>	<b>5.73</b>	<b>73.34</b>	<b>5.73</b>		

Source: Departmental records

\* includes closing balance of previous year

It will be observed from the above table that despite short release of funds there were unspent balances. This indicates that the implementation of the schemes lacked planning, with poor delivery system, and therefore failed to improve the plight of the eligible beneficiaries.

### 3.6.8 Planning for implementation of the schemes

Planning for implementation of the schemes for educational development of SC and STs was not based on any definitive data or assessment of requirement. The requirement of funds was assessed by the concerned directorates and projected merely on the basis of actual expenditure incurred in the previous years on various schemes without any systematic plan to identify and cover all the eligible beneficiaries.

This is corroborated by the fact that neither were surveys conducted nor was information collected on enrolment of SC/ST students from concerned field level offices/institutions to ensure that the targeted group are given the due financial assistance. Scholarships were awarded only on the basis of applications received from the students without motivating the entire targeted group to pursue education with the incentives offered under these schemes. As a result, a large number of students under these categories could not benefit from the scheme.

### Implementation of the schemes

#### A. Centrally Sponsored Schemes

#### 3.6.9 Pre-matric scholarship to the children of those engaged in unclean occupation

The objective of this scheme is to provide financial assistance to parents traditionally engaged in unclean occupations like scavenging, flaying, tanning etc, to enable their children to pursue education up to matriculation level. The assistance includes payment of scholarship every month and annual adhoc grant to the students. There is no income ceiling for award of scholarship under the scheme.

The scheme was funded by the Central and State Governments on 50:50 basis.

#### 3.6.9.1 Budget allocation and utilisation of funds

The details of budget allocation, release of funds and expenditure thereagainst during 2002-07 are shown in Table-2 below:



**Table-2**

(Rupees in lakh)

Year	Budget Provision	Release of funds to the nodal Directorate			Total* funds available	Amount disbursed	Unspent Balance	Percentage of utilisation
		Central	State	Total				
2002-03	32	8.12	16	24.12	27.35	24.12	3.25	88
2003-04	32	14.02	16	30.02	33.27	30.02	3.26	90
2004-05	32	4.22	16	20.22	23.48	20.22	3.23**	86
2005-06	36	2.10	18	20.10	23.33	20.10	3.25	86
2006-07	54	16.82	27	43.82	47.07	43.82	4.32	93
<b>Total</b>	<b>186</b>	<b>45.27</b>	<b>93</b>	<b>138.27</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>

Source: Departmental records

\* Includes unspent balance of previous year and interest received from bank

\*\* Variation in 2004-05 was not explained

Balances remaining unspent were stated to be due to non-receipt of demand from the field offices, but this contention is not tenable as there were cases of less coverage in the test checked districts due to shortage/non receipt of funds.

### 3.6.9.2 Number of beneficiaries covered

The number of beneficiaries covered at different levels (class I to X) during 2002-07 are shown in Table-3 below:

**Table-3**

Year	State as a Whole			Districts test-checked				
	Enrolment	Applications received	No. of students covered	Enrolment	Applications received	No. of students covered	Not covered w. r. to Applications (Percentage)	Not covered w. r. to Enrolment (Percentage)
2002-03	NA	3052	3052	1789	1263	1043	220(17)	746 (42)
2003-04	-do-	3089	3089	1930	1568	1187	381(24)	743 (38)
2004-05	-do-	2135	2135	3661	2037	1341	696(34)	2320 (63)
2005-06	-do-	2627	2627	4094	2158	1198	960(44)	2896 (71)
2006-07	-do-	4284	4284	4312	3223	1919	1304(40)	2393 (55)
<b>Total</b>	<b>-</b>	<b>15187</b>	<b>15187</b>	<b>15786</b>	<b>10249</b>	<b>6688</b>	<b>3561(35)</b>	<b>9098(58)</b>

Source: (1) Departmental records, (2) Records of Selected districts test checked

Enrolment of students of these specified categories was neither maintained by the nodal Department nor could be obtained from any other source in the State Government.

Though the Director of WSC reported (May 2007) cent *percent* coverage against receipt of applications, test check of records of selected districts and institutions disclosed that shortfall in coverage of the applicants ranged from 17 to 44 *percent* and that of enrolled students ranged between 38 to 71 *percent*. The district authorities stated (May 2007) that shortfall in coverage of applicants was due to less receipt of sanction from the Directorate. Thus, the reply of Director of cent *percent* coverage of applicants is incorrect. Out of total applications (15,187 nos.) received in the State as a whole, 10,249 applications were from nine selected districts test checked and thus only 4,938 applications appear to have been received from the remaining 14 districts. The reasons for such disproportionate receipt of applications in the State as a whole vis-a vis the nine districts were stated to be due to 40 *percent* of population engaged in unclean occupation being from Guwahati city (in capital district) and the remaining

60 percent spread over the whole State. The veracity of data furnished could not be checked.

### 3.6.9.3 Number of beneficiaries of selected institutions

In 51 out of 54 test checked institutions, there was no enrolment of students of this category. The position of remaining three institutions was as indicated in Table-4 below:

**Table-4**

Year	Enrolment	Applications received	No. of students covered	No. of students not covered with ref. to enrolment (percentage)
2002-03	11	8	8	3 (27)
2003-04	10	--	--	10 (100)
2004-05	9	--	--	9 (100)
2005-06	19	--	--	19 (100)
2006-07	20	6	6	14 (70)
<b>Total</b>	<b>69</b>	<b>14</b>	<b>14</b>	

Sources: Departmental records

The shortfall in coverage with respect to enrolment ranged between 27 to 100 percent during 2002-07.

Shortfall in coverage indicated that sufficient exposure was not given to the schemes. The Director stated (November 2006) that necessary exposure would be given but no action was taken as of May 2007.

### 3.6.10 Post-matric scholarship scheme (PMS)

The scheme intends to provide financial assistance to SC/ST students studying at post-matriculation level to enable them to complete their education without economic constraints. The assistance includes provision of maintenance allowance, reimbursement of compulsory non-refundable fees, thesis typing/printing charges, study tour charges, book allowances for students pursuing correspondence courses and special provisions for students with disabilities. The scheme is open to all SC/ST students whose parental income is less than Rs. 1 lakh per annum.

#### 3.6.10.1 Budget allocation and utilisation of funds

The details of budget estimates, release of Central assistance and expenditure incurred under the scheme during 2002-03 to 2006-07 are shown in Table-5 and 6 below:



**Table-5**  
**Post-Matric Scholarship scheme for SC Students**

(Rupees in crore)

Year	Budget Provision	Unspent balance from previous year	Funds released by Union Government	Total funds available	Expenditure incurred	Savings
2002-2003	3.00	0.79	2.21	3.00	2.21	0.79
2003-2004	3.25	0.79	4.12	4.91	2.81	2.10
2004-2005	3.25	2.10	2.29	4.39	3.25	1.14
2005-2006	5.00	1.14	3.90	5.04	4.69	0.35
2006-2007	5.00	0.35	4.75	5.10	4.75	0.35
<b>Total</b>	<b>19.50</b>		<b>17.27</b>	<b>22.44</b>	<b>17.71</b>	

Source: Departmental records

**Table-6**  
**Post-Matric Scholarship scheme for ST Students**

(Rupees in crore)

Year	Budget Provision	Unspent balance from previous year	Funds released by Union Government	Total funds available	Expenditure incurred	Savings
2002-2003	10.00	--	12.76	12.76	--	12.76
2003-2004	10.00	12.76	--	12.76	10.00	2.76
2004-2005	10.00	2.76	7.75	10.51	2.76	7.75
2005-2006	10.00	7.75	5.25	13.00	10.00	3.00
2006-2007	26.49	3.00	23.55	26.55	26.28	0.27
<b>Total</b>	<b>66.49</b>	<b>--</b>	<b>49.31</b>	<b>75.58</b>	<b>49.04</b>	<b>--</b>

Source: Departmental records

During 2002-07 in respect of PMS for SCs and STs, against the budget provision of Rs.19.50 crore and Rs.66.49 crore respectively, funds released by the GOI were Rs.17.27 crore and Rs.49.31 crore respectively. This was due to the failure of the State Government to utilise the entire funds provided by the GOI in accordance with budget provision leading to adjustment of unspent balances in subsequent years. Short utilisation of funds was due to improper assessment of requirement based on identification of the targeted beneficiaries and failure to generate awareness among them.

### 3.6.10.2 Coverage of beneficiaries

The position of SC/ST beneficiaries covered under PMS in the State as well as in test checked districts during the years 2002-03 to 2006-07 is shown in Table-7 and Table-8 below:

Table-7

## Number of beneficiaries covered (SC)

Year	State as a Whole			Selected Districts			
	Enrolment <sup>2</sup>	Applications received (Percentage)	No. of students covered	Enrolment	Applications received	No. of students covered	Not covered (percentage)
2002-03	44153	12550(28)	12550	4557	4370	4310	60 (1)
2003-04	44921	14007(31)	14007	4831	4612	4040	572 (12)
2004-05	44542	23370(52)	23370	6183	5953	5238	715 (12)
2005-06	44765	17691(40)	17691	5984	5606	3045	2561 (46)
2006-07	44989	17430(39)	17430	3949	3769	2050	1719 (46)

Source: (1) Departmental records

Source: (2) Records of selected Districts

Table-8

## Number of beneficiaries covered (ST)

Year	State as whole				Selected Districts (5 nos.)			
	Enrolment <sup>2</sup>	Applications received (Percentage)	No. of students covered	Not covered	Enrolment	Applications received	No. of students covered	Not covered (Percentage)
2002-03	58829	38025 (65)	36255	1770	8082	8082	8082	--
2003-04	57776	34974 (61)	26540	8434	6966	6966	6966	--
2004-05	59112	35791 (61)	12956	22835	6924	6924	6480	444 (6)
2005-06	59408	28093 (47)	--	28093	7890	7890	5557	2333 (30)
2006-07	59705	18572 (31)	18572	--	7877	6975	2174	4801 (69)

Source: (1) Departmental records

Source: (2) Records of selected Districts

In the selected districts, the short fall in coverage of SC and ST applicants ranged from 1 to 46 and 6 to 69 percent respectively. In the State as a whole, the percentage of applications received against enrolment of students ranged between 28 to 52 percent in case of SC students and 31 to 65 percent in case of ST students during 2002-07. This indicates that the state had failed to motivate or generate sufficient awareness among these students to avail themselves of the benefits. Admitting the fact, the Director WSC stated (November 2006) that sufficient exposure would be given to attract more students under the scheme. The State scenario of coverage of applicants in respect of ST students indicates that 61,132 students were not covered though applied for during 2002-06. The Director, WPT and BC stated (November 2006) that the students were covered in 2006-07 but documents in support of this claim were not furnished.

The Director's explanation (November 2006) of non-receipt of fund is not tenable as there were unspent balances in each year.

### 3.6.10.3 Income ceiling not revised

Parental income ceiling of Rs. one lakh per annum, fixed by the GOI for grant of the scholarship, was not revised for a long time. Non-revision of income ceiling is another reason for the wide gap between enrolment and coverage.

<sup>2</sup> Source: Statistical Book of Assam for the years 2001-02 to 2004-05. Figures of 2005-06 to 2006-07 were based on trend analysis of previous three years (on the basis of reduction of enrolment in percentage).

#### **3.6.10.4 Inordinate delay in release of scholarships**

Records of the Directorates of WPTBC and WSC revealed that funds were released to PDs-ITDP (field offices) after a lapse of 1-6 years and thereby deprived the beneficiaries of intended relief and benefits. Examples of some of the selected districts where scholarships amounting to Rs.3.62 crore was not sent to the field offices in time are indicated in **Appendix-3.17**. The reasons for delays were attributed by the Directorate (July 2007) to late receipt of demand from field units, late receipt of funds at the fag end of the year as well as delayed release of scholarship amount.

#### **3.6.10.5 Retention of undisbursed scholarship in hand**

As per procedure, the institutions are required to disburse the scholarships to the students within one month of receipt of the amounts from the ITDPs and refund the undisbursed scholarship to the Government. Records revealed that the institutions retained the undisbursed scholarship for years together and on the other hand, whatever amount was refunded to the ITDPs, was not reported to the Directorates. Records of test checked districts/institutions revealed that huge undisbursed scholarships were retained with ITDPs/institutions for years together (**Appendix-3.18**). As of March 2007, against the receipt of Rs.91.11 lakh during 2002-07 by 13 institutions, an amount of Rs.18.17 lakh, being 20 percent of receipts, was lying undisbursed in their bank accounts. In case of six ITDPs, scholarships remaining undisbursed since 2002-03 accumulated to Rs.14.76 lakh, and were lying in the bank accounts of the ITDPs. Thus, Rs. 32.93 lakh (Rs.18.17 lakh + Rs.14.76 lakh) being undisbursed scholarships were retained by 13 institutions and 6 ITDPs without approval/knowledge of the Government. Information with regard to subsequent utilisation is not available.

#### **3.6.10.6 Irregular deposit of undisbursed scholarship to State revenue**

In some cases, instead of reporting to the Department for adjustment of the amounts in subsequent years, the ITDPs/institutions remitted the unclaimed scholarship in the treasury under '0070-Other Administrative Services'. It was seen that Rs.25.13 lakh were remitted in the treasury by four ITDPs (Cachar, Golaghat, N.Lakhimpur and Kokrajhar) and one-institution (Morigaon college) during the period from 2001-02 to 2006-07. Thus, the funds meant for a specific CSS not only remained unutilized but the scope for its subsequent utilisation was also lost due to its credit to revenue.

#### **3.6.11 Hostel for SC/ST students**

The GOI has formulated schemes for providing hostel facilities to SC/ST girl and boy students in order to enable these students to pursue their studies in middle schools, higher secondary schools, colleges and universities. The scheme provides for release of Central assistance to the State Government on 50:50 basis and expenditure on maintenance of the hostels is to be borne by the respective State Governments from their own funds.

##### **3.6.11.1 Delay in construction of hostels**

- During 2003-04 the State released Rs.36 lakh (including Central share of Rs.18. lakh) to 36 Government recognized institutions for construction of 18 boys hostels and 18 girls hostels for SC students at a cost of Rs.one lakh each. Though it was stated by the Director (May 2007) that funds distributed to 24 schools/colleges were utilized, the status of construction of the hostel



buildings was not furnished to audit. In respect of the remaining 12 institutions, information was not available with the Directorate. Relevant records viz., need-based proposals, availability of land, model plan and estimates as well as capacity of hostels, date of commencement/completion of works were not produced to audit. Time schedule for completion of construction of hostels was also not fixed. The funds were released without considering the feasibility of constructing the hostel buildings with the amount sanctioned. There was neither any assessment of actual requirement for hostel nor was there any monitoring mechanism to keep track of progress of construction of the hostel buildings. The possibility of entire expenditure proving infructuous cannot be ruled out.

Based on approved plan and estimates and availability of land, the GOI released to the State Government Rs. 1 crore in 1998-99 for construction of two separate ST hostels for boys and girls in Guwahati to be constructed within two years. Disregarding the time schedule, the State released its own matching share of Rs. 1 crore after a delay of three years in 2001-02 and released central share in 2003-04 (Rs.29 lakh) and 2004-05 (Rs.68.98 lakh) after a delay of six and seven years. The delay in release of funds consequently led to delay in completion of the hostels by eight years in 2005-06 with escalated cost of Rs. 20 lakh met by the State Government in 2005-06.

The delay in construction of hostels was attributed to non-availability of cost free land and non-finalization of plans and estimates. The contention is not tenable, as the funds were released by the GOI based on approved plan and estimates and availability of cost free land. Both the hostels presently provide accommodation to 125 girl (75+50) inmates against the capacity of 190 (140+50) inmates. The Department stated (July 2007) that due to more demands for accommodation coming from girl students, 50 girls students were given accommodation temporarily in the boys hostel as per Government instructions. The reply is not tenable because 65 seats (140 – 75) are lying vacant in girls hostel itself.

### **3.6.12 Coaching and allied scheme for weaker sections including SCs/STs, OBCs and minorities**

The objective of the scheme is to provide pre-examination coaching (PEC) to the students belonging to SC/ST/OBC/Minority communities for improving their representation and standard of performance in the competitive examinations for various posts and services held by UPSC, State Public Service Commission, SSC, Recruitment Board, PSU and other Central Government Agencies. The scheme is funded with 50 percent assistance from Central Government.

In Assam, coaching is imparted by the State run Assam Administrative Staff College, Guwahati. During 2002-2007, GOI released Rs.1.69 lakh in 2002-03 and Rs.2.83 lakh in 2004-05. The State Government however, released Central share of Rs.1.69 lakh in 2003-04 and its matching share of Rs.1.69 lakh in 2004-05. The Central share of Rs.2.83 lakh relating to the year 2004-05 and the State-matching share are yet to be released (May 2007) by the State Government. Reasons for delay in release of State share for the year 2002-03 and non-release of Central share as well as State matching share for the year 2004-05 were neither on record nor stated.



Coaching to the following categories of students were given during 2002-03 to 2005-06 and a very negligible number of students cleared the preliminary examination as indicated in Table-9 below:

**Table-9**

Category	No. of students received coaching 2002-03 to 2005-06	No. of students cleared the All India Civil Service preliminary examination 2002-03 to 2004-05	Percentage of success
Scheduled Castes	92	2	2.17
Scheduled Tribes	138	7	5.07

Source: Departmental records

Position of success during 2005-06 has not been furnished. No coaching was imparted during 2006-07 due to non-receipt of funds from the GOI.

Information about the candidates appearing in the final examination and their success rate are not available with the coaching centre which clearly indicates that no follow up action was taken to evaluate the performance of the coaching centre and the candidates as well. Negligible success rates in the preliminary examinations indicates that the standard of coaching imparted by the institution was not up to the mark. This negated the objectives of the schemes.

### **3.6.13 Grants-in-Aid to Voluntary Organisations Working for the welfare of SCs/STs**

The objective of the scheme is the overall improvement of SCs/STs through voluntary efforts in the field of education, health and sanitation and environment, in addition to need based socio-economic upliftment efforts and other activities deemed appropriate and of direct benefit to the SCs/STs. In this scheme, funds are generally provided to the extent of 90 percent of estimated expenditure by GOI and 10 per cent by the voluntary organizations.

Under the scheme, besides opening of residential/non-residential schools and hostels, grants are provided to NGOs for meeting contingent expenditure on running of schools and hostels as per prescribed norms.

The State Government could not furnish any information about functioning of NGOs in structural development of SCs/STs in Assam. 11 NGOs are working for the welfare of SC/ ST students in the State with financial assistance received from the Central Government. Details of grants received (Rs.1.75 crore) and expenditure incurred (Rs.2.38 crore) by eight NGOs during 2002-07, which were test checked in audit, are indicated in **Appendix-3.19**.

Thus, there was no co-ordination between the Government and the NGOs working for educational development of SCs/STs in the State. The State Government did not involve itself in monitoring the activities of the NGOs engaged in educational development of SC/ST communities. Reports were not made available regarding inspections carried out by the Department on utilization of funds by the NGOs vis-à-vis benefits derived by the SC/ST students. No agency was also engaged in evaluating the scheme run by the NGOs. Information furnished by NGOs revealed that due to non receipt of funds from the GOI one NGO viz National Youth Welfare Mission Lakhimpur, suspended 3 projects. Authenticity of implementation of the projects by NGOs however, could not be confirmed in the absence of any monitoring mechanism at the Government level.

### **3.6.14 Up-gradation of merit of SC/ST students**

The objective of the scheme is to upgrade the merit of SC/ST students by providing them with remedial and special coaching facilities in class IX and class XII. While remedial coaching aims at removing their deficiencies in various subjects, special coaching is provided with a view to preparing the students for competitive examinations seeking entry into professional courses like engineering, medicine etc. The scheme provides for a packaged grant of Rs.0.15 lakh per student per year. The coaching starts from class IX in identified schools and continues till the awardees complete class XII.

#### **3.6.14.1 Allocation and utilisation of funds**

During 2002-03, the GOI released Rs.8.85 lakh and Rs.13.80 lakh for 59 ST and 92 SC awardees respectively in 20 identified institutions. The Department however released Rs.12.60 lakh between September 2003 and September 2005, retaining Rs.10.05 lakh meant for 67 awardees in hand till date (May'07).

Again Rs.9 lakh was released by the GOI in 2005-06 for 60 ST awardees in seven institutions. The Director, WPT& BC paid Rs.6.75 lakh between February and June 2006 to five institutions for 45 awardees and the balance of Rs.2.25 lakh was lying unspent with the Director (May 2007).

#### **3.6.14.2 Shortcomings in implementation**

The scheme envisaged continuous coaching for four years (IX to XII) so as to enable selected students to derive the maximum benefit. The grant of Rs.22.65 lakh released in 2002-03 for the coaching of 151 students was meant for utilisation in 2002-03 itself and demand for grants in succeeding three years, @ Rs.22.65 lakh per year to be placed with the GOI, was not submitted. The Department however, released a portion of 2002-03 allocation (Rs.12.60 lakh) to the institutions over a protracted period of three years (2003-04 to 2005-06).

Physical performance furnished by director WPT & BC (July 2007) disclosed that 59 students of ST category studying in 9<sup>th</sup> to 12<sup>th</sup> classes were brought under the scheme in 2002-03. All these students were due to pass class XII examination by 2007, but only six students have so far cleared the examination.

Again, during 2005-06, 60 ST students studying in class IX to XII were brought under the scheme. Of these, 34 students were due to pass class XII examination by 2007. But only 2 students could clear the examination so far.

None of these 8 (6+2) class XII passed students were reported to have cleared the medical and engineering entrance examinations. The implementation of the scheme thus lacked purposefulness and direction and as such the earmarked grant of Rs.67.95 lakh for the succeeding years up to 2006-07 could not be availed.

Poor performance of the scheme can be attributed to poor planning and monitoring coupled with non-availing of subsequent grants and consequent discontinuation of the scheme and thereby foregoing the intended benefits.

#### **3.6.14.3 Non-receipt of utilisation certificate and lack of monitoring**

In the absence of any utilisation certificate received from the institutions, the Department failed to ensure whether the benefits were actually extended to the students. There was no proper system of information gathering and dissemination about the performance of SC and ST students in the examinations and their



continuation in the same class/higher classes. Evidence regarding selection of 30 percent girls and three percent disabled students also was not shown to audit. Thus, the very purpose of up-gradation of merit of SC/ST students has been frustrated.

### 3.6.15 *Scheme for the establishment of Ashram Schools in Tribal Sub Plan areas*

The scheme envisaged setting up of residential schools in tribal areas by way of construction of school buildings, hostels, staff quarters etc, to be financed by the GOI and State Government on 50:50 basis. The up keep and maintenance is to be borne by the State Government.

The State released Rs.19.60 lakh to the school in 2002-03 out of the fund of Rs.25.20 lakh received from GOI in 1998-99. The balance Central share of Rs.5.60 lakh (Rs.25.20 lakh - Rs.19.60 lakh) and the State matching share of Rs.25.20 lakh are yet to be released by the State Government. No records were produced to audit about utilisation of the amount of Rs.19.60 lakh by the school. The Director could neither produce any report regarding functioning of the school nor the status of the students of the school. Although 250 students were enrolled in the school, no benefit could be given to them due to non-receipt of proposal from the school authorities till 2006-07. In view of the above, the impact of the scheme could not be ascertained. Delayed release (Rs.19.60 lakh) and non-release (Rs.30.80 lakh) of scheme funds by the State Government and total absence of monitoring the school's activities by the Department, resulted in tardy implementation of the scheme and negating the benefits of the entire scheme.

### 3.6.16 *Book bank scheme for SC and ST students*

The scheme was intended to provide access to the latest textbooks and reduce the drop out rate in respect of SC/ST students in medical, engineering, polytechnic, agriculture, veterinary, business management, and bio-sciences who have been receiving Post-Matric Scholarship. One set of books is purchased for two students of all professional courses except in respect of post-graduate courses and chartered accountancy where one set is purchased for each student. In the Tenth Five Year Plan, the scheme has been merged with the Post-Matric Scholarship scheme.

#### 3.6.16.1 *Coverage of students*

The number of students who benefited from the Book Bank facility is indicated in Table-10 below:

**Table-10**

Year	No. of students covered under PMS (Group-1)			No of students getting facility of Book Bank			Percentage of Coverage
	SC	ST	Total	SC	ST	Total	
2002-03	238	289	527	138	102	240	45.54
2003-04	287	547	834	138	--	138	16.55
2004-05	423	325	748	--	152	152	20.32
2005-06	292	--	292	120	--	120	41.10
2006-07	305	91	396	--	280	280	70.71
<b>Total:</b>	<b>1545</b>	<b>1252</b>	<b>2797</b>	<b>396</b>	<b>534</b>	<b>930</b>	<b>33.25</b>

Source: Departmental records

The Book Bank scheme has been operational in 12 institutions (Medical, Engineering etc.) located at Guwahati, Dibrugarh, Jorhat and Silchar. Out of 2,797 eligible beneficiaries, only 930 (33 percent) could get benefit of the scheme during 2002-07. Besides, book bank facilities were not extended to seven Polytechnics and one IIT. Poor coverage of beneficiaries indicated that the scheme could not be implemented to the desired level.

### 3.6.16.2 Non-production of records and lack of monitoring

The books under the schemes were procured by the Directorates as per the requirement projected by the respective institutions. It could not be ascertained whether the text books were procured as envisaged in the scheme guidelines due to non production of any records. No assessment was also made regarding benefits that accrued to the students out of the books supplied to them.

## B. State Sector Schemes

### 3.6.17 Pre-matric scholarship scheme

PMS are awarded to SC/ST and OBC students studying in the primary/junior basic, ME/MV and high school<sup>3</sup>. The scholarships are awarded monthly at the rate of Rs.10, Rs.15 and Rs.20 respectively to the students whose parental income does not exceed Rs 12,000 per annum. The students securing 40 percent or more marks in their annual examination are given preference.

The scheme is funded by the State Government and the scholarship is given for studies in recognised institutions located within the State.

#### 3.6.17.1 Funds allocation, utilisation and coverage

The details of budget allocation, release of funds by the State Government, expenditure incurred and the number of students covered under the scheme during 2002-03 to 2006-07 are shown in Table-11 and Table-12 below:

**Table-11**  
**Pre- Matric Scholarship for SC Students**

(Rs in lakh)							
Year	Budget provision	Funds released	Total funds available (including unspent balance of previous year)	Expenditure	Unspent Balance	Enrolment <sup>4</sup>	No of students covered (% against enrolment)
2002-03	51.15	51.15	51.15	51.15	--	427675	29790 (7)
2003-04	50.00	50.00	50.00	49.88	0.12	579230	29543 (5)
2004-05	68.00	68.00	68.12	68.00	0.12	620773	40329 (6)
2005-06	82.00	82.00	82.12	81.93	0.19	595632	48295 (8)
2006-07	107.00	107.00	107.19	106.84	0.35	571509	61905 (11)
<b>Total</b>	--	<b>358.15</b>	--	<b>357.80</b>	--	--	--

Source: Departmental records

<sup>3</sup> primary/junior basic - class I to IV; ME/MV – Middle English/Middle Vernacular (class V to VII) and high school (class VIII to X)

<sup>4</sup> Not available with nodal department, obtained from the Education Department

**Table-12**  
**Pre- Matric Scholarship for ST Students**

(Rs in lakh)

Year	Budget provision	Funds released	Total funds available (including unspent balance of previous year)	Expenditure	Unspent Balance	Enrolment	No of students covered (Percentage)
2002-03	32	32	32.16	31.97	0.19	636158	18525 (3)
2003-04	37	37	37.19	36.99	0.20	823812	21241 (3)
2004-05	47	47	47.20	46.96	0.24	902309	26674 (3)
2005-06	47	47	47.24	47.00	0.24	883451	26785 (3)
2006-07	52	52	52.24	51.99	0.25	864987	29434 (3)
<b>Total</b>	--	<b>215</b>	--	<b>214.91</b>	--	--	--

Source: Departmental records

Except for the number of students covered under the scheme, no other record relating to enrolment of students, number of applications received, number of students selected for scholarship was maintained either by the Directorates or by the district/sub-divisional authorities. Even the bifurcation regarding number of boys and girls covered under the scheme was not available.

However, against the enrolment position obtained from the Education Department the percentage of students covered under the scheme was found to be very low ranging between 5-11 percent in SC categories during 2002-07 and a static 3 percent in case of ST students during the same period. The poor coverage of students can be attributed to its limited scope where the parental income was fixed at very low-income bracket leaving a majority of the students out of the ambit of the scheme.

The position of applications received and scholarships awarded during 2002-07 in respect of nine selected districts as shown below disclose that a lot of students were not covered. Percentage of uncovered students ranged from 16 to 97 during 2002-03 to 2006-07 in respect of SCs. The same in respect of STs ranged from 24 to 81.

**Table-13**

Year	Enrolment		Applications received		Covered		Uncovered (Percentage)	
	SC	ST	SC	ST	SC	ST	SC	ST
2002-03	NA	NA	11600	12511	9077	9248	2523(22)	3263(26)
2003-04	-do-	-do-	15006	11448	12627	8699	2379(16)	2749(24)
2004-05	-do-	-do-	12128	6523	9681	4587	2447(20)	1936(30)
2005-06	-do-	-do-	13675	8392	9047	8392	4628(34)	Nil
2006-07	-do-	-do-	12635	6589	387	1245	12248(97)	5344(81)

Source: Records of Sub-divisional welfare officer

Test-check of 54 selected institutions revealed that 6,253 SC students were enrolled in 16 institutions and 6,119 ST students were enrolled in 14 institutions during 2002-03 to 2006-07 but none of these students were considered for the scholarship. School authorities attributed this to non-receipt of applications from the students. Thus, there was lack of planning for motivating /publicity campaigning etc on the part of the nodal Departments as well as by the field offices to bring the poor students belonging to SC/ST categories under the ambit of the scheme.

### 3.6.18 Impact of the schemes

During the period 2002-03 to 2006-07, an expenditure of Rs.73.34 crore was incurred under CSS for educational development of SCs/STs in the State. In addition, Rs.5.73



crore was also spent by the State separately under State schemes for the same purpose.

Though Rs.81.46 crore was incurred on educational development of SCs and STs in the State over the last five years, there is no significant improvement in the educational status of the targeted group. There is a gradual decrease in enrolment of students of both SC and ST categories during the same period. Drop out rate in the years 2002-03 and 2003-04 remained high at over 70 percent for both SC and ST categories of students. Most of the students leave high schools before they complete the secondary level of education. As a result, they could not avail of the benefits of a majority of the schemes, which were formulated mainly for the post matric level students. Only a few incentives are available for students to continue with studies at primary and secondary levels to reduce the dropout rate of the students of these categories. The only scheme at pre-matric level was not a sufficient incentive to motivate the parents coming from very poor background to send their wards to schools.

### **3.6.19 Monitoring and evaluation**

Monitoring is an important control mechanism in the Department, which should be exercised very effectively. Efficiency of monitoring is reflected in timely submission of prescribed reports and returns to the appropriate authority. It helps in analyzing the strengths and weaknesses in implementation of a programme based on which follow-up remedial action could be taken. However, except APRs (Actual Payees Receipts) in support of disbursements, no other periodical reports/returns regarding progress of the schemes were obtained from the field units and submitted to the State/Central Government. Inspections being an important tool of monitoring to ensure visibility of implementation of a programme were never done. This indicates that the Department does not have an effective monitoring mechanism and consequently the impact of the scheme remained unassessed. There was no internal audit system in the Department. Evaluation of the schemes was never carried out to assess the out come of the schemes.

### **3.6.20 Conclusion**

The schemes were implemented without any assessment of the requirement of funds based on the actual number of eligible students on roll. There was general lack of awareness among the SC/ST students about the incentives/benefits due to inadequate exposure to the schemes. The schemes were formulated to encourage only higher education and very few incentives are on offer to motivate and promote education at primary and secondary level amongst SC/ST students. There were persistent delays in release of funds resulting in denial of scholarship to many needy students.

Construction of buildings for hostels was delayed inordinately and some of the hostel buildings were utilised for other purposes thereby depriving the eligible students of the facilities. There is also lack of co-ordination among the State authorities and the NGOs in promoting/spreading education among weaker sections.

### **3.6.21 Recommendations**

- For optimum impact of the scheme, proper survey should be conducted to identify the target group so as to improve their life through proper education.

- Sufficient publicity should be given to motivate and encourage the targeted groups to make full use of benefits.
- More incentives should be offered at primary and secondary school level, so as to increase the enrolment of students and reduce the drop out rate.
- Hostel buildings should be constructed timely and funds meant for this purpose should not be diverted for other purposes.
- State Government should ensure coordination of all departments to sensitise them for wider coverage, and also coordination between the Government authorities and the NGOs wherever the latter is involved, for successful implementation of the schemes.
- Adequate monitoring mechanism should be put in place to plug the deficiencies and adopt remedial measures for successful implementation of the schemes.

## **CHAPTER-IV**

### **AUDIT OF TRANSACTIONS**





## CHAPTER-IV

### AUDIT OF TRANSACTIONS

#### 4.1 *Cases of fraud/misappropriation/losses*

##### GENERAL ADMINISTRATION DEPARTMENT

##### 4.1.1 Short/non receipt of rice

**Lack of monitoring and supervision by the Deputy Commissioner, Nagaon in procurement and distribution of rice among the flood-affected people resulted in short/non receipt of rice and consequent loss of Rs.52.11 lakh.**

Scrutiny (November-December 2005) of records of the DC, Nagaon revealed that 13,354.53 quintals of rice were procured (July-October 2004) from Nagaon wholesale consumers co-operative stores by the DC and shown as issued (20 July 2004 to 17 October 2004) to six Circle Officers (CO's) for distribution as relief to the people of the district affected in the floods during July/October 2004. But the records of the concerned six<sup>1</sup> CO's showed receipt of only 8,082.54 quintals of rice. While two of the COs received their full quantity of rice short/non receipt of 5,271.99 quintals of rice valued at Rs.52.11 lakh was detected in the stock account of the remaining four<sup>2</sup> COs (*Appendix-4.1*).

It was observed that the distribution of rice was not monitored by the district administration at any level, which resulted in short/non receipt of 5,271.99 quintals of rice valuing Rs.52.11 lakh. In spite of pointing out by audit, the loss was neither investigated, nor was any responsibility fixed.

The matter was reported to the Government in July 2007; reply had not been received (September 2007).

##### HOME DEPARTMENT

##### 4.1.2 Misappropriation of funds

**Due to failure of internal controls including budgetary control, Government money to the tune of Rs.19.07 crore was mis-appropriated by fraudulent drawal of fund.**

Test-check (November 2006) of records of the Commandant, 3<sup>rd</sup> Assam Police Battalion, Titabar and the Office of the Director General of Police (DGP), revealed that the annual budget estimates prepared by the Commandant included funds for the vacant posts in the Unit, which were allocated. In addition, the DGP allocated funds in excess of that requisitioned by the Commandant during the years 2001-05, as shown below:

<sup>1</sup> Sadar, Rupahi, Dhing, Raha, Kamalpur and Samaguri Circles.

<sup>2</sup> Sadar, Rupahi, Raha and Kampur Circles

(Rs. in crore)

Year	Budget provision	Additional allotment	Total Allotment	Expenditure
2001-02	8.28	0.72	9.00	9.00
2002-03	10.15	0.65	10.80	10.80
2003-04	10.04	1.01	11.05	11.05
2004-05	11.43	0.57	12.00	12.00
2005-06	12.75	--	12.64	12.64
2006-07	13.03	--	11.04	11.04
Total	65.68	2.95	66.53	66.53

Source: Departmental records

Scrutiny of the records of the unit revealed that in disregard of financial discipline and rules, neither the funds allotted in excess were refunded, nor were savings surrendered to the Government. The surplus was shown as utilised. No steps were also taken by the Office of the DGP to ascertain the whereabouts of the surplus funds at any level.

It was noticed that excess pay and allowances were drawn through the pay bills by inflating the number of employees, especially constables. The amounts so drawn were disbursed to several officials through pay-cheques for onward disbursement to the Battalion personnel (platoon wise) stationed at Battalion headquarters and field units. Audit analysis of actual requirement of money for disbursement of salaries based on the actual strength maintained on roll, pay chart, pay record register etc. with pay bills/pay bill copy book and amount drawn from treasury, disclosed that Rs.19.07 crore was drawn in excess over a period of 75 months between April 2000 and June 2006 (Appendix-4.2). The actual payee receipts in support of disbursement of the amount could not be shown to audit.

Thus, due to failure of internal controls including budgetary control, Government money to the tune of Rs.19.07 crore was mis-appropriated by fraudulent drawal of fund.

The Commandant stated (27 April 2007) that the case has been referred to Police after being pointed out by audit and that it was being investigated by the State CID. He further confirmed that an amount of Rs.14.35 lakh was recovered (April 2007).

Government reply, had however not been received (September 2007).

### Public Works Department

#### 4.1.3 Loss of bitumen

**Non-reconciliation of bitumen transferred by EE, Guwahati Rural Road Division to 21 consignee divisions for more than 2 years facilitated non-receipt/short receipt of bitumen worth Rs.55.20 lakh by 13 consignee divisions.**

According to normal practice, bitumen is generally procured by the CE, Public Works Department (PWD), (Roads), Assam from the Indian Oil Corporation (IOC)/Hindustan Petroleum Corporation Limited (HPCL) on the basis of indent/requirement from the executing Divisions against advance payments. The



bitumen is received centrally by the Guwahati Rural Road Division for onward transfers to the indenting Divisions as per CE's allotment.

Test-check (December 2004-January 2005) of records and further collection of information (June 2005) revealed that the CE procured (May 2003 to January 2004) 1745.87 Metric Tonne (MT) bitumen from a private supplier valued at Rs.3.20 crore against two supply orders for immediate repair of damaged roads and placed the same at the disposal of EE, Guwahati Rural Road Division. The supply orders were placed with the private supplier, as the Department did not have enough funds for advance payment to IOC/HPCL. The EE, issued (June 2003 and August 2004) 1,305.221 MT of bitumen to 23 indenting Divisions against the CE's allotment of 546.562 MT for utilisation in the works. The EE stated (March 2007) that the issue of bitumen in excess of allotment had been regularized by CE, but could not produce any documentary proof to substantiate the same. In the absence of approval from the competent authority, the excess issue of 758.659 MT of bitumen worth Rs.1.39 crore (*Appendix-4.3*) remained unauthorised.

A comparison of records of the EE, Guwahati Rural Road Division for the period from September 2003 to October 2004 with those of 23 consignee Divisions, revealed that, five Divisions received full quantities as per allotment order, five Divisions furnished no reply. 13 divisions admitted receipt of only 312.596 MT bitumen against allotment of 612.797 MT bitumen resulting in short receipt of 300.201 MT valuing Rs.55.20 lakh (*Appendix-4.4*). Records in support of supply of full quantity of bitumen by the carriage contractors to the consignee divisions were not produced to audit. The issuing Division had not reconciled the quantity of bitumen transferred with quantity received by the consignee Divisions.

The EE, Guwahati Rural Road Division, stated (June 2005) that the bitumen was generally issued to different Divisions on proper acknowledgement on the RT challans from the authorised carriage contractors. The reply of the EE is not tenable, as the quantities in RT challans did not tally with the quantities acknowledged as received by the consignee divisions. The Division had no knowledge of short delivery of bitumen. The issuing Division had neither reconciled the quantity of bitumen transferred with that received by the consignee divisions nor was any action initiated against the carriage contractors for short delivery of bitumen.

Although the Division had initiated (June 2005) an investigation into the matter, further development is awaited. However, the fact remains that due to short receipt of bitumen by the consignee divisions, the Department had to suffer loss of Rs.55.20 lakh. Besides, probable mis-appropriation/mis-utilisation cannot be ruled out.

The matter was reported to Government in May 2007; reply had not been received (September 2007).



## 4.2 Excess payment/wasteful/infructuous expenditure

### EDUCATION DEPARTMENT

#### 4.2.1 Excess expenditure

**The Director, Non-formal and Adult Education incurred excess expenditure of Rs.57.79 lakh on procurement of articles at higher rates under the scheme Labour Literacy Centre.**

The State Government sanctioned (February 2006) Rs.4 crore for implementation of the scheme of Labour Literacy Centre (LLC) during the year 2005-06 under the award of the Twelfth Finance Commission. The Director of Non-formal and Adult Education (DNF&AE) drew (February 2006) only Rupees two crore according to Fixation of Ceiling issued by the Government.

Scrutiny (April 2006) of records revealed that the DNF&AE without calling any tender placed (February 2006) supply orders with the Manager, Pragjyotika, Assam Emporium, Assam Government Marketing Corporation Ltd for supply of 219 Televisions (TV) (TCL brand 21 inch) and 219 DVD (TCL brand) at their quoted rate of Rs.15,666 and Rs.7,599 per TV and DVD respectively under the LLC scheme. The firm supplied the material and received payment of Rs.50.95 lakh in the same month. The market rates of the TV and DVD of the same specification manufactured by the same company during the same period was Rs.7,190 and Rs.4,290 respectively.

Further, the DNF&AE again without call of tenders placed (February 2006) supply order with the same supplier for supply of items like plastic buckets, visitor chairs, water filter, slate, clay pencil, White Board and plastic tables (**Appendix-4.5**) under the scheme without indicating any specification. The firm supplied (February 2006) the articles and received (February 2006) payment of Rs.49.92 lakh from the DNF&AE. It was observed that the supplier's bill also did not indicate any specification/brand of the articles supplied, and the rates charged were higher than the market rates. Thus, procurement of articles at higher rate resulted in excess expenditure of Rs.57.79 lakh

The matter was reported to Government in August 2006; reply had not been received (September 2007).

### GENERAL ADMINISTRATION DEPARTMENT

#### 4.2.2 Infructuous expenditure/blocking of funds

**Failure of the Deputy Commissioner to ensure clear title of land led to infructuous expenditure of Rs.23.20 lakh besides blocking of funds of Rs.3.29 crore.**

The State Planning and Development Department (P & D Department) accorded (August 2005) sanction of Rs.3.52 crore to the Deputy Commissioner (DC) Bongaigaon for construction of 1,200 low cost houses (800 Nos. @ Rs.31,500 per house and 400 Nos. @ Rs.25,000 per house) for families of riot victims. The work was to be executed by the DC Bongaigaon through the District Rural Development Agency (DRDA). The entire amount was drawn by the DC Bongaigaon (August 2005) and Rupees one crore was released (November 2005) to DRDA, keeping the



balance amount of Rs.2.52 crore in his current account with S.B.I, Bongaigaon. The P&D Department's sanction order did not stipulate any time frame for completion of the houses nor did the DC fix any time frame.

Test-check (September 2006) of records of the DC, Bongaigaon revealed that the DRDA, spent Rs.23.20 lakh on site preparation, boundary fencing, construction of police barrack, approach roads and purchase of construction material upto February 2006 and thereafter stopped the work due to a ban imposed by the Hon'ble Gauhati High Court following land disputes. In reply to a query, the DC stated (July 2007) that the land belonged to the Government and that no alternative site was identified. Thus, due to the failure of the district administration to first ensure availability of clear title to land resulted in infructuous expenditure of Rs.23.20 lakh besides blocking of funds of Rs.3.29 crore. Further, the purpose of providing dwelling houses to riot victims was defeated.

The Government stated (July 2007) that works would be started after disposal of the case by the Hon'ble High Court.

## HEALTH AND FAMILY WELFARE DEPARTMENT

### 4.2.3 Extra expenditure

#### **Failure of B. Baruah Cancer Institute to hand over clear site for construction of building resulted in extra expenditure of Rs.36.31 lakh.**

The construction work of new hospital building at B. Baruah Cancer Institute, Guwahati was awarded (January 1999) by the Chief Engineer (CE), Public Work Department (Building) to a Guwahati based firm at his tendered value of Rs.2.47 crore with the stipulation to complete the work in 24 months. The work was started in April 1999.

The agreement with the contractor provided that if the contractor fails to complete the work within the stipulated period for reasons not attributable to him, the payment for the balance work, after the stipulated period would be made at increased rate based on the RBI, whole sale price index for building material, labour and POL.

Scrutiny (January 2007) of records revealed that the work was completed (August 2003). The contractor was paid Rs.2.94 crore upto XII running account and final bill (September 2003). The delay in completion of the work was due to delay in handing over clear site for construction to the contractor. The contractor submitted (April 2003) escalation claim for Rs.36.31 lakh to the hospital authorities through the PWD. As the hospital authority failed to make the payment of price escalation bill, the contractor filed (March 2004) a writ petition in Gauhati High Court (HC). The HC in its order (April 2004) directed the Department to pay the escalation charges if the claim was admissible. The hospital authorities paid Rs.36.31 lakh to the contractor between August and December 2004.

Thus, failure on the part of the hospital authorities in handing over clear site for construction to the contractor in time resulted in extra expenditure of Rs.36.31 lakh.

The matter was reported to the Government in May 2007; reply had not been received (September 2007).



## PANCHAYAT AND RURAL DEVELOPMENT DEPARTMENT

### 4.2.4 Infructuous expenditure

**Failure of the PD, DRDA, Tinsukia to distribute cooked meals to the children even after construction of kitchen sheds resulted in infructuous expenditure of Rs.1.36 crore.**

Union Ministry of Human Resource Development, Department of Elementary Education (DEE) introduced Mid-day Meal Scheme (MMS) for distribution of cooked nutritious food to the primary school children. Accordingly, DEE laid down (May 2004) the provision for issue of food grains as under.

- at the rate of 100 gram per child per school-day for providing cooked meal,
- at the rate of 3 kg per child per month when only food grains were to be distributed.

The State Panchayat and Rural Development Department directed (March 2004) the Deputy Commissioner (DC) Tinsukia to construct kitchen sheds in Government and Government aided lower primary schools of Tinsukia district under Sampoorana Grameen Rojgar Yojana (SGRY) at a cost of Rs.10,000 per shed. The State Government revised (August 2005) the unit cost of construction of shed to Rs.15,000. Accordingly the PD, DRDA constructed 909 kitchen sheds at a cost of Rs.90.90 lakh at the rate of Rs.10,000 per school during 2003-04 and 2004-05 (2003-04: 462 sheds for Rs.46.20 lakh and 2004-05:447 sheds for Rs.44.70 lakh) and also spent Rs. 45.45 lakh for upgradation of these sheds (at the rate of Rs.5,000 per shed) during 2005-06.

Scrutiny (November-December 2006) of records of the PD, DRDA, Tinsukia revealed that cooked meals were not provided by the Agency to the children. During the years 2004-06 only rice was distributed among the children. From April 2006 till the date of audit, neither food grains nor cooked meal were issued to children.

As cooked meal was not provided to the children till the date of audit, the expenditure of Rs.1.36 crore for construction of kitchen sheds in 909 schools proved to be infructuous.

The matter was reported to the Government in March 2007; reply had not been received (September 2007).

## Public Health Engineering Department

### 4.2.5 Wasteful expenditure

**The boring of a deep tube well for supply of pure and safe drinking water to villagers without geophysical survey and consultation with Central Ground Water Board resulted in wasteful expenditure of Rs.18.82 lakh.**

Test-check (July 2005) of records of the Executive Engineer (EE), Hojai Public Health Engineering (PHE) Division revealed that for supply of pure and safe drinking water, a piped water supply scheme (PWSS) under Accelerated Rural Water Supply Programme (ARWSP) was taken up for execution departmentally without any technical sanction or ascertaining the availability of water bearing strata at the proposed site from the Central Ground Water Board (CGWB). The PWSS was completed/commissioned (March 2002) at a cost of Rs.18.82 lakh.

The depth of boring of DTW was 112 running metre (Rm) against the estimated provision of 180 Rm. The reason for short boring as stated (March 2007) by the EE was due to availability of water bearing strata at lesser depth. The Division stated (June 2007) that the estimate for boring of DTW was made on the assumption of the past experience of such boring instead of, on the technical advice of CGWB. The DTW became non functional (March 2003) due to draw down<sup>3</sup>/failure of DTW.

Thus, due to boring of DTW without consulting the CGWB and non-execution of test boring and short boring rendered the expenditure of Rs.18.82 lakh unproductive besides depriving villagers of safe and pure drinking water.

The matter was reported to Government in March 2007; reply had not been received (September 2007).

### Public Works Department

#### 4.2.6 Infructuous and wasteful expenditure

**Unnecessary duplication of work of "Improvement of Borkhat Borni Road" by the Executive Engineer, Guwahati Rural Road Division under Additional Central Assistance and also under Centrally Sponsored Scheme resulted in wasteful expenditure of Rs.58.60 lakh.**

Union Ministry of Road Transport and Highways (MORT&H) conveyed administrative approval (AA) (January 2004) to the work "Improvement of Borkhat Borni Road under Additional Central Assistance (ACA) from 5<sup>th</sup> to 15<sup>th</sup> km" for Rs.98.16 lakh. The main components of the work *inter alia* were collection and supply of stone metal including spreading, screening from 5<sup>th</sup> to 15<sup>th</sup> km and repair of Semi Permanent Timber (SPT) bridge No. 13/1 and 15/1. The work was awarded (November 2002) to M/s Nizara Constructions by the CE, PWD (Roads), at a tendered value of Rs.94.38 lakh (4 *per cent* above APWD, SOR 2000-01) before obtaining AA of the MORT&H with the stipulation to complete the work by May 2003. However, the firm started execution of the work from June 2002 against a preliminary work order issued by CE, i.e., six months before issue of formal work order.

After commencement of work by the firm, the State Government forwarded (July 2002) another estimate of "Improvement of Borkhat Borni Road (15 km) alongwith replacement/construction of Bridge Nos. 11/2, 13/4 and 15/2 under Centrally Sponsored Schemes (CSS) of State Roads of Inter State Connectivity" to MORT&H by renumbering the SPT Bridge No. 13/1 and 15/1 to 13/4 and 15/2 on the same stretch of the road for Rs.4.43 crore. The Ministry conveyed (November 2002) the administrative, technical and financial sanction to the work for Rs.4.48 crore. The CE awarded (December 2002) the work to another firm M/s Shivam at a tendered value of Rs.4.25 crore with the stipulation to complete the work by August 2003. The CE raised the tender value to Rs.4.70 crore by executing two supplementary tenders for some new items of work beyond the scope of original tender.

<sup>3</sup> Where water level in bored wells goes down.

Test-check (December - January 2005) of records and subsequent collection (May 2006) of information revealed that M/s Nizara Constructions renovated (July-August 2002) the bridges 13/1 and 15/1 at a cost of Rs.6.92 lakh and completed (December 2002) collection, supply and spreading of broken stone metals and screening type B from 5<sup>th</sup> to 15<sup>th</sup> km at a cost of Rs.51.68 lakh. Subsequently, M/s Shivam executed earthwork in core of embankment, sub grade and WBM worth Rs.2.95 crore from 1<sup>st</sup> km to 15<sup>th</sup> km over already laid broken stone metal and screening type B. M/s Shivam also dismantled (April 2003) and reconstructed (June-July 2003) the already renovated SPT Bridges to RCC bridges at a cost of Rs.1.68 crore. The Division made final payment of Rs.1.08 crore to M/s Nizara Constructions in February 2005 and Rs.4.63 crore to firm M/s Shivam in November 2005 against the completed work.

As the estimate under CSS covering all aspects of road formation and conversion of SPT bridges into RCC bridges was already approved, there was absolutely no necessity to enter into agreement with M/s Nizara Constructions under ACA. Thus, continuing the execution of work under ACA even after getting approval of comprehensive estimates of work under CSS had resulted in wasteful expenditure of Rs.51.68 lakh towards collection, supply and spreading of broken stone metals and screening type B, and Rs.6.92 lakh on renovation of SPT bridges.

The matter was reported to Government in May 2007; reply had not been received (September 2007).

### **Water Resources Department**

#### **4.2.7 Wasteful expenditure**

**Temporary protection measure in a highly erosion prone area of river Brahmaputra at 9<sup>th</sup> KM under Palashbari Gumi Project (Water Resources) Division resulted in wasteful expenditure of Rs.59.05 lakh due to non sanction of permanent protection measures.**

Test-check (February 2006) of records of Water Resources Department revealed that after the floods to river Brahmaputra, (June 2004), the right side slope of the dyke (southern channel) got eroded leading to breach of embankment. The EE, spent (July 2004) Rs.59.07 lakh on temporary measures in strengthening, the existing ring bundh with earth filled cement bags supported by bamboo palasiding (Rs.9.97 lakh) and when it proved insufficient, constructed (Rs.49.08 lakh) another bamboo mohorri with earth filled cement bags within 50 to 100 meters of the existing bundh. Sanction of the above expenditure was accorded by the Revenue Department from Calamity Relief Funds (CRF). The completed bamboo mohorri however, could not resist the onslaught of floods and breached due to active erosion in July 2004 itself.

Considering that the southern bank of the river eroded in 1995 itself as it is a highly erosion prone area and affected 300 families, permanent boulder protection measures should have been initiated by the Department rather than resorting to minor repairs in a piece meal basis. Failure to do so, resulted in the expenditure of Rs.59.05 lakh spent on temporary protection work proving infructous.

The matter was reported to Government in April 2007; reply had not been received (September 2007).



### 4.3 Avoidable/unfruitful expenditure/undue favour to contractors

#### CULTURAL AFFAIRS DEPARTMENT

##### 4.3.1 Undue financial aid and loss of interest

Failure of the Secretary, Srimanta Sankardeva Kalakhetra Society to restrict mobilisation advance as per rules resulted in undue financial aid of Rs.3.20 crore to the firm besides loss of interest of Rs.52.97 lakh. Further, taking up construction works without ensuring availability of required funds resulted in idle investment of Rs.10.16 crore.

The Union Ministry of Development of North Eastern Region (DONER) sanctioned (November 1999) Rs.20 crore against the proposed cost of Rs.28 crore for construction of three auditoriums of seating capacity of 1,250 (Rs.11.77 crore), 800 (Rs.8.31 crore), 300 (Rs.2.39 crore) and toilet, restaurant, car parking, etc. (Rs.5.43 crore). DONER released (June 2001 to March 2006) Rs.20 crore out of Non Lapsable Central Pool of Resource. The State Cultural Affairs Department released (October 2002 to May 2006) Rs.19.52 crore to the Secretary, Srimanta Sankardeva Kalakhetra (Society) for execution of the works. The Society awarded (May 2003) the work to a firm<sup>4</sup> at its tendered value of Rs.27.98 crore. As per contract (May 2003) the contractor could avail mobilisation advance (MA). As per rules MA was admissible at 10 percent of the estimated cost/ tendered value or Rs.1 crore, whichever is less, at 10 percent simple interest on the outstanding MA.

Scrutiny (October 2006) of the records of the Cultural Affairs Department (DCA) along with the records of the Secretary of the Society revealed that the Society paid Rs.4.20 crore as MA to the firm in two instalments (Rs.3.36 crore in May 2003 and Rs.0.84 crore on August 2003) i.e. an excess of Rs.3.20 crore in contravention of rules. The entire MA paid to the firm was recovered (September 2003 to August 2005) in 20 equal instalments without recovery of any interest.

Thus, failure on the part of the Department to restrict MA to 10 percent and recover 10 percent simple interest resulted in undue temporary financial assistance of Rs.3.20 crore and loss of interest of Rs.52.97 lakh (detailed in *Appendix-4.6*) to Government.

Scrutiny of records of the DCA and SSK revealed that the auditorium with a seating capacity of 300 persons was completed (January 2006) but the one with a seating capacity of 1,250 persons scheduled to be completed in May 2003 was yet to be completed after incurring an expenditure of Rs.6.57 crore.

Construction of the third auditorium with a seating capacity of 800 persons, also to be completed in May 2003, was held up since June 2004 after incurring an expenditure of Rs.3.59 crore. The work was held up due to non-release of funds (Central fund Rs.0.48 crore and State share Rs.8 crore) by the State Government. Reason for non release was not stated nor found in records. Further, the DCA submitted (July 2006) a new proposal (revised estimates) to the State Government for Rs.10.16 crore required for completion of the auditorium due to price escalation. But no fund was provided by

<sup>4</sup> M/S Larsen and Toubro Limited.

the State Government and works remained incomplete till date (July 2007). Thus, taking up the construction work by the Society without ensuring availability of required funds resulted in idle investment of Rs.10.16 crore. (Rs.6.57 crore + Rs.3.59 crore)

The matter was reported to Government in March 2007; reply had not been received (September 2007).

#### **GUWAHATI DEVELOPMENT DEPARTMENT**

##### **4.3.2 Avoidable expenditure**

**Failure of the Secretariat Administration Department to comply with the judgement of the High Court resulted in avoidable payment of land acquisition cost and compensation to the tune of Rs.85.04 lakh.**

Scrutiny (April-May 2006) of records of the Secretariat Administration Department (SAD) revealed that the State Government took possession of a land (1973) measuring 1 Bigha<sup>5</sup> 1 Katha 10 Lasa without paying the cost of acquisition (estimated at Rs.25.38 lakh) to the owner of the land. The Gauhati High Court, directed the State Government (8 September 1995) to pay compensation to the owner within 15 days or return the land within a period of one month. The State Government failed to comply with the direction of the High Court within the stipulated period. Instead of denotifying the land, it issued a notification for acquiring the land (November 1996).

In January 1998, Rs.25.38 lakh was paid to the owner as the cost of acquisition, excluding cost of compensation (Rs.12.72 lakh). The heirs of the land owner moved (March 1998) the Hon'ble Ad-hoc Additional District Judge for payment of recurring compensation and revision of cost of land at the prevailing market rate at the time of acquisition of land (November 1996). The Court in its judgment (27 September 2004) passed orders enhancing the compensation and allowing interest till the date of payment, annual compensation for occupation and use of the acquired land by State Government w.e.f 01 September 1973 to 19 February 1997. The total amount paid by the State Government amounted to Rs.110.42 lakh.

Thus, due to the failure of the Government to make payment for land acquisition and non-compliance with the judgement of the High Court on time, it incurred an avoidable expenditure of Rs.85.04 lakh (Rs.110.42 lakh – Rs.25.38 lakh).

The matter was reported to Government in September 2006; reply had not been received (September 2007).

#### **HOME DEPARTMENT**

##### **4.3.3 Avoidable expenditure**

**The Director General of Police purchased 14,587 steel cots at higher rate, which resulted in avoidable expenditure of Rs.88.31 lakh.**

The Director General of Police (DGP), Assam issued (February 2004) a notice inviting tender (NIT) for supply of 14,648 "steel folding cots" for distribution among

<sup>5</sup> 1 Bigha = 1338 Sq.Mt.

police force. In response to the NIT, 16 tenders were received. The rate of Rs.1,491 per cot offered by the lowest tenderer<sup>6</sup> was rejected by the Purchase Board (PB) on the ground that production capacity of steel cots by the firm was not mentioned in the certificate issued by the Industries Department as required under NIT. The firm was, however, certified by the Industries Department as manufacturer of decorative furniture, steel gate and grill and was well equipped with plant and machinery for fabrication of steel material. Moreover, the firm had previous experience of supply of furniture to the Education Department. The PB however, accepted the L 2 rate Rs.1,853 per cot (excluding 13.2 percent sales tax /12.5 percent VAT) offered by another firm<sup>7</sup> which had a capacity to produce 4,500 cots per month.

Scrutiny (February and March 2006) of records revealed that 14,648 cots were procured (January to July 2005) from the second firm for Rs.307.25 lakh between May and July 2005. Although the firm had a monthly production capacity of 4,500 cots, it failed to supply the first batch of 7,500 cots within the stipulated time of 50 days. In fact it could complete the supply 153 days after the stipulated time. The Department failed to enforce the penal clause for delayed supply. Thus, acceptance of higher rate on the basis of production capacity alone, which, however turned out to be far less than the stated capacity, was not justified. Besides, previous experience of supply as required under clause 5 of the NIT was also disregarded. The Department also did not initiate any action for ascertaining the production capacity of the firm that quoted the lowest rate.

Thus, procurement of 14,648 steel cots at higher rate resulted in avoidable expenditure of Rs.88.85 lakh<sup>8</sup>.

The matter was reported to Government in June 2006; reply had not been received (September 2007).

#### 4.3.4 Avoidable expenditure

##### **Non-procurement of material by the Director General of Police from manufacturing Company resulted in avoidable expenditure of Rs.37.07 lakh.**

The Director General of Police (DGP), Assam issued (August 2004) a notice inviting tender (NIT) for supply of uniform articles for police personnel for the year 2004-05. In response to the NIT, six firms quoted their rates for supply of 'Hunting Boots' and eight firms quoted rates for supply of 'Brown Canvas Shoes'. The Purchase Board (PB) accepted (December 2004) the highest rate of Rs.238.70 plus taxes (12.5 percent) per pair of Hunting Boots quoted by M/S Andromeda Guwahati and 5<sup>th</sup> lowest rate of Rs.89.99 including taxes per pair of 'Brown Canvas Shoes' quoted by M/S Anirudha Enterprise, Nagaon. In both the cases the PB accepted the higher rates on the ground that the samples furnished by the tenderers were of Bata brand.

Scrutiny (February 2006) of records and further information collected (February – March 2007) revealed that the DGP procured 39,734 pairs of Hunting Boots and

<sup>6</sup> M/s Kiron Wood Craft, Guwahati, a Small Scale Industries (SSI) unit exempted from payment of Sales Tax.

<sup>7</sup> M/s Hazarika Saw Mill, Guwahati.

<sup>8</sup> Rs.307.25 lakh-Rs.1, 491 x 14,648 = Rs.88.85 lakh.



86,242 pairs of Brown Canvas Shoes from the firms between May 2005 and July 2005 for Rs.1.07 crore and Rs.77.61 lakh respectively between August 2005 and March 2006. The DGP procured Bata products through suppliers but did not initiate any action to procure the material directly from the manufacturer M/s Bata India Ltd. at their prevailing wholesale rates (Rs.184.95 + 12.5% VAT for Hunting Shoes and Rs.66.55 + 12.5% Vat for Brown Canvas Shoes).

Thus, non-procurement of material directly from the manufacturing company and purchasing it from suppliers at 29 percent (Hunting boot) and 20 percent (Canvas shoes) higher rates resulted in avoidable expenditure of Rs.37.07 lakh (detailed in *Appendix-4.7*).

The matter was reported to the Government in June 2006; reply had not been received (September 2007).

### Public Works Department

#### 4.3.5 Avoidable expenditure

**The Executive Engineer, PWD, Guwahati City Division No. 1 paid Rs.97.22 lakh as price adjustment to the contractor due to delay in completion of work attributable to the Department.**

Mention was made in Para 4.2.8 of the Report of the Comptroller and Auditor General of India for the year ended 31 March 2006 (Civil) regarding avoidable excess expenditure of Rs.80 lakh for awarding the work of construction of Flyover at Ulubari Chariali, Guwahati to a tenderer other than the lowest tenderer in violation of the codal provisions.

The Chief Engineer (CE), PWD (Roads), Assam awarded (August 2000) the work "Construction of Flyover at Ulubari Chariali", to a firm at a cost of Rs.11.07 crore with the stipulation to complete the work by December 2001 against an estimated cost of Rs.17.95 crore<sup>9</sup>. Subsequent to the award of the contract, the Chief Executive Officer, Guwahati Metropolitan Development Authority (GMDA) accorded (December 2001) administrative approval (AA) to the work for Rs.15.42 crore on the strength of Government approval (September 1999). While according AA, the GMDA cancelled, among other things, price escalation/price adjustment of Rs.77.53 lakh included in the original estimate. The CE, PWD (Roads) accorded technical sanction (TS) in January 2002 to the work for Rs.15.42 crore. As of August 2006, the physical progress of the work was 99 percent with an expenditure of Rs.11.02 crore. No

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Item	Estimated Amount	AA / TS Amount	Remarks
Construction of Flyover	Rs.110759211.00	Rs.110759211.00	Tendered value
Price escalation	Rs.7753144.00	-	Cancelled by GMDA
Appurtenant works like shifting of electric lines, pipe lines etc.	Rs.25629800.00	Rs.25629800.00	
Land acquisition, Contingency etc.	Rs.35354180.00	Rs.17800384.00	
<b>Total:</b>	<b>Rs.179496335.00</b>	<b>Rs.154189395.00</b>	

penalty was imposed on the firm for delays as same were attributable to the Department.

Test-check (August-September 2006) of records revealed that due to departmental lapses like non-shifting of electric power lines, underground pipe lines for water supply, delay in land acquisition etc., the CE finally extended (March 2004) the time for completion upto July 2004. The progress of the work was reviewed in a high power committee meeting (May 2004) and it was reiterated to complete the work by July 2004 and also resolved that under no circumstances should the original project cost be escalated. Some additional works connected with the flyover were proposed to be undertaken in the meeting after preparing separate estimate.

Since the original AA did not have provision for price adjustment, the Division in the estimate for additional work of flyover for Rs.3.87 crore accommodated *inter-alia* price adjustment of Rs.97.22 lakh. The additional work commenced (July 2005) after obtaining Government approval (June 2005) and as of August 2006, the Division paid Rs.2.55 crore (including price adjustment of Rs.97.22 lakh) to the contractor against physical progress of 86 *per cent* of the additional work.

Audit observed that the Department deliberately included price escalation of Rs.97.22 lakh in the estimate of additional work and subsequently awarded the work to the same contractor to escape contractual obligations of the original work. Thus, inclusion of the price adjustment clause in the agreement despite absence of the same in the AA and also in the decision of the High Power Committee resulted in avoidable expenditure of Rs.97.22 lakh.

The matter was reported to Government in March 2007; reply had not been received (September 2007).

#### 4.3.6 Avoidable extra expenditure

**Non-acceptance of lowest bids by the Chief Engineer, Public Works Department (ARIASP & RIDF) in awarding road works to the contractors led to avoidable extra expenditure of Rs.59 lakh.**

The work of 'Construction of North Guwahati-Amingaon-Hajo-Kalitakuchi-Doulasal (KD)-Barpeta-Howly Road' (portion from Kalitakuchi to Doulasal) under RIDF-VI of NABARD of length 31.10 Km was administratively approved (June 2002) by the State Public Works Department (PWD) for Rs.13.87 crore, against the estimated cost of Rs.15.42 crore. The estimate was prepared on the basis of Assam PWD schedule of rates for 1995-96 with a premium of 45 *percent*. Rates of different items of work requiring quarry material were enhanced depending on the distances from the quarry. The Guwahati Rural Road Division was to execute a length of seven kilometre (Chainage 0.00 metre to Chainage 7000 metre) of the road at an estimated cost of Rs.2.82 crore. The CE, PWD, ARIASP and RIDF<sup>10</sup> after splitting the road length of

<sup>10</sup> ARIASP: Assam Rural Infrastructural and Agricultural Services Project RIDF: Rural Infrastructure Development Fund



seven kilometres into three packages<sup>11</sup> awarded (April 2001 to June 2001) the work to five different contractors at a total tendered cost of Rs.3.30 crore. The rationale behind bifurcation of the work into three different packages and awarding it to five different contractors was not on record. The work was stated (June 2006) to have been completed at a total cost of Rs.3.41 crore but the Department could not produce any completion certificate or state the date of completion (July 2007).

Test-check (December 2004 – January 2005) of records revealed that according to the recommendation (March 2001) of the tender committee, the packages of KD<sub>1</sub> (Chainage 0 metre to 1000 metre), KD<sub>2</sub> (Chainage 1000 metre to 2000 metre) and KD<sub>3</sub> (Chainage 2000 metre to 7000 metre) were awarded at five, three and 22 per cent above the estimated cost against the available lowest bids of 15, 12.5 and 11 per cent below the estimated cost. The reason for awarding these packages to contractors at three different rates was also not on record. The tender committee rejected the lowest rates as being un-workable.

Audit observed that as the rates in the estimate were framed in consideration of quarry distances at different but adjoining chainages, splitting of the work into three packages, invitation of tenders for different packages separately and subsequent award of works at different premiums was irrational and injudicious. The irrational execution of construction of the road at different rates in different chainages, in identical conditions led to extra avoidable expenditure of Rs.0.59 crore (Rs.3.41 crore - Rs.2.82 crore) over the estimated cost.

The matter was reported to Government in March 2007; reply had not been received (September 2007).

#### 4.3.7 Unfruitful expenditure

**Due to failure of the PW Department to acquire land in 850 m stretch for the drain work the expenditure of Rs.2.29 crore against side drain remained unfruitful.**

The Guwahati Development Department (GDD) accorded (July 2003) administrative approval to the work of "Improvement of existing road from Assam Administrative Staff College to proposed Capital Complex via Beltola" for Rs.5 crore. The work included improvement of 3.60 km long existing road and construction of drains on both sides of the road.

Test-check (September 2005) of records of the EE, Guwahati City Division No.II and other information collected subsequently (May 2007) revealed that the CE awarded (October 2003) the work to a contractor at a tendered value of Rs.4.45 crore with the

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Packages	Chainage	Estimated Cost
KD <sub>1</sub>	(Part-I)	0 metre to 500 metre
	(Part-II)	500 metre to 1000 metre
KD <sub>2</sub>	(Part-I)	1000 metre to 1500 metre
	(Part-II)	1500 metre to 2000 metre
KD <sub>3</sub>		2000 metre to 7000 metre
Total:		Rs.282.23 lakh

Note: KD means Kalitakuchi-Doulasal Road



stipulation to complete the work in six months (April 2004). The contractor commenced the work (October 2003) but, the progress of work suffered at different stretches due to litigation as well as obstruction by some private land owners and authorities over acquisition of land involving a total length of 850 m<sup>12</sup> for construction of drainage. The CE raised (October 2003) the tendered value to Rs.4.54 crore by entering into a supplementary tender on account of addition of some items of work<sup>13</sup> beyond the scope of original tender. The Division failed to hand over the obstructed portion of the land to the contractor owing to various interim orders of Hon'ble Court. Finally as requested by the contractor, the Division measured the finished portion of work and paid Rs.4.07 crore (including Rs.2.29 crore<sup>14</sup> towards drain) to the contractor in May 2005.

Owing to non-construction of the drain at Last Gate, the entire water of constructed drain on the right side could not go to its outlet. As such, entire drain water came to Last Gate area submerging it during heavy rains. The Division requested (May 2005) the Deputy Commissioner, Kamrup (Metro) to take necessary action for acquisition of the land required for construction of the drain but, the stretches could not be made free from litigation/obstruction till March 2007. Thus due to lack of proper planning on the part of the Division in acquisition of land before award of the work frustrated the very purpose of protecting the existing road from water logging, and had in fact damaged the road surface during rainy season, besides rendering the entire expenditure of Rs.2.29 crore on the construction of drainage unfruitful.

The matter was reported to Government in July 2007; reply had not been received (September 2007).

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Name of road	Chainage	Length	Location	Remarks
Beltola Basistha Road	1270 m to 1400 m	130 m	Dispur Last Gate	Right Hand Side
	1615 m to 1665 m	50 m	Opposite Sweeper Colony	Right Hand Side
	2067 m to 2267 m	200 m	Near Wireless	Left Hand Side
Beldohi Khanapara Road	900 m to 1110 m	210 m	Opposite Jaya Nagar Junction	Right Hand Side
	1410 m to 1670 m	260 m	Sericulture Office, Khanapara	Left Hand Side
<b>Total: -</b>		<b>850 m</b>		

<sup>13</sup> Earthwork in excavation of foundation trenches etc. up to water level and below water level, Providing 15 cm thick stone soiling in foundation etc., providing liquid seal coat over the premix carpeting etc.

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Expenditure against side drain: -	
In the right hand side	Rs.1.17 crore
In the left hand side	Rs.1.12 crore
<b>Total: -</b>	<b>Rs.2.29 crore</b>

#### 4.3.8 Unfruitful expenditure

**Expenditure of Rs.1.77 crore on completed RCC Bridge under Guwahati Rural Road Division remained unfruitful, as the Division could not complete the approaches due to non-allotment of land by District Administration.**

The work “construction of RCC bridge No. 18/1 over river Sessa on North Guwahati Amingaon Hajo Raod” was completed (October 2001) by Assam Government Construction Corporation at a cost of Rs.1.53 crore.

Test-check (December 2004-January 2005) of records of the EE, Guwahati Rural Road Division and further collection (May 2007) of information revealed that the works of approaches were awarded (August 1998) to two different contractors at a total tendered value of Rs.45.72 lakh<sup>15</sup> for completion by October 1998. The works of approaches in chainages 0 m to 105 m on Guwahati side and 0 m to 94 m on Hajo side were completed (July 2003) for Rs.24.03 lakh. The approach works in chainages 105 m to 210 m on Guwahati side and 94 m to 105 m in Hajo side could not be taken up till March 2007 as the Deputy Commissioner (DC), Kamrup did not hand over the required land to the Division though Rs.18 lakh was paid (March 2001) as land compensation. As a result, the bridge proper could not be opened for vehicular traffic as of March 2007.

Thus, due to non-completion of approaches the entire expenditure of Rs.1.77 crore (Rs.1.53 crore + Rs.0.24 crore) proved unfruitful.

The matter was reported to Government in July 2007; reply had not been received (September 2007).

### Water Resources Department

#### 4.3.9 Unfruitful and avoidable extra expenditure

**Action of the Department in taking up the work before obtaining administrative approval and technical sanction, and splitting up the work and executing it in an adhoc manner led to infructuous expenditure of Rs. 2.39 crore.**

Test-check of records of the EE, Goalpara Water Resources Division revealed that the scheme “Construction of retirement<sup>16</sup> from chainage 19.46 km to 24.60 km of Brahmaputra dyke from Kharmuja to Balikuchi at Bowrartal-Fatengapara area” was administratively approved and technically sanctioned (March 2001) by the Additional Chief Engineer, WRD, Lower Assam Zone for Rs.3.37 crore. But the work was started in March 1999 itself by issuing work orders from time to time in an adhoc

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Chainages	Side	Tender value	Physical progress	Payment made
0 m to 105 m	Guwahati	Rs.11.37 lakh	100%	Rs.12.70 lakh
105 m to 210 m	Guwahati	Rs.11.37 lakh	NIL	-
0 m to 94 m	Hajo	Rs.11.49 lakh	100%	Rs.11.33 lakh
94 m to 150 m	Hajo	Rs.11.49 lakh	NIL	-
<b>Total: -</b>		<b>Rs.45.72 lakh</b>	<b>Total: -</b>	<b>Rs.24.03 lakh</b>

<sup>16</sup> New embankment constructed towards countryside as second line of defence by abandoning the existing dyke

manner over a period of 15 months to 646 contractors at different chainages. Stretching the work over such a lengthy period in a highly vulnerable area ultimately led to failure of the protection work. The retirement bund breached (26 June 2000), after execution of work valued at Rs.2.39 crore. Failure to complete the work in the stipulated time and before the onset of monsoon resulted in unfruitful expenditure of Rs.2.39 crore.

Action of the Department in taking up the work before obtaining administrative approval and technical sanction, and splitting up the work and executing it in an adhoc manner led to infructuous expenditure of Rs.2.39 crore.

The matter was reported to Government in May 2007; reply had not been received (September 2007).

#### 4.3.10 Avoidable extra expenditure

**The Water Resources Department incurred avoidable extra expenditure of Rs.48.36 lakh in anti-erosion and protection work on the bank of river Brahmaputra as a result of inflated estimates by splitting transportation cost of boulders involving local carriage.**

Water Resources Department (WRD) accorded (September 2001 and August 2002) administrative approvals (AA) for "Anti-erosion measures against the bank erosion of river Brahmaputra at different reaches of North Guwahati Town from Aswaklanta Hill to Dihing Satra" and "Protection of Guwahati Town from the erosion of river Brahmaputra (from Kachari Bazar to DC Court)" for Rs.4.32 crore and Rs.3.69 crore respectively. The CE, WRD, accorded (February 2005 and October 2003) technical sanctions (TS) for both the works for the same amount. The reason for delay in according TS was not on record. The works were awarded (2002 and 2004) to the contractors for completion within 30 days from the date of issue of work orders. The works were completed (May 2004 and November 2004) for Rs.3.69 crore and Rs.4.32 crore respectively.

Test-check (January-February 2006) of records of the EE, Guwahati East Embankment & Drainage Division revealed that the Division procured 33,150 m<sup>3</sup> and 28,413 m<sup>3</sup> of boulders for the said works from the same quarry situated at distances of 26 km and 36 km respectively from the respective sites of work by 10-ton capacity truck and stacked the boulders 150 metre beyond the work sites though the rates of carriage were for stacking at work site. The Division incurred an expenditure of Rs.48.36 lakh<sup>17</sup> against local carriage of 52,092 m<sup>3</sup> boulders by 10-ton capacity truck from 150 metre beyond the work site including loading and unloading as per

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Sl. No.	Name of work	Procurement of boulders	Local carriage of boulders	Rate	Amount
1	Anti-erosion measures from Aswaklanta to Dihing Satra.	33150 m <sup>3</sup>	80% of 33150 m <sup>3</sup> = 26520 m <sup>3</sup>	Rs.75.00	Rs.19,89,000.00
2	Protection of Guwahati Town from Kachari Bazar to DC Court.	28413 m <sup>3</sup>	90% of 28413 m <sup>3</sup> = 25572 m <sup>3</sup>	Rs.114.32	Rs.22,46,675.00
<b>Total: -</b>			<b>52092 m<sup>3</sup></b>		<b>Rs.48,35,675.00</b>



provisions in the estimates. As the sites of works were approachable by 10-ton truck, it was injudicious to stack the boulders 150 metre beyond the work sites and carry the same by 10-ton capacity truck to the work sites. The local carriage charges could have been avoided by stacking the boulders at the work sites after collection from the quarry.

The Government in reply stated (July 2007) that although both the sites were approachable by 10-ton capacity truck, sufficient open space was not available at the work site to keep huge quantity of boulders for a certain period before utilisation of the same. The reply is not tenable as payments were made for carriage of boulders from the quarry to the sites and as per records, the entire quantity of boulders were not procured at a time, but over a period of about two years.

Thus, unnecessary inclusion of provision of local carriage of boulders in the estimate and subsequent execution of work against inflated estimates had resulted in an extra expenditure of Rs.48.36 lakh, which could have been avoided.

#### **WELFARE OF PLAIN TRIBES AND BACKWARD CLASSES DEPARTMENT**

##### **4.3.11 Extra avoidable expenditure**

**Procurement of 57,665 bundles of yarn and 5,940 numbers fishing net at higher rates from three rejected tenderers by the Director, Welfare of Schedule Caste, resulted in extra avoidable expenditure of Rs. 60.99 lakh.**

The Union Ministry of Social Justice and Employment released Rs.14.24 crore during 2004-06 (Rs.8 crore) and 2005-06 (Rs.6.24 crore) to the State Government as Special Central Assistance (SCA) under Special Component Plan (SCP) for the development of Scheduled Castes (SCs) through implementation of Family Oriented Income Generating Scheme (FOIGS) by providing inter-alia, cotton yarn, fishing net etc.

Test-check (September 2006) of records of the Director, Welfare of SCs revealed that in response to the Director's short notice inviting quotations (May 2003) for procurement of yarn (40<sup>S</sup> cotton yarn 2.27 kg per bundle) along with other handloom accessories and fishing net, five Government owned agencies submitted (May 2003) their quotations, of which three quotations were rejected by the Purchase Committee (two for non-fulfilling the requirements of quotation notice and one without recording any reason). Although the rates for supply of cotton yarn (ranging between Rs.413 and Rs.460 per bundle) and fishing net (Rs.863 per net) quoted by M/S Assam Small Industries Development Corporation (ASIDC) were the lowest, their quotation was rejected by the Purchase Committee without any recorded reasons.

Further scrutiny revealed, that, though the Departmental Purchase Committee accepted the rates of Assam Khadi and Village Industries Board (AKVIB) for yarn (Rs.495 per bundle) and of Fishery Development Corporation for fishing nets (Rs.1,550 per net), the Director did not purchase a single item from these two agencies. Instead the Director procured 57,665 bundles of yarn costing Rs.2.85 crore at the higher rate of Rupees 495 per bundle and 5,940 fishing nets costing Rs.92.07 lakh at the higher rate of Rs.1,550 per net during the period June 2004 to February 2006 from three agencies (ASIDC: yarn 15,115 bundles; AGMC: yarn 3,000 bundles, fishing nets: 5,940 nos; Pragjyotika: yarn 39,550 bundles) whose quotations were rejected by

the Purchase Committee. Thus, the Department incurred an extra expenditure of Rs.60.99 lakh<sup>18</sup>.

The matter was reported to the Department and Government in May 2007; reply had not been received (September 2007).

#### PUBLIC WORKS / IRRIGATION DEPARTMENT

##### 4.3.12 Avoidable extra expenditure

**The Public Works and Irrigation Departments incurred avoidable extra expenditure of Rs.6.86 crore towards interest, escalation charges and other ancillary expenses due to time over run in the execution of works and non-payment of contractors' claims on time.**

Financial discipline requires that before placing supply orders or entering into contractual obligations, the Department should ensure availability of funds. It was however, noticed that three PW Divisions and one Irrigation Division failed to make payment for the value of works done/supplies made by the suppliers/contractors, purportedly, due to paucity of funds. As a result, the aggrieved suppliers/contractors undertook recourse to legal action and the Departments had to incur an avoidable extra expenditure of Rs.6.86 crore (*Appendix-4.8*) towards interest and other litigation expenses. The details are as under:

- Against the supply orders (September 1991 to February 1992) of the CE, Minor Irrigation, the supplier supplied (October 1991 to November 1992) rigid polyvinyl chloride pipes worth Rs.71.24 lakh. EE, Guwahati Irrigation Division paid Rs.21.55 lakh upto September 1994 leaving a balance of Rs.49.69 lakh. The aggrieved firm obtained a court decree (June 2003) for payment of outstanding principal (Rs.49.69 lakh) and interest admissible till the date of payment. The Division paid outstanding principal of Rs.49.69 lakh between September 1999 to March 2004 and interest of Rs.3.97 crore in October 2005 (calculated for the period from September 1992 to February 2005) pursuant to the decree of the District Court.
- The EE / SE Rangia Rural Road Division placed (March 1994 to March 1995) supply orders for RCC hume pipes worth Rs.14.89 lakh and received supplies thereagainst. The Division paid (July 2003) only Rs.2.25 lakh leaving a balance of Rs.12.64 lakh unpaid due to paucity of fund. The firm filed (August 2003) a case in Gauhati High Court and ultimately, in accordance with the Court decree, the Division paid Rs.69.99 lakh to the firm between July 2005 and September 2006 incurring an avoidable extra expenditure of Rs.57.35 lakh.
- The EE, Barpathar Road Division, in the construction of RCC Bridge No. 9/1 on Barpathar Borneoria Daigrong Chowkiholder Road paid (March 2000) Rs.32.95 lakh to the contractor against contract value of Rs.1.20 crore leaving a balance of Rs.87.05 lakh. The panel of arbitrators appointed by the Government (May 2000) admitted an amount of Rs.54.22 lakh against the contractor's claim besides, interest as admissible. The Division finally paid (January 2003 to April 2005) Rs. 1.01 crore (Principal:

<sup>18</sup> [(Rs.1550 – Rs.863) x 5940 Nos] + [(Rs.495 – Rs.460) x 57,665 bundles] = Rs.60.99 lakh

Rs.54.22 lakh + Interest Rs.46.59 lakh) resulting in avoidable extra expenditure of Rs.46.59 lakh.

- Against the claim of Rs.59.48 lakh for improvement / repair of roads the EE, Guwahati City Division No.1 paid (September 1995 to October 1997) Rs.30.65 lakh leaving a balance of Rs.28.83 lakh. Against Court's order, the Division subsequently (June 2004 to August 2006) paid Rs.69.01 lakh to the contractor leading to an avoidable extra expenditure of Rs.40.18 lakh.
- The work "Construction of two lane pavement at different stretches from km(s) 626 to 682 of NH 37" under EE, NH Division, Dibrugarh was due to be completed in December 1990 at a cost of Rs.1.08 crore. The contractor was allowed time extension upto December 1992. The work was completed in October 1992 and the contractor was paid (November 1992) Rs.1.11 crore based on actual measurement of work done. The contractor claimed (July 1991) price escalation of Rs.39.99 lakh which was not paid by the Division. The contractor moved District Court and in accordance with the court verdict, the Division paid (January 2004 to September 2005) Rs.59.09 lakh (price escalation Rs.39.99 lakh + Interest Rs.19.10 lakh) to the contractor leading to an extra avoidable expenditure of Rs.19.10 lakh.
- The EE Rural Road Division, Koliabor undertook the work "Construction of RCC Bridge no. 7/1 over river Kollong at Kuwaritol" through a contractor to be completed in May 1999. The date of completion was however extended by the EE upto June 2001 and the contractor completed the work within the extended period at a cost of Rs.1.73 crore. The contractor, however invoked arbitration clause in the agreement for allowing escalation, interest etc. On the basis of the award of the Arbitrators, the contractor was paid an amount of Rs.2.99 crore which includes earlier payment of Rs.13 lakh (paid in May 1999). Thus, the Division incurred an extra avoidable expenditure of Rs.1.26 crore due to cost escalation attributable to the Department, interest payment etc.

In reply, the concerned Divisions stated that payments could not be made in time due to non-availability of funds. The replies are not tenable, as there were huge savings in the relevant years against the concerned Departments and even surrender of savings in 1996-97 under PWD (R & B).

The matter was reported to the Government in May 2007; reply had been received (September 2007).

#### **4.4 Idle investment/blocking of funds/delays in commissioning of equipment/diversion/misutilisation of funds etc.**

### **FISHERIES DEPARTMENT**

#### **4.4.1 Unproductive expenditure**

**The Fishery Information Officer, incurred an expenditure of Rs.54.69 lakh during 2003-04 to 2006-07 towards pay and allowances of idle staff.**

The Fishery Information Officer (FIO), Guwahati, is responsible for organising:

- extension, mobilisation, workshops, seminar etc.
- publicity through audio-visual equipments, radio talks, TV programmes etc.
- participation in exhibitions both at State and district level.



For performing the above functions, there are 13 different categories of staff under FIO, Guwahati.

Scrutiny (July 2006) of records and further information collected (April 2007) revealed that the establishment of FIO had become nonfunctional since 2002-03. During the period 2002-03 to 2006-07 no seminar, workshop was organized, except for a 15 days seminar organized by the Assam Rural Infrastructural and Agricultural Services Project (ARIASP) not related to the charter of duties of the Directorate of Fisheries. Further, 69 audio-visual equipment out of 89 available in the establishment of FIO became unserviceable. The date since when these equipment became unserviceable was not produced to audit. Thus, due to non-holding seminar/workshop and unserviceable equipment, the staff remained idle. This resulted in idle unproductive expenditure of Rs.54.69 lakh on pay and allowances of staff during the period from 2003-04 to 2006-07.

The FIO stated (July 2007) that the services of the staff are being utilised in different establishments of the Directorate of Fisheries but could not produce any documentary evidence in support of this claim.

The matter was reported to Government in September 2006; reply had not been received (September 2007).

#### GENERAL ADMINISTRATION DEPARTMENT

##### 4.4.2 Injudicious expenditure

**Procurement of equipment/machinery by the Deputy Commissioner, Hailakandi ignoring the suggestions of the technical expert resulted in injudicious expenditure of Rs.64.85 lakh.**

The Deputy Commissioner Hailakandi submitted (June 2005) a proposal along with plan and estimate of Rs.120.23 lakh (medical equipment: Rs.71.17 lakh and civil works: Rs.49.07 lakh) for infrastructure development of eye and dental care in Civil Hospital, Hailakandi. Based on the proposal, the State Planning and Development Department, sanctioned (June 2005) Rs.100 lakh under Untied Fund of 2005-06. The DC constituted (July 2005) a Purchase Committee and drew the fund (August 2005). The technical expert deputed from Silchar Medical College on the request of DC, in his report regarding purchase of ophthalmic equipments opined (August 2005) that Phaco-emulsification machine was not suitable for a district hospital in view of high maintenance cost, potential post operation complications and high cost of foldable lenses to be supplied by the patients.

Scrutiny (May-June 2006) of records revealed that the DC, Hailakandi disregarding the opinion of the technical expert and without inviting any tender, purchased (August-October 2005) equipment/machinery relating to eye and dental operation from a Guwahati based firm<sup>19</sup> and paid (September-November 2005) Rs.64.85 lakh to the firm. Records revealed that even after a lapse of 21 months, the equipment/machinery had not been installed and commissioned as of June 2007.

<sup>19</sup> M/s Nisita Enterprises Pvt. Ltd.

Further, there was no agreement or warranty with the firm for installation and successful functioning of the equipment/machinery. Thus, procurement of equipment/machinery by ignoring the suggestions of the technical expert without ensuring warranty and installation of the equipment resulted in injudicious expenditure of Rs.64.85 lakh.

It was further observed, that the DC, Hailakandi spent Rs.34.78 lakh till July 2007 towards civil work viz., (i) renovation and repairing of main hospital building, (ii) improvement of road, (iii) earth filling in compound etc. There was no expenditure on construction/development of operation theatre and the balance amount of Rs.0.37 lakh was kept in bank in the form of Deposit at Call receipt. This indicated that there was remote possibility of utilizing the equipment in near future.

The team of medical experts from Silchar Medical College engaged (December 2005) by DC Silchar, for inspection of the equipment also commented (February 2006) that in the absence of eye operation theatre, purchase of these equipment was premature.

The Government, in reply stated (June 2007) that the operation theatre could not be constructed due to non-receipt of funds from MPLADS or any other source as presumed earlier. The reply is not tenable, as the project was taken up in an adhoc manner, without proper planning and ensuring availability of sufficient funds. Also, procuring equipment without ensuring conditions for its installation and proper utilisation was injudicious.

#### **GUWAHATI DEVELOPMENT DEPARTMENT**

##### **4.4.3 Diversion of funds**

**The Guwahati Metropolitan Development Authority diverted Rs.27.30 lakh sanctioned for construction of markets/cultural unit towards 'Beautification of Umananda Temple' without Government's approval.**

The Guwahati Development Department sanctioned Rs.34.80 lakh during 2001-02 (Rs.17.80 lakh) and 2002-03 (Rs.17 lakh) as interest bearing loan @ 13.50 percent p.a repayable in ten years to Guwahati Metropolitan Development Authority (GMDA), for construction of four markets and a cultural unit to accelerate generation of self-employment and socio cultural development. Out of the sanctioned amount, Rs.27.30 lakh was released to the GMDA during 2001-02 (Rs.17.80 lakh) and 2002-03 (Rs.9.50 lakh).

Scrutiny (March-April 2006) of records revealed that the GMDA could not utilise the amount during 2001-02 and 2002-03 due to non-availability of land for taking up the schemes and diverted Rs.27.30 lakh for 'Beautification of Umananda Temple' with the approval of the Chairman, GMDA, but, without the approval of the Government.

Thus, diversion of fund without Government's approval was not only irregular but also defeated the objectives of self employment and socio-cultural development for which the amount was sanctioned. Further, GMDA neither paid interest of Rs.18.07 lakh<sup>20</sup> nor refunded principal of Rs.12.70 lakh<sup>21</sup> to the State Government till June 2007.

<sup>20</sup> Interest on Rs. 17.80 lakh @ 13.5% for 5years 3 months = Rs. 12.62 lakh  
Upto June 07 on Rs. 9.50 lakh @ 13.5% for 4 years 3 months = Rs. 5.45 lakh

The matter was reported to Government in September 2006; reply had not been received (September 2007).

#### 4.4.4 Blocking of funds

**Injudicious action of Guwahati Metropolitan Development Authority and the State Government resulted in blocking of fund amounting to Rs.15 lakh.**

The Hon'ble High Court (HC), Guwahati in its judgement (February 2001) on a Public Interest Litigation (PIL) against IG Prison, directed the State Government not to allocate any jail land to any person/agency in Assam. Further, no construction was to be allowed on jail lands already allocated to any outside agencies.

Scrutiny (March-April 2006) of records revealed that the Guwahati Metropolitan Development Authority (GMDA), in violation of the HC judgement submitted (August 2003) a proposal to the State Government for development of jail land at Fancy bazar for car parking at a cost of Rs.15 lakh. The Guwahati Development Department sanctioned (November 2003) Rs.15 lakh which was drawn by the Secretariat Administration Department and released (February 2004) to GMDA. The GMDA could not utilise the fund till the date of audit, as the required land was not handed over by the Jail Authorities.

Thus, injudicious action of the GMDA and State Government resulted in avoidable blocking of fund amounting to Rs.15 lakh for over four years.

The matter was reported to Government in September 2006; reply had not been received (September 2007).

### PANCHAYAT AND RURAL DEVELOPMENT DEPARTMENT

#### 4.4.5 Diversion of funds

**The Project Director, District Rural Development Agency, Tinsukia diverted scheme funds of Rs.21.53 lakh towards transportation cost.**

The guidelines of the scheme "Sampoorna Gramin Rojgar Yojana" provide that the State Government would bear the transportation cost and handling charges (including taxes, if any) from its own resources for the foodgrains (wheat/rice) component received from GOI under the scheme, and that cash component under the scheme was not to be utilised for payment of transportation cost etc.

Test-check (November-December 2006) of records of the Project Director (PD), District Rural Development Agency (DRDA), Tinsukia revealed that during 2004-05 and 2005-06 the PD lifted and despatched 1,19,617.73 quintals of rice from FCI godown to the blocks. In violation of the scheme guidelines, the PD incurred an expenditure of Rs.21.53 lakh towards transportation cost of rice.

Total Rs. 18.07 lakh

<sup>21</sup> Principal due Rs.17.80 lakh/10x5 = Rs. 8.90 lakh  
in June 07 Rs. 9.50 lakh/10x4 = Rs. 3.80 lakh  
Total Rs. 12.70 lakh



The PD stated (December 2006) that the transportation cost was met out of scheme fund as per GOI's instruction (September 2003). The reply is not tenable as the relaxation allowed in the GOI's instruction was applicable to district councils of Karbi Anglong and North Cachar Hills only.

The matter was reported to the Government in May 2007; reply had not been received (September 2007).

#### **4.4.6 Blocking of funds in Personal Ledger Account**

**Inaction of the P&RD Department to utilise the funds kept in Personal Ledger Account resulted in blocking of Government money to the tune of Rs.3.60 crore.**

Mention was made in Para 2.7.1 of the Audit Report of the Comptroller & Auditor General of India for the year ended March 1997 regarding unnecessary retention of Rs. 22.94 crore in the Personal Ledger Account (PLA) in the name of the Director, Panchayat and Rural Development (DP&RD).

Scrutiny (July 2006) of records of the DP&RD revealed that as on 31 March 2007, an amount of Rs. 3.60 crore (*Appendix-4.9*) was lying in the PLA. Of these unspent balances, Rs.3.27 crore related to the period 1979-80 to 1996-97 and Rs.33.16 lakh related to the period 1997-98 to 2006-07. More than 99 *per cent* of the unspent balance represented drawals made under various schemes and programmes.

The DP&RD stated (May 2007) that due to discontinuance of various schemes and non-receipt of utilisation certificates against earlier grants released to Mahakuma Parishads (MPs) and financial ban imposed on PLA by the Government, the grants remained unutilised. Implementation of the schemes suffered and failed to deliver the intended benefit to the beneficiaries frustrating the objectives of the schemes for which money was sanctioned and drawn. Further, validity of the PLA issued by the Accountant General (Accounts & Entitlement) stood expired with effect from 1 April 2004 and the PLA remained closed from that date. Regarding refund of the unspent balances of schemes funds, the DP&RD stated (May 2007) that the matter was referred (July 2004) to the Government and that no reply was received from the latter in this regard.

Thus, due to inaction of the Department, Rs.3.60 crore not only remained unutilised for periods ranging from 2 to 27 years but was also irregularly kept outside the Consolidated Fund of the State resulting in avoidable blocking of Government money. The matter was reported to the Government in March 2007; reply had not been received (September 2007).

#### **4.4.7 Diversion of Funds**

**The PD, DRDA Nalbari diverted Rs.1.11 crore from different Centrally Sponsored Schemes to meet the expenditure on pay and allowances and other contingent expenses and adjusted the same irregularly by debiting to expenditure of the schemes.**

According to the guidelines of poverty alleviation schemes, there is no provision for transfer of funds from one scheme to another.

Scrutiny (November-December 2006) of records of the Project Director (PD), DRDA, Nalbari revealed that during 1999-2000 to 2002-03 the PD transferred Rs.1.11 crore without approval from the competent authority, from SGSY (Rs.42.31 lakh), IAY

(Rs.21.91 lakh) and SGRY (Rs.46.98 lakh) to DRDA administration scheme fund to meet the expenditure on pay and allowances and contingencies. The Director, Panchayat and Rural Development Department instructed (April 2004) the PD to clear all diversions and advances in the accounts of the year 2003-04. The PD, however, adjusted the amount by charging to expenditure in the annual accounts for the year 2004-05 of the respective schemes although the funds were not utilised under these schemes.

Thus, the adjustment of Rs.1.11 crore by debiting the expenditure of the respective schemes was irregular apart from depriving the targeted beneficiaries of the intended benefits.

The matter was reported to the Government in July 2007; reply had not been received (September 2007).

#### Public Works Department

#### 4.4.8 Diversion of Calamity Relief Fund

**The Executive Engineers of PWD Guwahati City Division No. I and II incurred an expenditure of Rs.7.96 crore on special repairs to city roads by diversion of funds provided under Calamity Relief Fund.**

The Special Secretary and Central Relief Commissioner, GOI informed (September 2001) the State Chief Secretary that the Eleventh Finance Commission had considered and categorically rejected the State proposal to meet expenditure on restoration and reconstruction of roads etc. from Calamity Relief Fund (CRF). The relief fund was to be utilised for immediate repair/restoration to damaged infrastructure caused by calamities such as cyclone, drought, earthquake, fire, flood and hail storm relating to communication, power, public health, drinking water supply, primary education and community owned assets in social sector.

Mention was made in Paragraph 4.5.4 of the Report of the Comptroller and Auditor General of India for the year ended 31 March 2005 (Civil) regarding diversion of CRF amounting to Rs.2.97 crore by the EE, PWD, Guwahati City Division No. I, towards special repair works of 15 city roads upto May 2004.

Test-check (July 2006) of records of the EE, of the same Division revealed that the State Revenue (General) Department sanctioned (June 2004 and April 2005) Rs.3.40 crore and Rs.51 lakh for 19 flood damage repair (FDR) works and directed that the expenditure be debited to CRF. Against this amount, the Division incurred an expenditure of Rs.3.63 crore against 19 different works during the period from July 2004 to June 2005 of which only one work fell under the category of FDR valued at Rupees six lakh (*item No-3 of Appendix-4.10*).

Further, test-check (September 2005) of records of the EE, PWD, Guwahati City Division No. II revealed that the Division received (January 2004 and August 2004) Rs.4.39 crore under CRF for repair and restoration of 14 city roads within Greater Guwahati (*Appendix-4.11*). The Division spent (January 2004 to May 2005) the whole amount on special repair works by changing the nomenclature to FDR works with the concurrence of the Government (April 2004). There was nothing on record to show that the 14 works for which the amount was sanctioned were in the nature of immediate repair/restoration of damages caused by natural calamities.

Diversion of CRF to special repair works is irregular and violates the guidelines issued by GOI.

The matter was reported to Government in April 2007; reply had not been received (September 2007).

**WELFARE OF PLAIN TRIBES AND BACKWARD CLASSES  
DEPARTMENT**

**4.4.9 Diversion of Central Funds**

**The Assam Tribal Development Authority diverted Central funds of Rs.2.66 crore meant for implementation of Family Oriented Income Generating Schemes and individual Development Scheme towards establishment cost.**

The State Government set up (November 1983) the Assam Tribal Development Authority to accelerate socio-economic development in the plains Tribal Areas of Assam. Pay and allowances of the staff of the ATDA was to be borne by the State Government. Financial assistance from both the State and the Central Government, was provided to the ATDA for State Plan Schemes and Central Sector Schemes respectively.

Scrutiny (January 2007) of records of the ATDA revealed that the ATDA received Rs.1.54 crore as establishment cost from the State Government during the years 1998-99 to 2005-06 against the aggregate budget provision of Rs.5.77 crore during the corresponding years. Against the available fund of Rs.1.54 crore the ATDA incurred expenditure of Rs.4.20 crore (*Appendix-4.12*) towards the establishment cost during this period. The expenditure of Rs.2.66 crore in excess of the funds received was met by diverting funds received from the GOI under Special Central Assistance (SCA) for implementation of the Family Oriented Income Generating Scheme and Individual Development Scheme.

Diversion of Central funds meant for implementation of specific schemes was irregular and had affected the implementation of these schemes and deprived the eligible people of the intended benefits under the schemes.

The matter was reported to Government in March 2007; reply had not been received (September 2007).

**4.5 Regularity issues and others**

**ANIMAL HUSBANDRY AND VETERINARY DEPARTMENT**

**4.5.1 Delay in release of Central assistance**

**Delay/non-release of Central share (Rs.2 crore) and State share (Rs.40.34 lakh) by the State Government resulted in non-implementation of the scheme "Control of Animal Diseases".**

The Union Ministry of Agriculture, Department of Animal Husbandry and Dairying sanctioned (May and August 2003) and released Rs.3.04 crore to the State Government as Central assistance for "Control of Animal Diseases". Cost of the scheme was to be funded by the Central and the State Governments in the ratio 75:25.



Scrutiny (April—May 2006) of records of the Director, Animal Husbandry and Veterinary Department (DAH&V), revealed that the State Government after two years released (August 2005) Rs.1.39 crore. (Central assistance Rs.1.04 crore and State share Rs.34.71 lakh). The DAH&V drew (February 2006) Rs.1.04 crore and Rs.34.71 lakh (March 2006) and kept the entire amount in DCR till the date of audit. Further, another Rs.26.45 lakh being State share released by the State Government was also drawn by the DAH&V during 2006-07. Neither the balance amount of Central assistance for Rs.2 crore nor the State share of Rs.40.34 lakh was released by the State Government as of June 2007.

Thus, as a result of delay in release of Central funds and subsequent non-utilisation of the funds by the Department, not only were the objectives of the programme undermined, the State also could not benefit from improved animal health facilities.

The Director stated (July 2007) that out of released amount of Rs.1.65 crore (Central: Rs.1.04 crore: State: Rs.0.61 crore) the Central share of Rs.1.04 crore drawn in February 2006 has since been spent. However, no details of expenditure were provided for verification by audit. Thus due to delay in release of funds, the purpose of control of animal diseases was defeated.

The matter was reported to Government in November 2006; reply had not been received (September 2007).

#### GENERAL ADMINISTRATION DEPARTMENT

##### 4.5.2 Unauthorised expenditure

**The DC, Bongaigaon incurred an unauthorised expenditure of Rs.18.61 lakh for providing gratuitous relief to 1,717 families even after closure of relief camps, without getting any fund from the Government of Assam.**

1,760 families of Bongaigaon district, who were affected in ethnic violence (October 1993), took shelter in five relief camps set up by the district administration. The affected people were provided rehabilitation grant (RG) @ Rs.10,000 per family with the objective of rehabilitating them in their original places. Gratuitous relief (GR) in the form of food items<sup>22</sup> was also provided. The Deputy Commissioner (DC), Bongaigaon incurred an expenditure of Rs.5.67 crore towards RG (Rs.200.38 lakh) and GR (Rs.366.98 lakh) for the period October 1993 to December 2000 indicating excess release of RG by Rs.24.38 lakh. The camps were finally closed between December 1999 and December 2000.

Scrutiny (September 2006) of records revealed that the DC conducted (March 2004) a physical verification and found that 1,717 out of 1,760 families were staying in self-declared relief camps instead of going to their places of rehabilitation. The DC spent Rs.18.61 lakh from unspent cash balances during the year 2004-06 for providing GR to these families after final closure of relief camps without getting any fund from the State Government.

<sup>22</sup> Rice, Pulses, Mustard Oil, Salt etc.

Thus, the expenditure of Rs.18.61 lakh incurred by the DC for providing GR to 1,717 families after closure of the camps was inadmissible and unauthorised. Besides there was excess release of RG by Rs.24.38 lakh during October 1993 to December 2000.

The Government stated (July 2007) that GR was provided on humanitarian grounds. The reply of the Government is not tenable as rules do not provide for GR to affected families after closure of the camps.

#### HEALTH AND FAMILY WELFARE DEPARTMENT

##### 4.5.3 Unauthorised utilisation and retention of departmental receipts

**Non-compliance with Constitutional and codal provisions led to unauthorised expenditure of Rs.57.58 lakh and also irregular retention of revenue of Rs.18.22 lakh in bank account by the Director of Medical Education, Assam.**

Article 266 of the Constitution of India lays down that all revenues received by the State Government shall be credited to the Consolidated Fund of the State and that no money out of the said Fund shall be appropriated except in accordance with law and in the manner provided under the Constitution. Rule 7(1) of the Assam Treasury Rules also reiterates the same.

Test-check of records (January 2006) of the Director of Medical Education (DME), revealed that during 1991-92 to 2004-05, the DME received Rs.95.95 lakh in the form of bank draft/cheque/postal order from three Medical Colleges of Assam being the application fees of students for admission into different medical and paramedical courses. The amount was deposited from time to time into a current bank account with State Bank of India, Dispur Branch from April 1991, instead of crediting the same into Government account as per the rule *ibid*.

The DME withdrew Rs.77.73 lakh upto 2001-02 (*Appendix-4.13*) of which Rs.57.58 lakh was spent towards holding of examination, interviews, meeting contingent expenditure etc and the remaining Rs.20.15 lakh was deposited in Government account leaving a balance of Rs.18.22 lakh lying in the bank account as of January 2006. Thus, failure of the DME, to comply with the Constitutional and codal provisions led to unauthorised expenditure of Rs.57.58 lakh and irregular retention of revenue of Rs.18.22 lakh in bank current account in contravention of rules.

The Government of Assam, Finance Department directed (June 2002) the Commissioner & Secretary, Health & Family Welfare Department to stop such irregular operation of bank account by the DME. The DME, however, continued to deposit Government revenues in the bank account till the date of audit (January 2006), which is also violative of Government rules and directives.

The matter was reported to the Government in April 2006; reply had not been received (September 2007).

## PANCHAYAT AND RURAL DEVELOPMENT DEPARTMENT

## 4.5.4 Non-implementation of Rural Housing Scheme

**Non-utilisation of Central fund of Rs.16.40 lakh by the Project Director, DRDA, Hailakandi resulted in non-achievement of the scheme objective.**

The GOI introduced credit-cum-subsidy scheme for Rural Housing with effect from 1 April 1999. The objective of the scheme was to cover households in rural areas, not covered under Indira Awas Yojana (IAY), and those who cannot take benefit of fully loan-based schemes due to limited repayment capacity. Rural households with an annual income upto Rs.32,000 and preferably BPL<sup>23</sup> households were the targeted beneficiaries of this scheme. 60 percent of the allocated funds were to be utilised for constructing houses for Scheduled Castes/Scheduled Tribes (SC/ST) and free bonded labourers. The subsidy is restricted to Rs.10,000 and the maximum loan amount available is Rs.40,000. The subsidy portion is to be shared by the Central and State Governments in the ratio of 75:25. The credit portion is to be borne by commercial banks, Housing Finance institutes or by the State Government.

The GOI released (July 1999) Rs.16.40 lakh out of Rs.32.80 lakh as 1<sup>st</sup> installment to the Project Director (PD), District Rural Development Agency (DRDA), Hailakandi with the condition that 2<sup>nd</sup> installment would be released on 60 per cent utilisation of fund and the State Government was also to release its matching share within 15 days from the date of release of Central assistance.

Scrutiny (February-March 2006) of records revealed that the DRDA could not utilise the Rs. 16.40 lakh released till March 2006. The State Government also did not release its share of Rs.5.47 lakh till the date of audit. As a result, the 2<sup>nd</sup> installment of Central share was also not released. Not a single beneficiary was given loan and subsidy as the banks refused to provide the loan. The PD stated (July 2007) that the amount could not be utilised as the banks were not willing to provide loan under this scheme in the absence of specific instructions from the GOI but did not mention about his efforts for providing loan from other societies.

Thus, the purpose of the scheme to provide subsidy to the rural needy, bonded labour, BPL families and SC/ST families was defeated.

The matter was reported to the Government in July 2006; reply had not been received (September 2007).

<sup>23</sup> BPL – Below Poverty Level



**4.5.5 Unauthorised disbursement of advances and non-execution of works**

**Rs.1.20 crore was paid as advance by PD, DRDA, North Lakhimpur to various officials ostensibly for execution of works, but without maintaining any details of the works or advances.**

With a view to provide greater thrust to additional wage employment in rural areas by creation of durable community, social and economic assets and infrastructure development, schemes like Indira Awas Yojana, Pradhan Mantri Gram Sadak Yojana, National Food For Work Programme were launched.

Scrutiny (March 2007) of the annual accounts of the Project Director (PD), DRDA, North Lakhimpur revealed that Rs.1.01 crore was disbursed during 2005-06 as advance to six of its officers and staff for execution of works under the above schemes. In addition, there was an outstanding balance of Rs.19.41 lakh as on April 2004 against the advance paid prior to 2004-05. Details of advances paid prior to 2004-05 however were not made available to audit (March 2007). The entire amount of Rs. 1.20 crore remained unrecovered till the date of audit.

**The PD could not furnish any details of the advances e.g., date of sanction, name of the works, estimated cost of the works, status of work, amount adjusted against each work, etc. In the absence of such details, misuse and misappropriation of the advances cannot be ruled out.**

The matter was reported to the Government in July 2007; reply had not been received (September 2007).

**4.5.6 Irregular Expenditure**

**The Project Director, DRDA Nalbari in violation of scheme guidelines under Sampoorna Gramin Swarozgar Yojana incurred irregular expenditure of Rs. 25.56 lakh during 2005-06.**

In regards to selection of training institutions the "Sampoorna Gramin Swarozgar Yojana (SGSY)" guidelines stipulate, that data on the available existing training infrastructure should be collected to make optimum use of the existing infrastructure facilities at the district, as well as at the block levels. The DRDA is authorised to meet the expenses incurred by the training institutions for conducting training programme out of SGSY fund. There is, however, no provision in the guidelines for construction of new Training Centres.

Scrutiny (November- December 2006) of annual accounts of SGSY for the year 2005-06 revealed that PD, DRDA Nalbari constructed four training centres at a cost of Rs. 16.50 lakh in violation of the guidelines between February-March 2006. The concerned vouchers, estimates, measurement books etc of the expenditure incurred were not produced to audit. In the absence of these vital records the actual expenditure incurred and the present status of works could not be ascertained in audit. Further, the PD in violation of SGSY guidelines incurred another expenditure of Rs. 9.06 lakh during 2005-06 out of SGSY funds for purchase of office furniture and maintenance of office building and quarters between July and March 2006.

The PD stated (December 2006) that the training centres were constructed as per Annual Action Plan approved by the Governing Body (GB). The contention of the PD is not tenable as these works are out of the purview of the GB and it cannot act in deviation of the guideline.

The matter was reported to the Government in July 2007; reply had not been received (September 2007).

#### REVENUE DEPARTMENT

##### 4.5.7 Money drawn in advance

**The Director of land Records and Survey etc., neither utilised Rs.20 lakh out of Rs.74.70 lakh drawn in advance nor refunded the same.**

As per rules, no money should be drawn from Government exchequer/Treasury unless it is absolutely required for immediate disbursement.

Test-check (August 2006) of records of the Director of Land Records and Survey etc., revealed that the State Government accorded (October 2003) sanction of Rs.74.70 lakh as Central share for implementation of the Centrally Sponsored Scheme for "Strengthening of Revenue Administration and Updating of Land Records" during 2003-04. The Director drew (January 2004) the entire amount of Rs. 74.70 lakh through abstract contingent (AC) bill but could utilise only Rs.54.70 lakh during 2003-04 and 2004-05. The balance amount of Rs.20 lakh was placed in the form of Deposit at Call Receipt (DCR) with a bank as of August 2007. The reason for non-utilisation of the balance fund was neither available on records nor stated.

Audit scrutiny, however, disclosed that the drawal of money in excess of actual requirement was only to avoid lapse of central share, which constituted financial irregularity under the rule *ibid*. Besides, due to non-utilisation of the full amount drawn through AC bill, the Detailed Countersigned Contingency (DCC) bill, which was required to be submitted within one month from the date of drawal of the AC Bill, had also not been submitted even after 53 months (as of August 2007).

The matter was reported to Government in January 2007; reply had not been received (September 2007).

#### WELFARE OF PLAIN TRIBES AND BACKWARD CLASSES DEPARTMENT

##### 4.5.8 Poor realisation of loans and interest

**Inaction of the Assam Tribal Development Authority resulted in poor realisation of a huge amount of loan of Rs.8.72 crore besides unrealised interest amounting to Rs.2.50 crore.**

As per the guidelines of Family Oriented Income Generating Scheme (FOIGS), financial assistance not exceeding Rs.10,000 is to be granted to Scheduled Tribes (Plains) families where the annual income is not more than Rs.6,400. Half of the scheme amount is to be paid as subsidy and the balance amount as loan, bearing interest at six *per cent* repayable in ten years. In certain special cases, the assistance

may be granted up to Rs.35,000 where subsidy would be restricted to Rs.5,000 only and balance amount as loan, for carrying out different scheme activities by the beneficiaries.

Scrutiny (January 2007) of records of the Assam Tribal Development Authority (ATDA), revealed that ATDA disbursed loan under FOIGS amounting to Rs.9.02 crore to 15,364 beneficiaries during the years 1998-99 to 2005-06 of which only Rs.29.72 lakh (3.3 *percent*) was realised during the period. Although the actual amount of loan recoverable during the period could not be assessed due to non maintenance of disbursement and recovery of loan register. No interest was also recovered from the beneficiaries. Interest on outstanding loan at six *per cent* worked out to Rs.2.50 crore (detailed in *Appendix-4.14*). The ATDA did not initiate any action to recover the unrealised loan and interest.

Thus, inaction of the Authority resulted in poor realisation of loan besides interest of Rs.2.50 crore.

The matter was reported to Government in March 2007; reply had not been received (September 2007).

## **4.6 General**

### **4.6.1 Follow-up on Audit Reports**

#### **Non-submission of *suo-moto* Action Taken Notes**

In terms of the resolution (September 1994) of the Public Accounts Committee (PAC), the administrative departments are required to submit *suo-moto* Action Taken Notes (ATNs) on paragraphs and reviews included in the Audit Reports within three months of presentation of the Audit Reports to the Legislature, to the PAC with a copy to the Accountant General (AG), (Audit) without waiting for any notice or call from the PAC, duly indicating the action taken or proposed to be taken. The PAC in turn is required to forward the ATNs to AG (Audit) for vetting before its comments and recommendation.

It was, however, noticed that in respect of 43 departments ATNs pertaining to 600 paragraphs/reviews for the years 1983-2006 were not received *suo-moto* either from the departments or through the PAC (details in *Appendix-4.15*). Consequently, the audit observations/comments included in these paras/reviews are yet to be discussed/settled by PAC as of March 2007.

### **4.6.2 Action not taken on recommendations of the Public Accounts Committee**

Two hundred and Eighty Nine (289) recommendations of the PAC, made in its Fifty Fifth to Hundred and Eleventh Report with regard to 35 Departments, were pending settlement as of March 2007 (details in *Appendix-4.16*) due to non-receipt of Action Taken Notes.

### **4.6.3 Failure of senior officials to respond to audit observations and compliance thereof**

The Accountant General (AG) arranges to conduct periodical inspection of Government Departments to test-check the transactions and verify the maintenance of significant accounting and other records according to prescribed rules and procedures.



When important irregularities, detected during inspection are not settled on the spot, Inspection Reports (IRs) are issued to the Heads of the concerned Offices with a copy to the next higher authorities. Orders of the State Government (March 1986) provide for prompt response by the executive to the IRs issued by the AG to ensure rectificatory action in compliance with the prescribed rules and procedures. The authorities of the Offices and Departments concerned are required to examine the observations contained in the IRs in the light of the given rules and regulations and prescribed procedures and rectify the defects and omissions promptly wherever called for and report their compliance to the AG. A half-yearly report of pending IRs is sent to the Commissioners and Secretaries of the Departments concerned to facilitate monitoring of the audit observations in the pending IRs.

IRs issued upto December 2006 pertaining to Civil Departments/Public Health Engineering Department/Public Works Department/Flood Control Department/Irrigation and Inland Water Transport Department disclosed that 23,259 paragraphs pertaining to 5,234 IRs were outstanding for settlement at the end of June 2007 (*Appendix-4.17*). Of these, 1,147 IRs containing 3,356 paragraphs had not been replied to/settled for more than 10 years. Even the initial replies, which were required to be received from the Heads of Offices within six weeks from the date of issue, were not received from 41 departments in respect of 1,383 IRs issued between 1975-76 and 2006-07. As a result, the following serious irregularities, commented upon in 2,470 paragraphs involving Rs.3,470.39 crore, had not been addressed as of June 2007.

(Rupees in crore)			
Sl. No.	Nature of irregularities	No. of paragraphs	Amount
1	Non-observance of rules relating to custody and handling of cash, maintenance of cash book and muster rolls, etc.	269	123.17
2	Securities from persons holding cash and stores not obtained.	4	2.08
3	Stores not maintained properly, etc.	83	28.16
4	Improper maintenance of logbook of departmental vehicles.	42	6.08
5	Local purchase of stationery etc., in excess of authorised limit and expenditure incurred without proper sanction.	78	3.61
6	Delay in recovery of receipts, advances and other charges.	850	324.60
7	Payment of grants in excess of actual requirement	77	5.83
8	Want of sanction to write off loan, losses, etc.	309	119.84
9	Over-payments of amount disallowed in Audit not recovered.	279	100.34
10	Wanting utilisation certificates and audited accounts in respect of grants-in-aid.	318	2,721.42
11	Actual payee's receipts wanting	161	35.26
	<b>Total</b>	<b>2,470</b>	<b>3,470.39</b>

A review of the IRs which were pending due to non-receipt of replies, in respect of 41 departments out of total 53 Departments, revealed that the Heads of Departments (Directors/Executive Engineers) had not furnished replies to a large number of IRs indicating their failure to initiate action in regard to defects, omissions and irregularities pointed out by Audit. The Commissioners and Secretaries of the Departments concerned, who were informed of the position through half-yearly reports, also failed to ensure that the officers concerned of the Departments took prompt and timely action.

The above mentioned facts also indicated inaction against the defaulting officers thereby facilitating continuation of serious financial irregularities and loss to the Government though these were pointed out in Audit.

In view of large number of outstanding IRs and Paragraphs, the Government has constituted two Audit Objection Committees at State level for consideration and settlement of outstanding audit observations relating to Civil and Works departments. During 2006-2007, 344 meetings (Civil: 218; Works: 126) of the Committees were held, in which 2,060 IRs and 7,554 Paragraphs were discussed and 303 IRs and 3,587 Paragraphs settled.

It is recommended that Government review the matter and ensure that effective system exists for (a) action against defaulting officials who failed to send replies to IRs/Paragraphs as per the prescribed time schedule, (b) action to recover loss/outstanding advances/ overpayments in a time bound manner, and, (c) revamp the system to ensure prompt and timely response to the audit observations.

## **CHAPTER-V**

### **INTERNAL CONTROL SYSTEM**





## INTERNAL CONTROL/INTERNAL AUDIT

### CO-OPERATION DEPARTMENT

#### 5.1 *Internal Control System in Co-operation Department*

##### **Highlights**

*Internal controls provide the management with a reasonable assurance\* that the organisation's objectives are being achieved and the entity is functioning in an economical, efficient and effective manner. A built-in internal control system and adherence to the statutes, codes, manuals and departmental orders minimise the risk of errors and irregularities and help to protect organizational resources against loss due to wastage, abuse and mismanagement. Audit review of the functioning of the internal control mechanism during 2002-03 to 2006-07 in the Co-operation Department revealed deficient budgetary, financial, operational and administrative controls and deficiency in internal audit system in the Department.*

**Irregular and unrealistic budget formulation and lack of budgetary control resulted in substantial savings of Rs.87.21 crore during 2002-07.**

**(Paragraphs-5.1.8 and 5.1.9)**

**There were 360 cases of misappropriation, fraud and embezzlement of funds amounting to Rs.1.79 crore in the societies.**

**(Paragraph-5.1.23)**

**Only an amount of Rs.0.23 crore was recovered against outstanding loan of Rs.50.30 crore during 2002-07.**

**(Paragraph-5.1.24)**

##### **5.1.1 *Introduction.***

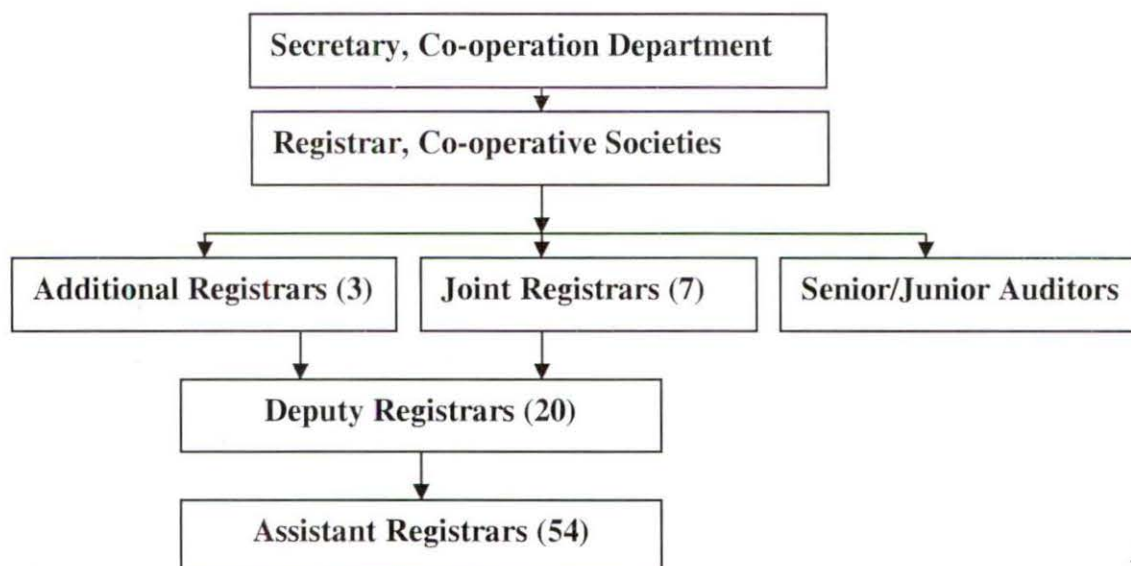
Internal control is a management tool that is used to provide reasonable assurance that the organisation's objectives are achieved in an efficient, effective and adequate manner. It ensures that the financial interests and resources of the organisation are safeguarded, reliable information is available to the management and the activities of the entity comply with the applicable rules, regulations and laws. The Co-operation Department plays a vital role in implementation of Co-operative movement in the State. The main function of the Co-operation Department is to promote Co-operative societies in the State. As of March 2006, there were 10,134 registered societies in the State. The position has not been updated as of March 2007 by the Department.

##### **5.1.2 *Organisational set up***

The Secretary is the administrative head of the Department of Co-operation at the Government level. Registrar of Co-operative Societies, Assam (RCS) is the head of the Department. The organizational structure of the Department is shown in Chart-1 below:



**Chart-1**



#### **5.1.3 Scope of Audit**

The evaluation of the internal control mechanism in the Co-operation Department was carried out during April and May 2007 for the period 2002-03 to 2006-07.

#### **5.1.4 Audit Objectives**

Audit objectives were to examine and assess the adequacy and effectiveness of the internal controls in the Department, particularly in respect of the following aspects:-

- Budgetary Control
- Financial Control
- Administrative Control
- Operational Control
- Internal Audit System
- Supervisory control and monitoring

#### **5.1.5 Audit Criteria**

The audit objectives were benchmarked against the following criteria: -

- Assam Financial Rules;
- Budget Manual of the Government of Assam;
- Assam Co-operative Societies Act 1949;
- Departmental policies/Rules and regulations;
- Government notifications/guidelines issued from time to time;
- Procedures prescribed for monitoring and evaluation.

#### **5.1.6 Audit Methodology**

Before taking up the review, an entry conference was held in April 2007 with the Registrar and other Officers of the Department wherein the audit objectives, scope and criteria were discussed. Records of RCS, Guwahati and four other Offices viz. one Zonal Office (JRCS, Guwahati Zone) one District Office (DRCS), Kamrup and two Sub Divisional offices (Guwahati and Rangia) were test checked. An exit



conference was held in June 2007 wherein the audit findings were discussed with the Registrar. Replies of the Department have been incorporated in the review where appropriate.

#### 5.1.7 *Audit Findings*

Audit of the internal control system revealed that apart from deficiencies in budgetary control, there were instances of unproductive expenditure, misappropriation of funds, non-recovery of loans etc., as detailed in the succeeding paragraphs.

### **Budgetary Control**

#### 5.1.8 *Unrealistic budget estimation and lack of budgetary control*

In terms of the provisions of the Budget Manual, the Estimating Officer is to scrutinise and consolidate the estimates obtained from the subordinate officers together with his own estimates, into a self-contained budget. It was, however, found that the annual budget estimates of the Department were prepared on the basis of the total outlay fixed by the Government without working out the requirement of the field offices except the salary component.

The annual budget of the Department prepared without inputs from the subordinate offices as stated above, proved excessive, resulting in substantial saving every year as shown in Table-1 below:

**Table-1**

Year	Budget Provision	Supplementary Grant obtained	Total Grant	(Rs in Crore)	
				Total expenditure	Saving (Percentage)
2002-03	49.52	18.09	67.61	35.68	31.93 (47)
2003-04	61.70	2.54	64.24	51.01	13.23 (21)
2004-05	80.95	0.10	81.05	61.90	19.15 (24)
2005-06	40.50	1.00	41.50	26.96	14.54 (35)
2006-07	34.88	1.61	36.49	28.13	8.36 (23)
<b>Total</b>	<b>267.55</b>	<b>23.34</b>	<b>290.89</b>	<b>203.68</b>	

Source: Appropriation Accounts

During 2002-07, as against the total budget provision of Rs.290.89 crore, only Rs.203.68 crore were spent. The savings ranged between 21 percent to 47 percent. Further obtaining of Supplementary Grant was not justified as the savings far exceeded the Supplementary Grant. This indicates that proper care was not given to preparation of budget. Further, there was no expenditure control or expenditure monitoring system as instead of surrenders, the Department obtained Supplementary Grants.

The Department stated (April 2007) that savings occurred due to transfer/retirement of staff and officers of the Department, and due to non-release of fund by the Central/State Governments under plan schemes. The fact remains that there were huge savings rendering the budget provision unrealistic.

#### 5.1.9 *Non surrender of savings*

Timely surrender of savings is a key budget control measure so that funds can be appropriated for use by other Departments. According to the Budget Manual and also rules framed by the Government, the spending Departments are required to surrender

grants/appropriation or part thereof to the Finance Department as and when savings are anticipated latest by 15 March of the respective year.

Although the Department had huge savings every year, these were not surrendered on time except for Rs.27.25 crore during 2004-05 and Rs.4.80 crore in 2005-07. The surrenders in 2002-03, 2003-04 and 2005-06 were done on the last day of the financial year during re-allocation to other priority areas that required funds. It was also seen that during 2004-05, surrender of Rs.27.25 crore was far in excess of savings of Rs.19.15 crore. Non-surrender of savings within the stipulated date and excess surrender indicates poor budgetary control by of the Department.

### Financial Control

#### 5.1.10 *Deficiencies in expenditure control*

Expenditure Control is the responsibility of the Controlling Officer (Registrar). The budget allocation is apportioned among the DDOs by the Controlling Officer by issuing Letter of Credit (LOC)/Fixation of Ceiling (FOC) to the DDOs and the treasury concerned. The expenditure incurred by the DDOs is monitored through the monthly expenditure statements compiled in a register maintained for the purpose.

Para 137 of the Budget Manual provides that the DDOs should send the monthly expenditure statements to the Controlling Officer by the 3<sup>rd</sup> of the following month.

It was observed that the DDOs were irregular in sending monthly expenditure statement e.g., 43 out of 62 DDOs of the Department did not submit the monthly expenditure statement from October 2005 to October 2006. As the monthly expenditure statements from all the DDOs were not received on time, the compilation of expenditure in the office of the RCS was done excluding the expenditure incurred by the defaulting DDOs. Thus, the accounts did not depict the total monthly/yearly expenditure of the Department and was not comprehensive.

Thus, a significant accountability mechanism of expenditure control was deficient in the Department.

#### 5.1.11 *Absence of reconciliation of departmental expenditure*

To enable departmental officers to exercise proper control over expenditure, there are standing instructions from the Government to reconcile the departmental figures with those recorded in the books of the Accountant General (A&E) monthly/quarterly. Records revealed that the Department did not carry out any reconciliation during the review period, disregarding the provisions of Assam Financial Rules (AFRs).

#### 5.1.12 *Deficiencies in maintenance of Cash Book*

Mandatory checks required to be excised under Rule 95 of AFRs relating to the maintenance of Cash Book were lacking in all the five offices test checked. The following deficiencies were noticed in the Cash Book during the course of audit:

- Individual entries of receipt and payments were not attested by the DDOs.
- Surprise physical verification was never done by the Head of the Office or by an officer nominated for this purpose other than the DDO to ascertain the authenticity of the closing balances.
- Analysis of the closing cash balance at the end of each month was not done in three out of five offices test checked viz. JRCS, Guwahati, DRCS, Kamrup and ARCS, Guwahati.

- Physical verification of cash was not done and a certificate to that effect was not recorded at the end of each month.

Failure to exercise the regulatory checks in cash management indicates serious lapses in internal control system and thus, is fraught with the risk of misappropriation of Government money.

#### **5.1.13      *Non reconciliation of drawal and deposits***

As per the instructions of the Finance Department the DDOs are required to carry out monthly reconciliation of drawals and deposits with the records of the treasury by 10<sup>th</sup> of the following month. Test check of records of five offices revealed the prescribed monthly reconciliation with the treasury was not done. In the absence of this check, non-accountal of remittances into treasury or forged drawals if any, from treasury would remain undetected.

#### **5.1.14      *Unfruitful expenditure***

The RCS released grants-in aid of Rs.40.34 lakh during 2002-07 to the Assam Co-operative Training Institute, Joysagar, a society set up to organise training courses for the officers and staff of the Department. The grant-in-aid was to meet the establishment cost including pay and allowances of the staff of the Institute.

The Institute could not conduct any training during the last five years as it was occupied by CRPF personnel. Reasons and authority for occupation of the building by CRPF personnel were not stated to audit.

Since the Institute remained non-functional, its staff (one Gr. III and three Gr. IV employees) were attached to the office of the Deputy Registrar, Co-operative, Sibsagar, but the expenditure of Rs.40.34 lakh on account of their pay and allowances during the period were met out of the grant-in aid. Thus, the purpose for which the grant-in aid was released got frustrated.

The Department did not take any action for vacation of the institute building occupied by the CRPF personnel.

#### **5.1.15      *Non maintenance of control registers***

Various Registers like registers of revenue deposit, Deposit at Call Receipts, Bank Drafts, Banker cheques register, advance/recovery register, undischarged pay and allowances register, Letter of credit/Fixation of ceiling register, and broad sheets for loans and advances were not maintained by the ARCS, Rangia resulting in inadequacy in maintenance of basic records.

#### **5.1.16      *Non verification of entries by DDO***

In the office of the Assistant Registrars, Guwahati and Rangia the entries in the register relating to recovery of loans and interest were not found attested by the DDOs. Thus, authenticity of figures of outstanding loans and interest could not be ensured.

### **Administrative Control**

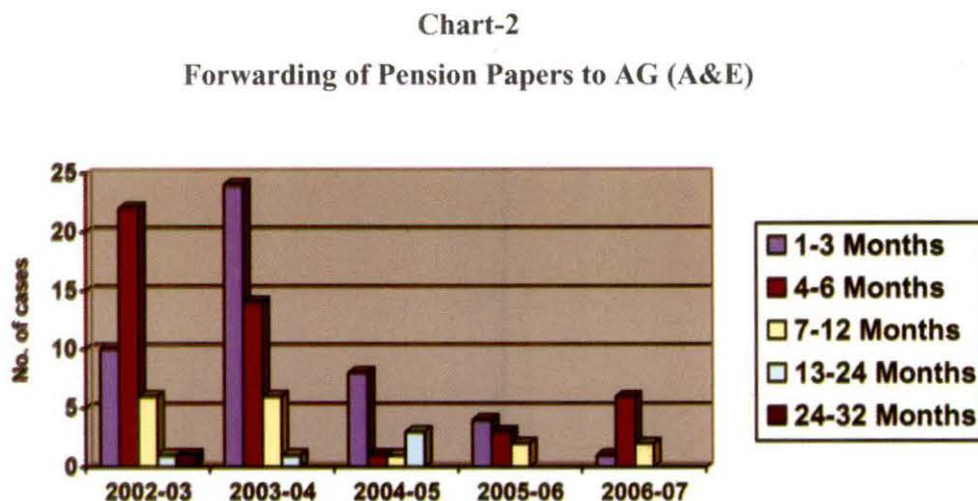
#### **5.1.17      *Delay in disposal of pension cases***

According to the Assam Pension Rules, 1969 pension papers should be processed on time so that the pensioners begin to receive pensionary entitlements from the day on which these become due. As per norms, pension papers should be sent to the Office of



the Accountant General (A&E) six months ahead of the date of retirement of an employee.

Scrutiny of 116 pension cases for the period from 2002-03 to 2006-07 revealed that there were delays in forwarding the pension papers to the office of the Accountant General (A&E) for periods ranging from 1 to 32 months from the date of retirement as shown in Chart-2 below:



Further, 13 cases of employees who have retired during October 2004 to March 2007 had not been forwarded to A.G (A&E) as of May 2007. Reasons for delay in forwarding the pension papers were neither on record nor stated to audit.

The above position indicates laxity in supervisory controls.

#### **5.1.18 Non-obtaining of security deposit**

As per Rule 106 of AFR every Government servant, who is entrusted with the custody of cash or stores shall be required to deposit security for such amount as the Department may prescribe. Test check of records of the five DDOs revealed that no security had been obtained from any of the cashiers dealing with Government cash. Thus, the prescribed measures required to be taken in cash handling had not been enforced.

#### **5.1.19 Absence of physical verification of stock**

Rule 195 of AFR provides that the balance in stock be physically verified half yearly. Scrutiny of records revealed that physical verification of stock of stationery and other material including furniture and fixture had not been done during 2002-07 in any of the five offices test checked. Thus, control measures prescribed for stock and stores were not followed.

#### **5.1.20 Lack of response to audit**

Observations as a result of audit by the Principal Accountant General (Audit), (PAG) Assam are communicated through Inspection reports (IRs) to the Heads of Offices/Departments concerned. First replies to the IRs are to be sent to the PAG within four weeks from the date of issue of IRs. A half yearly report on pending IRs is also sent by the PAG to the Secretary of the concerned Administrative Department to

facilitate monitoring the action taken by the Department concerned on audit observations.

As of December 2006, 220 paragraphs relating to 76 IRs pertaining to the period from 1994-95 to 2005-06, as shown in Table-2 below, were pending settlement by various DDOs including Registrar of Co-operative Societies.

Table-2

Year*	Number of IRs pending settlement	Number of paras involved
1994-95 to 2001-02	41	91
2002-03	15	51
2003-04	7	32
2004-05	8	21
2005-06	5	25
<b>Total</b>	<b>76</b>	<b>220</b>

\* Audit for 2006-07 has not been conducted.

Further, out of 220 paragraphs, even first replies were not furnished to PAG in respect of 39 paragraphs relating to 7 IRs. Failure to ensure expeditious settlement of the audit objections relating to various irregularities brought out in the IRs may lead to continuation of the financial irregularities and financial mis-management in the future transaction of the Department.

#### 5.1.21 *Idle manpower*

Scrutiny of records of the RCS revealed that the Department had 10 vehicles on road as on 31 March 2004. Details of vehicles prior to March 2004 were not furnished to audit. The Department, however, entertained 47 drivers during the period from April 2004 to March 2007. Thus, the expenditure of Rs.61.45 lakh (calculated at the minimum of the time scale) towards pay and allowances of 37 idle drivers from April 2004 to March 2007 was unfruitful.

The Department stated (June 2007) that 62 drivers were originally appointed against 62 numbers of sanctioned vehicles available with the Department and became idle due to non-replacement of condemned vehicles by new ones. Since their appointment was made on regular basis they could not be discharged from service and had to be retained.

The reply of the Department is it tenable as they did not initiate any action for gainful utilisation of these idle drivers in other Departments of the Government.

### OPERATIONAL CONTROL

#### 5.1.22 *Cases of misappropriation, embezzlement, fraud and losses by departmental officers*

The Department arranges financial assistance for Co-operative Societies in the form of loans, grants etc. from its plan funds and also through National Bank for Agriculture and Rural Development and National Cooperative Development Corporation. To safeguard the State Government's investments in Societies, departmental officers/staff are deputed under Section 35 of Assam Co-operative Societies Act, 1949 for financial management and control of day to day affairs of the



Societies. As of March 2007, the State Government placed the services of 403 Secretaries (of the rank of Senior Auditor/Inspector) with equal number of Societies. Despite these measures, a number of financial irregularities viz., misappropriation, embezzlement, fraud and losses involving the departmental officials i.e. Secretaries were noticed in audit of Societies by the Senior Auditors of Co-operation Department during the five years ending 31 March 2007 as shown in Table-3 below:

**Table-3**

(Rupees in crore)

Year	Opening balance		Addition during the year		Total		Settled and recovery effected		Closing balance	
	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
2002-03	358	1.33	--	--	358	1.33	--	0.08	358	1.25
2003-04	358	1.25	4	0.72	362	1.97	--	0.11	362	1.86
2004-05	362	1.86	--	--	355	1.86	7	0.14	355	1.72
2005-06	355	1.72	9	0.11	364	1.83	--	0.17	364	1.66
2006-07	364	1.66	NA	0.28	364	1.94	4	0.15	360	1.79
<b>Total</b>								<b>0.65</b>		

Source: Departmental records

The misappropriation was caused by way of cash embezzlement, non deposit of sale proceeds, shortage in stock of goods etc. by the Secretaries of the Co-operative Societies. This indicates that the Secretaries did not function in accordance with the rules of the Department and the RCS did not ensure their effectiveness in streamlining the administration and control of the finances of these societies. Thus, the purpose of placing the services of Government officials did not serve the intended purpose.

The Department stated (June 2007) that the misappropriated money was being recovered in installments from the salaries of those secretaries and during 2002-07 a sum of Rs.65 lakh was recovered leaving a balance of Rs.1.79 crore in 360 cases yet to be settled ( March 2007).

#### **5.1.23 Non recovery of loans**

Loans were sanctioned by the State Government for providing financial help to the societies to meet their establishment expenses and implement various schemes. No fresh loans were sanctioned during the years 2002 to 2007. Information furnished by the Registrar showed that only an amount of Rs.0.23 crore was recovered against outstanding loans of Rs.50.30 crore during 2002-07. Further, the Department realized Rs.21 lakh as interest but did not calculate the actual amount of interest realizable from the societies.

Reasons for non/negligible recovery of loans were neither available on record nor stated to audit. Details of the societies defaulting in repayments was also not available on record.

The above position indicates that the Department did not conduct proper scrutiny of proposals of financial assistance and did not assess the viability of the societies before sanctioning the loans to them. Also, there was no monitoring mechanism to ensure proper follow up. The Department had not initiated legal action for recovery of long overdue loans till date (May 2007).



#### 5.1.24 *Control through elected Managing Bodies*

According to Section 32 of the Act (amended in May 1998), election of the Managing Body (MB) of the societies should be held once in every three years. If the election is not held on expiry of three years, the Registrar may appoint an officer(s) or any ad-hoc body to manage the affairs of the society. The officer(s) or the ad-hoc body so appointed should arrange to hold the elections within 90 days of such appointment.

Scrutiny of records of the Registrar however, disclosed that election for the MB were not held in 50 societies as of March 2007. The working of the societies was being managed by the departmental officers (13 societies) and ad-hoc body (37 societies) appointed by the Registrar. The Department however could not specify the number of societies being managed by the departmental officers/adhoc body for more than 90 days. Therefore, the control mechanism through elected bodies was not being followed.

#### 5.1.25 *Deficiencies in Audit of Co-operative Societies*

Audit of the accounts of every registered society is conducted annually by the departmental Auditors under Section 55 of the Act. Records indicated a huge shortfall in conducting audits of society as detailed in Table-4:

Table—4

Year	Number of societies planned for audit	Number of societies audited	Shortfall	Percentage of shortfall
2002-03	8303	5585	2718	33
2003-04	8111	5431	2680	33
2004-05	8243	5141	3102	38
2005-06	6686	4591	2095	31
2006-07	7789	4119	3670	47

Source: Departmental records

Shortfall of audit of Societies ranged from 31 *percent* to 47 *percent* in the five years covered under the review. Reason for shortfall was attributed by the Department to non-submission of Annual Accounts by the societies. This reply is not tenable as Section 56 of the Act empowers the Registrar or the Officer authorised by him to cause the accounts to be drawn up at the expenses of the societies and conduct audit thereof.

Thus, non-adherence to the provisions of the Act led the audit of the Societies falling in arrears and the Department remained unaware of the state of affairs of these unaudited societies.

#### 5.1.26 *Delay in liquidation proceedings*

As per sections 65-68 of the Act, winding up of closed and defunct societies is one of the important duties of the Department. Departmental Officers are appointed as liquidators of such Societies. Liquidation proceedings are to be completed within 5 years as required under Rule 100 of the Assam Co-operative Rules 1953. Undue delay in finalisation of liquidation proceedings results in unnecessary waste of assets and continuation of recurring liabilities (pay & allowances of staff/officers and other expenditure).

Details of liquidation cases were not available in the office of the Registrar. However, on demand, the JRCS, Guwahati stated that liquidation proceedings of 229 Societies were pending as of March 2007 without mentioning the details of the societies brought under liquidation, appointment of liquidator, details of assets etc. Thus, the Registrar is not even aware of the societies under liquidation in the State.

However, test check of records in the DRCS Kamrup revealed that finalisation of liquidation proceedings of 5 societies was pending (March 2007) for periods ranging from 7 to 31 years.

Under Section 66 (2) of the Act, the liquidator of a Society should take possession of the assets of the Society under liquidation. "Rampur Mauza Co-operative credit society Ltd.", was brought under liquidation on 5<sup>th</sup> December '1975. But the liquidator had not taken possession (July 2007) of 3 Katha 5 Lecha of land and cash of Rs.0.63 lakh (in Bank) of the Society despite the lapse of more than 31 years.

This indicates complete failure of operational control at the level of the Department as well as liquidator as required under the Act.

### **Internal Audit**

#### **5.1.27      *Absence of internal audit***

Internal Audit as an independent entity within or outside the Department, is to examine and evaluate the level of compliance with the departmental rules and procedures so as to provide independent assurance to the management on the adequacy of the risk management and internal control framework in the Department. It was seen that Internal Audit function had not been set up in the Department as of 31 March 2007.

In the absence of an Internal Audit wing, periodical inspection of records was never carried out either at the Headquarters or at the District/Sub-Divisional Offices. This has affected the accountability mechanism in the Headquarters as well as lower formations thereby facilitating financial irregularities remaining undetected.

### **Supervision and Monitoring**

#### **5.1.28      *Deficient Monitoring System***

Monitoring is an important control tool, which should be exercised by a Department effectively. Efficiency of monitoring is reflected in the timely submission of the prescribed reports and returns to the appropriate authority. Monthly reports on expenditure, progress of liquidation cases, bakijai<sup>1</sup> cases, closing of liquidated Societies, and Registration of new Societies and quarterly reports on progress on audit of co-operative societies, and collection of audit fee etc. were not rendered by the field offices regularly. These were submitted only when called for by higher authorities and in an adhoc manner without any periodicity. This indicates that the Department did not have proper monitoring mechanism.

#### **5.1.29      *Conclusion***

As brought out in the foregoing paragraphs the internal controls viz, budgetary control, expenditure control, operational control, administrative control, internal audit and monitoring mechanism were inadequate or ineffective in the Department.

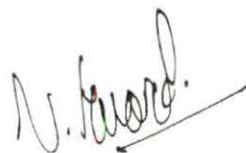
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<sup>1</sup> Bakijai Cases: Suit for recovery of over due loan etc. through District Administration.

Important reports and returns were not received from the field offices and proper cash management was disregarded. Internal audit was totally absent. Large number of cases of misappropriation, fraud, embezzlements etc. in the Co-operative Societies were not investigated and as such, misappropriated money could not be recovered. Basic principles of democratic working of Societies were not adhered to due to not conducting elections to MBs of societies in time.

**5.1.30 Recommendations**

- Budget should be prepared on a realistic basis and savings may be surrendered on a timely basis.
- Strict vigilance on the Secretaries of the Co-operative Societies should be ensured to avoid fraud, misappropriation etc.
- Elections to MBs of societies should be held on a timely basis.
- The Department should immediately set up an internal audit wing to facilitate prompt detection and rectification of financial irregularities.
- Monitoring mechanism should be strengthened.



Guwahati  
The

20 DEC 2007

(Sword Vashum)  
Principal Accountant General

Countersigned



New Delhi  
The

(Vijayendra N. Kaul)  
Comptroller and Auditor General of India





## APPENDICES







## **Appendix-1.1**

(Reference: Paragraph 1.1 Page-1)

### **Part-A: Structure and Form of Government Accounts**

**Structure of Government Accounts:** The accounts of the State Government are kept in three parts (i) Consolidated Fund, (ii) Contingency Fund and (iii) Public Account.

#### **Part I: Consolidated Fund**

All revenues received by the State Government, all loans raised by issue of treasury bills, internal and external loans and all moneys received by the Government in repayment of loans shall form one consolidated fund titled 'The Consolidated Fund of State' established under Article 266(1) of the Constitution of India.

#### **Part II: Contingency Fund**

Contingency Fund of State established under Article 267(2) of the Constitution is in the nature of an imprest placed at the disposal of the Governor to enable him to make advances to meet urgent unforeseen expenditure, pending authorisation by Legislature. Approval of the Legislature for such expenditure and for withdrawal of an equivalent amount from the Consolidated Fund is subsequently obtained, whereupon the advances from the Contingency Fund are recouped to the Fund.

#### **Part III: Public Account**

Receipts and Disbursement in respect of certain transactions such as small savings, provident funds, reserve funds, deposits, suspense, and remittances etc which do not form part of the Consolidated Fund are kept in the Public Account set up under Article 266(2) of the Constitution and are not subject to vote by the State Legislature.

**Appendix-1.1**

(Reference: Paragraph 1.1 Page-1)

**PART-B: LAYOUT OF FINANCE ACCOUNTS**

Statement	Layout
Statement No. 1	Presents the summary of transaction of the State Government-receipts and expenditure, revenue and capital, public debt receipts and disbursements etc., in the Consolidated Fund, Contingency Fund and Public Account of the State
Statement No. 2	Contains the summarised statement of capital outlay showing progressive expenditure to the end of current year.
Statement No. 3	Gives financial results of Irrigation works for the current year.
Statement No. 4	Indicates the summary of debt position of the State, which includes borrowings from internal debt, Government of India, other obligations and servicing of debt.
Statement No. 5	Gives the summary of loans and advances given by the State Government during the year, repayments made, recoveries in arrears, etc.
Statement No. 6	Gives the summary of guarantees given by the Government for repayment of loans etc., raised by the statutory corporations, local bodies and other institutions.
Statement No. 7	Gives the summary of cash balances and investments made out of such balances.
Statement No. 8	Depicts the summary of balances under Consolidated Fund, Contingency Fund and Public Account as on 31 March 2007.
Statement No. 9	Shows the revenue and expenditure under different heads for the current year as a percentage of total revenue/total expenditure.
Statement No. 10	Indicates the distribution between the charged and voted expenditure incurred during the year.
Statement No. 11	Indicates the detailed account of revenue receipts by minor heads.
Statement No. 12	Provides detailed account of revenue expenditure by minor heads under non-plan, State plan and centrally sponsored schemes separately and capital expenditure major head wise.
Statement No. 13	Depicts the detailed statement of capital expenditure incurred during and to the end of the current year and statement of commitment list of incomplete capital works as Annexure to statement No.13.
Statement No. 14	Shows the details of investment of the State Government in statutory corporations, Government companies, other joint stock companies, co-operative banks and societies etc., up to the end of the current year.
Statement No. 15	Depicts the capital and other expenditure to the end of the current year and the principal sources from which the funds were provided for that expenditure.
Statement No. 16	Gives the detailed statement of receipts, disbursements and balances under heads of accounts relating to Debt, Deposit, Contingency Fund and Public Account.
Statement No. 17	Presents the detailed statement of debt and other interest bearing obligations of the Government.
Statement No. 18	Provides the detailed statement of loans and advances made by the Government of Assam, the amount of loans repaid during the year, the balances at the end of the year and amount of interest received during the year.
Statement No. 19	Gives the details of earmarked balances.

## Appendix-1.1

(Reference: Paragraph-1.1.3; Page-3)

## Part-C: Outcome Indicators of the States' Own Fiscal Correction Path

(Rupees in crore)

	Base year estimate	2004-05 Actual	2005-06 (R.E)	2006-07 (R.E)	2007-08	2008-09	2009-10
<b>A. STATE REVENUE ACCOUNT</b>							
1. Own Tax Revenue.	2364.83	2711.75	3365.76	3826.88	4209.57	4630.52	5093.58
2. Own Non-Tax Revenue.	693.69	1070.03	1387.46	1469.92	1543.42	1620.59	1701.61
3. Own Tax + Non-Tax Revenue (1 + 2)	3058.52	3781.78	4753.22	5296.80	5752.99	6251.11	6795.19
4. Share in Central Taxes & Duties.	1894.12	2585.90	3074.31	3674.80	4042.28	4446.51	4891.16
5. Plan Grants.	2324.63	3115.80	5341.00	5648.12	5904.94	6179.74	6473.78
6. Non-Plan Grants.	299.41	453.79	1116.51	1041.73	1024.00	1083.66	1148.78
7. Total Central Transfer (4 to 6)	4518.16	6155.49	9531.82	10364.65	10971.22	11709.91	12513.72
8. Total Revenue Receipts (3+7)	7576.68	9937.27	14285.04	15661.45	16724.21	17961.02	19308.91
9. Plan Expenditure.	1859.35	2021.37	4278.77	3443.13	3615.29	3796.05	3985.85
10. Non-Plan Expenditure.	6662.05	8207.77	10337.75	12653.10	12833.22	13263.89	13666.06
11. Salary Expenditure.	3903.98	4925.85	5097.84	6335.73	6652.52	6985.14	7334.40
12. Pension.	830.58	1062.39	1046.16	1466.46	1539.78	1616.77	1697.61
13. Interest Payments.	1379.44	1403.53	2103.27	2314.29	2430.00	2575.80	2756.11
14. Subsidies-General.	0.00	0.00	0.00	0.00	0.00	0.00	0.00
15. Subsidies-Power.	0.00	0.00	0.00	0.00	0.00	0.00	0.00
16. Total Revenue Expenditure (9+10)	8521.40	10229.14	14616.52	16096.23	16448.51	17059.94	17651.91
17. Salary+Interest+Pensions(11+12+13)	6114.00	7391.77	8247.27	10116.48	10622.30	11177.72	11788.12
18. As % of Revenue Receipts (17/8)	80.69	74.38	57.73	64.59	63.51	62.23	61.05
19. Revenue Surplus/Deficit (8-16)	-944.72	-291.87	-331.48	-434.78	275.70	901.08	1657.00
<b>B. Consolidated Revenue Account:</b>							
1. Power Sector loss/profit net of actual subsidy transfer.	-94.67	-101.27	-48.80	0.00	0.00	0.00	0.00
2. Increase in debtors during the year in power utility accounts [Increase (-)]	0.00	-14.44	89.33	67.00	50.25	37.69	11.31
3. Interest payment on off budget borrowings & SPV borrowings made by PSU/SPUs outside budget.	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4. Total (1 to 3)	-94.67	-115.71	40.53	67.00	50.25	37.69	11.31
5. Consolidated Revenue Deficit (A 19+ B 4)	-1039.39	-407.58	-290.95	-367.78	325.95	938.77	1668.31
<b>C. CONSOLIDATED DEBT:</b>							
1. Outstanding debt and liability.	13212.82	16417.72	18007.26	19492.22	21968.24	23746.01	25286.79
2. Total outstanding guarantee of which (a) guarantee on account of off budgeted borrowing and SPV borrowing.	1855.84	1382.95	1272.93	1209.28	1148.82	1091.38	1036.81
		0.00	0.00	0.00	0.00	0.00	0.00
<b>D. CAPITAL ACCOUNT:</b>							
1. Capital Outlay.	733.63	2180.53	2565.01	2779.62	2640.64	2561.42	3073.70
2. Disbursement of Loans and Advances.	170.35	974.19	199.74	148.12	158.49	169.58	181.45
3. Recovery of Loans and Advances.	28.83	1389.14	43.55	43.10	47.41	52.15	57.37
4. Other capital receipts.	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>E. GROSS FISCAL DEFICIT (GFD)</b>	<b>1819.87</b>	<b>2057.45</b>	<b>3052.68</b>	<b>3319.42</b>	<b>2476.02</b>	<b>1777.77</b>	<b>1540.78</b>
GSDP (Rs. crore) at current prices.		43529.85	47012.24	50773.22	54835.07	59221.88	63959.63
Assumed Nominal Growth Rate (%)		Quick	8%	8.0%	8%	8%	8%
<b>F. Fiscal Deficit/GSDP (%).</b>		<b>4.73</b>	<b>6.49</b>	<b>6.54</b>	<b>4.52</b>	<b>3.00</b>	<b>2.41</b>



**Appendix-1.1**

(Reference: Paragraph 1.3 Page- 5 )

**Part-D: List of terms used in Chapter I and basis of their calculation**

Terms	Basis of calculation
Buoyancy of a parameter	Rate of Growth of the parameter/GSDP Growth
Buoyancy of a parameter (X) with respect to another parameter (Y)	Rate of Growth of the parameter (X)/Rate of Growth of the parameter (Y)
Rate of Growth (ROG)	$[(\text{Current year Amount}/\text{Previous year Amount})-1] * 100$
Development Expenditure	Social Services + Economic Services
Average interest paid by the State	$\text{Interest Payment}/[(\text{Amount of previous year's Fiscal Liabilities} + \text{Current year's Fiscal Liabilities})/2] * 100$
Interest spread	GSDP growth – Weighted Interest rate
Quantum spread	Debt stock * Interest spread
Interest received as <i>per cent</i> to Loans Outstanding	$\text{Interest Received} [(\text{Opening balance} + \text{Closing balance of Loans and Advances})/2] * 100$
Revenue Deficit	Revenue Receipt – Revenue Expenditure
Fiscal Deficit	Revenue Expenditure + Capital Expenditure + Net Loans and Advances – Revenue Receipts – Miscellaneous Capital Receipts
Primary Deficit	Fiscal Deficit – Interest Payments
Balance from Current Revenue (BCR)	Revenue Receipts <u>minus</u> all Plan grants and Non-Plan Revenue Expenditure excluding expenditure recorded under the major head 2048-Appropriation for Reduction or Avoidance of debt

**Appendix-1.2**

(Reference-Paragraph 1.3 and 1.7; Page- 5 and 18 )

**Summarised Financial Position of the Government of Assam as on 31 March 2007**

(Rupees in crore)

As on 31 March 2006	Liabilities	As on 31 March 2007
<b>11681.84</b>	<b>Internal Debt</b>	<b>12402.53</b>
6704.51	Market Loans bearing interest	7296.52
--	Market Loans not bearing interest	
3.11	Loans from LIC	2.73
20.80	Loans from General Insurance Corporation of India	18.69
231.89	Loans from NABARD	303.13
0.08	Compensation and other Bonds	0.08
(-) 24.49	Loans from NCDC	(-) 24.49
142.99	Loans from other Institutions	116.87
--	Ways and Means Advances	
4602.21	Special Securities issued to National Small Savings Fund of the Central Government	4688.26
0.74	Other Loans	0.74
<b>2875.02</b>	<b>Loans &amp; Advances from Central Government</b>	<b>2775.31</b>
284.94	Pre 1984-85 Loans	0.24
655.21	Non-Plan Loans	86.98
1462.06	Loans for State Plan Schemes	2213.27
258.57	Loans for Central Plan Schemes	258.57
39.67	Loans for Centrally Sponsored Plan Schemes	41.68
61.57	Loans for Special Plan Schemes	61.57
113.00	Ways and Means Advances	113.00
<b>3265.39</b>	<b>Small Savings, Provident Funds, etc.</b>	<b>3614.78</b>
<b>385.67</b>	<b>Deposits</b>	<b>564.07</b>
<b>873.59</b>	<b>Reserve Funds</b>	<b>1126.47</b>
<b>50.00</b>	<b>Contingency Fund</b>	<b>50.00</b>
<b>--</b>	<b>Surplus on Government Account</b>	<b>114.41</b>
	Current year's deficit/surplus	2210.41
	Add: Miscellaneous Government Account	
	Less: Accumulated deficit upto 31 March 2005	2096.00
<b>--</b>	<b>Overdraft with Reserve Bank of India</b>	
<b>19131.51</b>	<b>Total</b>	<b>20647.57</b>
<b>As on 31 March 2006</b>	<b>Assets</b>	<b>As on 31 March 2007</b>
<b>10443.84</b>	<b>Gross Capital Outlay on Fixed Assets</b>	<b>11896.81</b>
1969.95	Investments in shares of Companies, Corporations etc.	19,84.46
8473.89	Other Capital Outlay	9912.35
<b>2675.22</b>	<b>Loans and Advances</b>	<b>2721.29</b>
1949.52	Loans for Power Project	2022.06
546.63	Other Development loans	550.81
179.07	Loans to Government Servants and Miscellaneous loans	148.42
<b>633.75</b>	<b>Civil Advances</b>	<b>938.77</b>
<b>351.11</b>	<b>Remittance Balances</b>	<b>395.10</b>
<b>1451.95</b>	<b>Suspense and Miscellaneous Balances</b>	<b>1362.98</b>
<b>453.93</b>	<b>Investments out of Reserve Fund</b>	<b>629.93</b>
<b>2096.00</b>	<b>Deficit on Government Account</b>	
(+) 1509.08	Current year's deficit/surplus	
--	Less: Miscellaneous Government Account	
3605.08	Add: Accumulated deficit upto 31 March 2005	
--	Appropriation of Contingency Fund	
<b>1025.71</b>	<b>Closing Cash-Balances</b>	<b>2702.69</b>
3.90	Departmental Cash Balances including Permanent Advances	5.69
1386.82	Cash Balance Investments	3253.65
(-) 365.01	Deposit with Reserve Bank of India	(-) 5,56.65
<b>19131.51</b>	<b>Total</b>	<b>20647.57</b>

### Appendix-1.3

(Reference-Paragraph 1.3; Page- 5 )

#### Abstract of Receipts and Disbursements for the year 2006-2007

(Rupees in crore)

Receipts				Disbursements			
2005-06		2006-07	2005-06		Non-Plan	Plan	Total
<b>Section-A: Revenue</b>							
12045.39	I-Revenue receipts	13666.94	10536.31	I- Revenue expenditure	9794.02	1662.51	11456.53
3232.21 (a)	Tax revenue	3483.32	4201.61	General services	4298.76	3.60	4302.36
1459.28	Non-tax revenue	1859.27	3987.10	Social Services	3724.83	752.65	4477.48
3056.78 (b)	State's share of Union Taxes	3898.99 <sup>a</sup>	2515.60	Education, Sports, Art and Culture	2522.12	229	2751.12
948.19	Non-Plan Grants	708.70	399.18	Health and Family Welfare	469.13	99.27	568.40
2673.01	Grants for State Plan Schemes	2754.19	422.05	Water Supply, Sanitation, Housing and Urban Development	185.49	143.38	328.87
111.35	Grants for Special Plan Schemes	53.69	11.77	Information and Broadcasting	9.63	1.02	10.65
564.57	Grants for Central and Centrally Sponsored Plan Schemes	908.78	250.47	Welfare of Scheduled caste, Scheduled tribes & other Backward classes.	239.23	116.41	355.64
			27.08	Labour and labour Welfare	29.17	11.56	40.73
			350.45	Social Welfare and Nutrition	258.35	152.01	410.36
			10.50	Others	11.71	-	11.71
			2336.71	Economic Services	1762.63	906.26	2668.89
			547.79	Agriculture and Allied Activities	445.23	168.35	613.58
			376.83	Rural Development	160.22	401.14	561.36
			21.77	Special Areas Programmes	4.20	22.81	27.01
			218.66	Irrigation and Flood Control	269.22	-	269.22
			322.59	Energy	290.88	0.06	290.94
			133.90	Industry and Minerals	85.99	26.75	112.74
			346.62	Transport	366.18	20.47	386.65
			1.72	Science Technology & Environmt.	0.42	1.59	2.01
			366.83	General Economic Services	140.29	265.09	405.38
			10.89	Grants-in-aid and Contributions	7.80	-	7.80
	II-Revenue deficit carried over to Section-B		1509.08	II-Revenue surplus carried over to Section-B			2210.41

- (a) Excluding share of net proceeds of taxes and duties assigned to state under various heads viz., 0020, 0021, 0028, 0032, 0037, 0038, 0044, & 0045.
- (b) Share of net proceeds assigned to State.



**Appendix-1.3 (Continued)****Section-B**

Receipts					Disbursements				
2005-06			2006-07	2005-06		Non-Plan	Plan	Total	2006-07
<b>Section-B</b>									
(-) 236.52	III-Opening Cash balance including Permanent Advances and Cash Balance Investment		1025.71	69.61	III-Opening Overdraft from RBI				--
--	IV Miscellaneous Capital receipts		--	1085.32	IV-Capital Outlay	49.86	1403.12		1452.98
				10.41	General services	6.73	16.44	23.17	
				45.07	Social Services	7.18	147.95	155.13	
				3.22	Education, Sports, Art and Culture	-	1.75	1.75	
				11.82	Health and Family Welfare	0.54	3.16	3.70	
				30.00	Water Supply, Sanitation, Housing and Urban Development	6.64	142.85	149.49	
				0.03	Welfare of Scheduled Caste, Scheduled tribes and Other Backward Classes	--	0.13	0.13	
				--	Others	--	0.06	0.06	
				1029.84	Economic Services	35.95	1238.73	1274.68	
				0.20	Agriculture and Allied Activities	--	1.02	1.02	
				275.25	Special Areas Programmes	--	400.16	400.56	
				112.00	Irrigation and Flood control	0.14	196.87	197.01	
				205.35	Energy	--	208.23	208.23	
				1.97	Industry and Minerals	--	99.89	99.89	
				433.78	Transport	35.81	321.51	357.32	
				1.29	General Economic Services	--	10.65	10.65	
37.57	V-Recoveries of Loans and Advances		34.57		V-Loans and Advances disbursements				80.63
--	From Power Projects	--		81.26	For Power Projects			72.54	
37.39	From Government Servants	34.43		2.57	To Government Servants			3.78	
0.18	From Others	0.14		21.79	To Others			4.31	
1509.08	VI-Revenue surplus brought down		2210.41		VI-Revenue deficit brought down				--

**Appendix-1.3 (Concluded)**

Receipts			Disbursements						
2005-06		2006-07	2005-06					2006-07	
1379.26	<b>VII-Public debt receipts</b>	1115.71	360.37	<b>VII-Repayment of Public Debt</b>	NP	P	Total	494.73	
5614.38	Internal debt other than ways and means Advances and overdraft	1102.84	248.76	Internal debt other than Ways and Means Advances and Overdraft			382.15		
(-) 317.49	Net transaction under Ways and Means Advances including Overdraft	--	-	Net transaction under Ways and Means Advances including Overdraft			-		
(-)3917.63	Loans and Advances from Central Government	12.87	111.61	Repayment of Loans and Advances to Central Government			112.58		
	<b>VIII-Inter State Settlement</b>		-	<b>VIII-Inter State Settlement</b>				-	
	<b>IX-Appropriation to Contingency Fund</b>		-	<b>IX-Appropriation to Contingency Fund</b>				-	
	<b>X-Amount transferred to Contingency Fund</b>		-	<b>X-Expenditure from Contingency Fund</b>				-	
	<b>XI-Public Account receipts</b>	4846.21	4258.63	<b>XI-Public Account disbursements</b>				4501.58	
616.52	Small Savings and Provident fund	565.99	230.89	Small Savings and Provident Funds			216.60		
149.47	Reserve funds	370.28	333.81	Reserve Funds			293.40		
(-)154.68	Suspense and Miscellaneous	(-)158.03	122.73	Suspense and Miscellaneous			(-)247.01		
1898.10	Remittance	1917.67	1883.09	Remittances			1961.67		
1636.85	Deposits and Advances	2150.30	1688.11	Deposits and Advances			2276.92		
	<b>XII-Closing overdraft from Reserve Bank of India</b>	-	1025.71	<b>XII-Closing cash balance</b>				2702.69	
				Cash in Treasuries and Local Remittances			-		
			(-) 365.01	Deposits with Reserve Bank			(-)556.65		
			3.90	Departmental Cash Balance including permanent Advances			5.69		
			1386.82	Cash Balance Investment			3253.65		
18881.04	<b>Total</b>	22899.55	18881.04	<b>Total</b>				22899.55	

**Appendix-1.4**

(Reference-Paragraph-1.3; Page- 5 )

**Sources and Application of Funds**

		(Rupees in crore)	
	2005-06	Sources	2006-07
1	12045.39	Revenue receipts	13666.94
2	37.57	Recoveries of Loans and Advances	34.57
3	1018.89	Increase in Public debt	620.98
4	(-) 112.37	Net receipts from Public account	344.63
	385.63	Net effect of Small Savings	349.39
	(-) 51.26	Net effect of Deposits and Advances	(-)126.62
	(-) 184.34	Net effect of Reserve Funds	76.88
	(-) 277.41	Net effect of suspense and Miscellaneous transactions	88.98
	15.01	Net effect of Remittance transactions	(-)44.00
5	--	Net effect of Contingency Fund transactions	-
6	--	Decrease in closing cash balance	
7	--	Overdraft from RBI	-
	12989.48	<b>Total</b>	14667.12
		<b>Application</b>	
1	10536.31	Revenue expenditure	11456.53
2	105.62	Lending for development and other purposes	80.63
3	1085.32	Capital expenditure	1452.98
4	--	Net effect of Contingency Fund transactions	-
5	1262.23	Increase in closing Cash balance	1676.98
6	--	Repayment of overdraft	-
	12989.48	<b>Total</b>	14667.12

Explanatory Notes to Appendix 1.2, 1.3 and 1.4:

1. The abridged accounts in the foregoing statements have to read with comments and explanations in the Finance Accounts.
2. Government Accounts being mainly on cash basis, the deficit on Government Account, as shown in Appendix 1.2, indicates the position on cash, as opposed to accrual basis in commercial accounting. Consequently, items payable or receivable on items like depreciation on variation in stock figures etc., do not figure in the Accounts.
3. Suspense and Miscellaneous balance include cheques issued but not paid, inter-departmental and inter-Government payments and others awaiting settlement.



**Appendix-1.5**

(Reference-Paragraph-1.3 and 1.7; Page- 5 and 18 )

**TIME SERIES DATA ON STATE GOVERNMENT FINANCES**

(Rupees in crore)

	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
<b>Part A. Receipts</b>						
<b>1. Revenue Receipts</b>	<b>5965</b>	<b>6793</b>	<b>7765</b>	<b>9937</b>	<b>12045</b>	<b>13667</b>
(i) Tax Revenue	1557 (26)	1935 (28)	2070 (27)	2713 (27)	3232 (27)	3483 (25)
Taxes on Agricultural Income	15 (1)	3	3	5	7	3
Taxes on Sales, Trade etc.	1073 (69)	1441 (74)	1551 (75)	2099 (77)	2568 (80)	2783 (80)
Taxes and duties on Electricity	3	13 (1)	3	62 (2)	13	16
State Excise	151 (10)	122 (6)	129 (6)	144 (6)	160 (5)	175 (5)
Taxes on vehicles	94 (6)	116 (6)	124 (6)	135 (5)	156 (5)	151 (4)
Stamps and Registration fees	42 (3)	50 (3)	62 (3)	72 (3)	86 (3)	97 (3)
Land Revenue	63 (4)	62 (3)	62 (3)	58 (2)	75 (2)	74 (2)
Other Taxes	116 (7)	128 (7)	136 (7)	138 (5)	167 (5)	184 (5)
(ii) Non Tax Revenue	533 (9)	693 (10)	946 (12)	1070 (11)	1459 (12)	1859 (14)
(iii) State's share in Union taxes and duties	1706 (29)	1814 (27)	2162 (28)	2584 (26)	3057 (25)	3899 (29)
(iv) Grants in aid from Government of India	2169 (36)	2351 (35)	2587 (33)	3570 (36)	4297 (36)	4426 (32)
<b>2. Misc Capital Receipts</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>3. Total revenue and Non debt capital receipts (1+2)</b>	<b>5965</b>	<b>6793</b>	<b>7765</b>	<b>9937</b>	<b>12045</b>	<b>13667</b>
<b>4. Recovery of Loans and Advances</b>	<b>29</b>	<b>28</b>	<b>40</b>	<b>1389</b>	<b>38</b>	<b>35</b>
<b>5. Public Debt Receipts</b>	<b>1946</b>	<b>3034</b>	<b>2304</b>	<b>3211</b>	<b>1379</b>	<b>1116</b>
Internal Debt (excluding Ways and Means Advance and Overdraft)	686 (35)	926 (30)	850 (37)	1824 (57))	5614 (407)	1103 (99)
Net transactions under Ways and Means Advance and Overdraft	1	50 (2)	2	90 (3)	(-) 317 (-23)	-
Loans and Advances from Government of India*	1259 (65)	2058 (68)	1452 (63)	1297 (40)	(-) 3918 (-284)	13 (1)
<b>6. Total receipts in the Consolidated Fund (3+4+5)</b>	<b>7940</b>	<b>9855</b>	<b>10109</b>	<b>14537</b>	<b>13462</b>	<b>14818</b>
<b>7. Contingency Fund receipts</b>	<b>-</b>	<b>35</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>8. Public Account receipts</b>	<b>2276</b>	<b>2290</b>	<b>3957</b>	<b>2988</b>	<b>4146</b>	<b>4846</b>
<b>9. Total receipts of Government (6+7+8)</b>	<b>10216</b>	<b>12180</b>	<b>14066</b>	<b>17525</b>	<b>17608</b>	<b>19664</b>
<b>Part B. Expenditure/Disbursement</b>						
<b>10. Revenue Expenditure</b>	<b>6846 (92)</b>	<b>7113 (92)</b>	<b>8450 (92)</b>	<b>10229 (77)</b>	<b>10536 (90)</b>	<b>11456 (88)</b>
Plan	1446 (21)	1332 (19)	1429 (17)	2021 (20)	2129 (20)	1662 (15)
Non Plan	5400 (79)	5781 (81)	7021 (83)	8208 (80)	8407 (80)	9794 (85)
General Services (including interest payments)	2926 (43)	3112 (44)	3529 (42)	3689 (36)	4201 (40)	4302 (38)
Social Services	2702 (39)	2898 (41)	3361 (40)	4262 (42)	3987 (38)	4477 (39)
Economic Services	1215 (18)	1095 (15)	1547 (18)	2265 (22)	2337 (22)	2669 (23)
Grants-in-aid and contributions	4	8	12	13	11	8
<b>11. Capital Expenditure</b>	<b>513 (7)</b>	<b>506 (7)</b>	<b>622 (7)</b>	<b>2181 (16)</b>	<b>1085 (9)</b>	<b>1453 (11)</b>
Plan	475 (93)	455 (90)	567 (91)	776 (36)	1013 (93)	1403 (97)
Non Plan	38 (7)	51 (10)	55 (9)	1405 (64)	72 (7)	50 (3)
General Services	10 (2)	11 (2)	18 (3)	23 (1)	10 (1)	23 (1)
Social Services	34 (7)	22 (4)	39 (6)	48 (2)	45 (4)	155 (11)
Economic Services	469 (91)	472 (93)	565 (91)	2110 (97)	1030 (95)	1275 (88)
<b>12. Disbursement of Loans and Advances</b>	<b>82 (1)</b>	<b>131 (2)</b>	<b>128 (1)</b>	<b>974 (7)</b>	<b>106 (1)</b>	<b>81 (1)</b>
<b>13. Total (10+11+12)</b>	<b>7441</b>	<b>7750</b>	<b>9200</b>	<b>13384</b>	<b>11727</b>	<b>12990</b>

**Appendix-1.5 (Continued)**

<b>14. Repayment of Public Debt</b>	<b>1109</b>	<b>1187</b>	<b>1397</b>	<b>1361</b>	<b>360</b>	<b>495</b>
Internal Debt (excluding Ways & Means Advances and Overdraft)	51 (5)	82 (7)	197 (14)	234 (17)	249 (69)	382 (77)
Net transactions under Ways and Means Advances and Overdraft	-	-	-	-	-	-
Loans and Advances from Government of India*	1058 (95)	1105 (93)	1200(86)	1127 (83)	111 (31)	113 (23)
<b>15. Appropriation to Contingency Fund</b>	<b>-</b>	<b>35</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>16. Total disbursement out of Consolidated Fund (13+14+15)</b>	<b>8550</b>	<b>8972</b>	<b>10597</b>	<b>14745</b>	<b>12087</b>	<b>13485</b>
<b>17. Contingency Fund disbursements</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>18. Public Account disbursements</b>	<b>2149</b>	<b>2428</b>	<b>3160</b>	<b>3003</b>	<b>4259</b>	<b>4502</b>
<b>19. Total disbursement by the state (16+17+18)</b>	<b>10699</b>	<b>11400</b>	<b>13757</b>	<b>17748</b>	<b>16346</b>	<b>17987</b>
<b>Part C. Deficits</b>						
20. Revenue Deficit (-)/Surplus (+)	(-) 881	(-)320	(-) 685	(-) 292	(+) 1509	(+) 2211
21. Fiscal Deficit (-) /Surplus (+)	(-) 1447	(-) 929	(-) 1395	(-) 2058	(+) 356	(+) 712
22. Primary Deficit (-)/Surplus (+)	(-) 385	(+) 316	(+) 51	(-) 654	(+) 1866	(+) 2227
<b>Part D. Other data</b>						
23. Interest Payments (Included in revenue expenditure)	1062	1245	1446	1404	1510	1516
24. Arrears of Revenue (Percentage of Tax & Non-Tax Revenue Receipts)	2784 (133)	2757 (105)	745 (25)	725 (19)	768	755*
25. Financial Assistance to local bodies etc.	300	876	1021	2194	1250	1273
26. Ways and Means Advances/Overdraft availed (days)	312	315	290	81/129	32/30	-
27. Interest on Ways and Means Advances/overdraft	139	44	37	14	4	-
28. Gross State Domestic Product (GSDP)†	38,245	43332	47191	51322 (P)	57597 (Q)	63428 (Adv)
29. Outstanding fiscal liabilities (year end)	11633	13720	15285	17855	19082	20598
30. Outstanding guarantees (year end)	1854	1881	1833	711	1273	904
31. Maximum amount guaranteed (year end)	2865	2888	2904	1034	1727	1563
32. Number of incomplete projects	341	683	406	434	405	340
33. Capital blocked in incomplete projects	84	262	218	219	183	224

**Note:** Figures in brackets represent percentages (rounded) to total of each sub heading

(P) = Provisional estimates (Q) = Quick estimates (Adv) = Advance estimates NA = Not Available

† The provisional GSDP figures upto 2005-06 hitherto shown have been modified in accordance with the figures furnished by the State Government in 'Economic Survey 2006-07' and the figures for 2006-07 are Advance Estimates figures as furnished by the Director of Economics and Statistics.

\* Includes Ways and Means Advances from Government of India.

\* Arrears of revenue on sales tax, forestry and wildlife, royalty on Coal, lignite and limestone, land revenue, Irrigation, Police and Industry as of November 2006. Such information on other Tax/Non-tax revenues was awaited as of December 2006.

**Appendix-1.6**

(Reference-Paragraph-1.6.5; Page- 17 )

**Statement showing cases of misappropriation, losses and defalcation etc., reported to Audit upto March 2007**

(Rupees in lakh)

Sl. No.	Name of the Department	Up to 2001-2002		Up to 2002-2003		Up to 2003-2004		Up to 2004-2005		Up to 2005-2006		Up to 2006-07		Total	
		N	A	N	A	N	A	N	A	N	A	N	A	N	A
1	Agriculture	5	--		--		--	--	--	--	--	--	--	5	2.65
2	A.H & Vety.	4	--		--		--	--	--	--	--	--	--	4	0.90
3	Co-operation	1	--		--		--	--	--	--	--	--	--	1	0.32
4	Education	16	--		--		--	--	--	--	--	--	--	16	103.34
5	Finance	12	--		--		--	--	--	--	--	--	--	12	25.09
6	Flood Control	8	--		--		--	--	--	--	--	--	--	8	1.75
7	Home	8	--		--		--	--	--	--	--	--	--	8	4.61
8	Revenue	29	--		--		--	--	--	--	--	--	--	29	151.92
9	Statistics	2	--		--		--	--	--	--	--	--	--	2	0.10
10	Town & Country Planning	1	--		--		--	--	--	--	--	--	--	1	0.10
11	Road & Water Transport	4	--		--		--	--	--	--	--	--	--	4	2.54
12	Soil Conservation.	3	--		--		--	--	--	--	--	--	--	3	0.22
13	Fishery	3	--		--		--	--	--	--	--	--	--	3	3.08
14	Tribal & Social welfare	3	--		--		--	--	--	--	--	--	--	3	3.77
15	Law	1	--		--		--	--	--	--	--	--	--	1	0.50
16	Labour	2	--		--		--	--	--	--	--	--	--	2	0.43



Appendix-1.6 (Continued)

Sl. No.	Name of the Department	Up to 2001-2002		Up to 2002-2003		Up to 2003-2004		Up to 2004-2005		Up to 2005-2006		Up to 2006-07		Total	
		N	A	N	A	N	A	N	A	N	A	N	A	N	A
17	Supply	1	--	--	--	--	--	--	--	--	--	--	--	1	0.05
18	State Lottery	1	--	--	--	--	--	--	--	--	--	--	--	1	1.72
19	Sericulture & weaving	7	--	--	--	--	--	--	--	--	--	--	--	7	2.31
20	Industry	5	--	--	--	--	--	--	--	--	--	--	--	5	0.82
21	Panchayat & Community Development.	8	--	--	--	--	--	--	--	--	--	--	--	8	2.05
22	P.H.E	5	--	--	--	--	--	--	--	--	--	--	--	5	2.44
23	Medical	9	--	--	--	--	--	--	--	--	--	--	--	9	2.08
24	Personal (B)	11	--	--	--	--	--	--	--	--	--	--	--	11	6.68
25	Public Works	17	--	--	--	--	--	--	--	--	--	--	--	17	6.55
26	District Council	1	--	--	--	--	--	--	--	--	--	--	--	1	0.97
27	Election	1	--	--	--	--	--	--	--	--	--	--	--	1	0.03
28	W.P.T & Backward classes	1	--	--	--	--	--	--	--	--	--	--	--	1	5.88
29	Autonomous Council	1	--	--	--	--	--	--	--	--	--	--	--	1	5.14
30	Irrigation	28	--	--	--	--	--	--	--	--	--	--	--	28	15.64
31	Forest	12	--	--	--	--	--	--	--	--	--	--	--	12	8.41
		210	--	--	--	--	--	--	--	--	--	--	--	210	362.09

N—Number of Cases.

A—Amount (Rupees in lakh)

### Appendix-1.7

(Reference-Paragraph- 1.7.1; Page- 18 )

#### **Details of Incomplete Projects**

(Rupees in crore)

Sl No	Name of the Deptt	Number of incomplete Projects										Total	
		More than 20 Years		From 10 to 20 Years		From 5 to 10 Years		Less than 5 Years		Not available		No.	Amount
		No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount		
1.	Irrigation	08	74.43	14	2.09	Nil	Nil	1	2.06	80	14.16	103	92.74
2	PWD (Roads)	-	-	01	0.12	01	2.85	52	47.34	3	0.11	57	50.42
3	PWD (Building)	01	1.06	16	4.97	08	1.69	25	8.82	15	4.91	65	21.45
4	PHE	02	0.25	9	1.14	10	1.55	28	11.71	32	5.11	81	19.76
5	Water Resources	-	-	-	-	6	4.43	8	19.73	20	15.95	34	40.11
	<b>Total</b>	<b>11</b>	<b>75.74</b>	<b>40</b>	<b>8.32</b>	<b>25</b>	<b>10.52</b>	<b>114</b>	<b>89.66</b>	<b>150</b>	<b>40.24</b>	<b>340</b>	<b>224.48</b>

Source: Finance Accounts

## Appendix-1.8

(Ref: Paragraph- 1.7.2; Page- 18 )

## Part-A: Particulars of investment at the end of three years ending 2006-07

(Rs. in crore)

SL No.	Group of the concerns	2004-05			2005-06			2006-07		
		Number of concerns	Investment to end of year	Returns during the year	Number of concern	Investment to end of year	Returns during the year	Number of concern	Investment to end of year	Returns during the year
1.	Statutory Corporations	4	1664.05	9.29*	4	1679.45	15.47	4	1679.45	18.54*
2.	Government Companies	23	132.63		23	132.66		24	132.79	
3.	Joint-stock Companies	15	72.07		15	72.07		15	77.59	
4.	Co-operatives	1447	84.16		1447	85.77		1449	94.63	
Total		1489	1952.91	9.29	1489	1969.95	15.47	1492	1984.46	18.54

\* The detailed breakup of the returns credited to Government Account has not been intimated, as such could not be shown against any particular group of investment.

## Part-B: Details of investment in Statutory Corporations upto the end of 2006-07

(Rs. in crore)

SL No.	Name of the Concern	Period of investment	Amount invested upto the end of 2005-06	Returns during the year
1	Assam Financial Corporation	1954-1996	2.75	Details not available
2	Assam State Warehousing Corporation	1958-2006	1.57	
3	Assam State Transport Corporation	1971-2006	325.13	
4	Assam State Electricity Board	2004-2005	1350.00	
Total			1679.45	



**Appendix-2.1**

(Reference to paragraph 2.3.1; Page-30)

**Areas in which major savings occurred**

(Rupees in crore)

Grant No./ Major Head	Areas in which major savings occurred	Savings
<b>11</b>	<b>Secretariat and Attached Offices (Revenue Voted)</b>	
2052	Secretariat General Services	634
3451	Secretariat Economic Services	107
<b>14</b>	<b>Police (Revenue Voted)</b>	
2055	Armed Police Battalion	14
2055	District Police Proper	23
2055	Development of Central and Other Police Force	20
2055	Modernisation of Police Force	107
<b>23</b>	<b>Pension and other Retirement benefits (Revenue Voted)</b>	
2071	Commuted value of Pension	37
2071	Gratuities	66
<b>29</b>	<b>Medical and Public Health (Revenue Voted)</b>	
2210	State Plan and Non Plan Schemes (Urban & Health Services- Other system of Medicine)	11
2210	Medical Education, Training and Research (Direction and Administration)	131
2210	Public Health Education (Upgradation of standard of Administration-Award of 12 <sup>th</sup> Finance Commission)	71
<b>30</b>	<b>Water supply and Sanitation (Capital Voted)</b>	
<b>4215</b>	Centrally Sponsored Schemes (Rural water supply)	82
<b>39</b>	<b>Social Security, Welfare and Nutrition (Revenue Voted)</b>	
2235	Centrally Sponsored Schemes (Child Welfare)	302
<b>44</b>	<b>North Eastern Council Schemes (Capital Voted)</b>	
4552	Roads and Bridges.	253
4552	Asom Sarba Siksha Abhiyan	101
<b>56</b>	<b>Rural Development (Panchayat) (Revenue Voted)</b>	
2515	State Plan and non-plan schemes (Director and Administration)	120
2515	Centrally Sponsored Schemes (Director and Administration)	137
<b>62</b>	<b>Power (Electricity) (Capital Voted)</b>	
4801	Capital outlay and power Projects (Other expenditure)	59
4801	Capital outlay and power Projects (Externally Aided Project)	148
<b>71</b>	<b>Education (Elementary, Secondary etc) (Revenue Voted)</b>	
2202	Government Primary Schools (General)	418
2202	Assistance to Local Bodies for Primary Education	57
2202	Centrally Sponsored Schemes (Monitoring & Maintenance)	124

## Appendix-2.2

(Reference to paragraph 2.3.1; Page- 30 )

**Statement of various grants/appropriations where expenditure fell short by more than  
Rs. one crore each and more than 10 percent of total provision**

(Rupees in crore)			
Sl.No.	Number and Name of the grant/appropriation	Total grant/ appropriation	Saving
1	2	3	4
1	1- State Legislature (Revenue Voted)	22.61	4.66
2	2- Council of Ministers (Revenue Voted)	5.08	2.02
3	3- Administration of Justice (Revenue Voted)	66.14	20.66
4	4- Elections (Revenue Voted)	56.59	7.93
5	5- Sales Tax and Other Taxes (Revenue Voted)	45.74	10.73
6	6- Land Revenue & Land Ceiling (Revenue Voted)	139.58	67.38
7	7- Stamps and Registration (Revenue Voted)	13.42	4.24
8	8- Excise and Prohibition (Revenue Voted)	19.14	5.10
9	9- Transport Services (Revenue Voted)	86.37	23.62
		(Capital Voted) 22.89	15.30
10	11-Secretariat and Attached Offices (Revenue Voted)	1228.44	742.92
11	12-District Administration (Revenue Voted)	63.16	12.08
12	13-Treasury and Accounts Administration (Revenue Voted)	72.42	51.38
13	14-Police (Revenue Voted)	1003.03	226.83
14	15-Jails (Revenue Voted)	45.72	15.15
15	16-Stationery and Printing (Revenue Voted)	13.13	2.36
16	17-Administrative and Functional Building (Revenue Voted)	174.34	50.63
		(Capital Voted) 58.48	31.85
17	18-Fire Services (Revenue Voted)	33.37	5.10
18	19-Vigilance Commission and Others (Revenue Voted)	36.14	14.01
19	20-Civil Defence and Home Guard (Revenue Voted)	46.25	7.72
20	21-Guest Houses, Government Hostel etc. (Revenue Voted)	7.21	2.21
21	23-Pension & Other Retirement Benefit (Revenue Voted)	1462.68	285.75
22	24-Aid Materials (Revenue Voted)	16.99	16.99
23	25-Miscellaneous General Services (Revenue Voted)	6.37	6.06
24	26-Education (Higher Education) (Revenue Voted)	407.64	104.41
25	27-Art and Culture (Revenue Voted)	70.43	48.14
26	29-Medical and Public Health (Revenue Voted)	1029.05	455.20
27	30-Water Supply and Sanitation (Capital Voted)	271.00	142.01
28	31-Urban Development(Town & Country Planning) (Revenue Voted)	112.61	87.69
29	33-Residential Building (Revenue Voted)	12.30	9.23
		(Capital Voted) 10.45	6.48
30	34-Urban Development(Municipal Administration)Department (Revenue Voted)	47.47	33.02
		(Capital Voted) 30.59	28.95
31	35-Information and Publicity (Revenue Voted)	13.11	2.46
32	36-Labour and Employment (Revenue Voted)	57.75	12.52
33	37-Food Storage, Warehousing & Civil Supplies (Revenue Voted)	32.57	7.10
34	38-Welfare of SC/ST and Other B/Classes (Revenue Voted)	450.89	96.44
35	39-Social Security, Welfare & Nutrition (Revenue Voted)	487.64	304.67
36	40-Sainik Welfare and other Relief Programmes etc. (Revenue Voted)	17.22	9.86

Appendix-2.2 (Concluded)

1	2	3	4
37	41-Natural Calamities (Revenue Voted)	295.14	101.95
38	43-Co-operation (Revenue Voted)	33.01	6.13
	(Capital Voted)	3.48	2.23
39	44-North Eastern Council Schemes (Revenue Voted)	50.80	40.85
	(Capital Voted)	1184.20	783.65
40	45-Census, Surveys and Statistics (Revenue Voted)	19.50	4.28
41	46-Weights and Measures (Revenue Voted)	6.14	1.42
42	48-Agriculture (Revenue Voted)	336.27	87.78
43	49-Irrigation (Revenue Voted)	206.39	36.44
	(Capital Voted)	140.90	66.92
44	50-Other Special Areas Programmes (Revenue Voted)	21.73	4.67
45	51-Soil and Water Conservation (Revenue Voted)	29.64	5.46
46	52-Animal Husbandry (Revenue Voted)	141.61	46.24
47	53-Dairy Development (Revenue Voted)	26.89	17.01
48	54-Fisheries (Revenue Voted)	38.99	14.68
49	55-Forestry and Wild Life (Revenue Voted)	225.50	63.81
50	56-Rural Development(Panchayat) (Revenue Voted)	564.03	328.43
51	57-Rural Development (Revenue Voted)	344.03	18.26
52	58-Industries (Revenue Voted)	13.55	6.98
53	59-Sericulture and Weaving (Revenue Voted)	126.12	50.22
	(Capital Voted)	2.04	1.83
54	60-Cottage Industries (Revenue Voted)	28.61	5.71
55	62-Power ( Electricity) (Capital Voted)	639.96	359.20
56	63-water Resources (Revenue Voted)	112.27	12.97
	(Capital Voted)	150.47	27.43
57	64-Roads and Bridges (Revenue Voted)	451.46	118.78
	(Capital Voted)	516.79	165.00
58	65-Tourism (Capital Voted)	3.99	1.74
59	66-Compensation and Assignment to Local Bodies and PR Institutions (Revenue Voted)	16.00	8.20
60	67- Public Debt & Servicing of Debt (Revenue Charged)	2314.30	622.63
	(Capital Charged)	1710.11	1215.39
61	68-Loans to Government Servant (Capital Voted)	8.92	7.40
62	70-Hill Areas (Revenue Voted)	16.21	12.92
	(Capital Voted)	1.40	1.40
63	71-Education(Elementary, Secondary etc) (Revenue Voted)	3353.12	1036.53
64	72-Relief & Rehabilitation (Revenue Voted)	30.00	8.57
65	73-Urban Development(GDD) (Revenue Voted)	43.49	12.45
	(Capital Voted)	82.27	70.64
	(Capital Charged)	1.10	1.10
66	74-Sports & Youth Services (Revenue Voted)	133.72	24.37
67	75-Information Technology (Revenue Voted)	2.00	1.20
	(Capital Voted)	11.25	2.58
	<b>Total</b>	<b>21233.41</b>	<b>8386.31</b>



**Appendix-2.3**

Reference to paragraph 2.3.4 ; Page- 32 )

**Statement showing cases where supplementary provision was wholly unnecessary**

(Rupees in crore)

Sl. No	No. & Name of grant	Original Grant/ Appropriation	Supplementary	Expenditure	Savings
(1)	(2)	(3)	(4)	(5)	(6)
1	1 - State Legislature (Revenue Voted)	21.93	0.68	17.95	4.66
2	3 - Administration of Justice (Revenue Voted)	61.94	4.20	45.48	20.66
3	4 - Election (Revenue Voted)	56.36	0.23	48.66	7.93
4	8 - Excise & Prohibition (Revenue Voted)	18.96	0.15	14.01	5.10
5	9 - Transport Services (Revenue Voted) (Capital Voted)	76.47 17.88	9.90 5.00	62.75 7.58	23.62 15.30
6	11 - Secretariat & Attached Offices (Revenue Voted)	1153.83	74.60	485.51	742.92
7	12 - District Administration (Revenue Voted)	58.93	4.23	51.08	12.08
8	14 - Police (Revenue Voted)	973.59	29.45	776.21	226.83
9	15 - Jail (Revenue Voted)	45.64	0.08	30.57	15.15
10	16 - Stationery and Printing (Revenue Voted)	12.63	0.50	10.77	2.36
11	17 - Administrative & Functional building (Capital Voted)	51.51	6.97	26.63	31.85
12	21 - Guest Houses & Govt. Hostel etc. (Revenue Voted)	6.63	0.58	5.00	2.21
13	22 - Administrative Training (Revenue Voted)	2.07	0.18	1.71	0.54
14	26 - Education (Higher) (Revenue Voted)	396.60	11.03	303.22	104.41
15	27 - Art & Culture (Revenue Voted)	68.21	2.22	22.29	48.14
16	29 - Medical & Public Health (Revenue Voted)	965.58	63.47	573.85	455.20
17	34 - Urban Development (Municipal administration) Dept (Revenue Voted)	45.26	2.21	14.45	33.02
18	35 - Information & Publicity (Revenue Voted)	13.09	0.02	10.65	2.46
19	36 - Labour & Employment (Revenue Voted)	57.14	0.61	45.23	12.52

**Appendix-2.3 (Continued)**

20	38 - Welfare of Scheduled Caste / Scheduled Tribes & Other Backward Classes (Revenue Voted)	415.50	35.38	354.44	96.44
21	39 - Social Security Welfare and Nutrition (Revenue Voted)	477.18	10.46	182.97	304.67
22	43 - Co-operation (Revenue Voted)	31.40	1.61	26.88	6.13
23	44 - North-Eastern Council (Revenue Voted) (Capital Voted)	46.41 1075.42	4.38 108.78	9.95 400.55	40.84 783.65
24	45 - Census, Surveys & Statistics. (Revenue Voted)	17.31	2.19	15.22	4.28
25	46 - Weights and Measures (Revenue Voted)	5.84	0.30	4.72	1.42
26	48 - Agriculture (Revenue Voted)	321.95	14.32	248.49	87.78
27	49 - Irrigation (Revenue Voted) (Capital Voted)	202.39 126.23	4.00 14.67	169.95 73.98	36.44 66.92
28	50 - Other Special Areas Programmes (Revenue Voted)	15.37	6.36	17.06	4.67
29	52 - Animal Husbandry (Revenue Voted) (Revenue Charged)	138.38 -	3.23 0.72	95.37 -	46.24 0.72
30	53 - Dairy Development (Revenue Voted))	26.66	0.23	9.88	17.01
31	54 - Fisheries (Revenue Voted)	38.97	0.02	24.31	14.68
32	55 - Forestry & Wildlife (Revenue Voted) (Revenue Charged)	218.59 -	6.91 0.06	161.69 -	63.81 0.06
33	56 - Rural Development (Panchayat) (Revenue Voted) (Revenue Charged)	416.98 0.06	147.05 0.06	235.60 0.01	328.43 0.11
34	57 - Rural Development (Revenue Voted)	342.36	1.67	325.77	18.26
35	58 - Industries (Revenue Voted)	13.49	0.06	6.57	6.98
36	59 - Sericulture & Weaving (Revenue Voted)	125.20	0.91	75.90	50.21
37	60 - Cottage Industries (Revenue Voted)	26.30	2.31	22.90	5.71
38	61 - Mines & Minerals (Revenue Voted)	6.62	0.06	5.75	0.93
39	63 - Water Resources (Revenue Voted)	112.04	0.23	99.30	12.97
40	64- Roads & Bridges (Revenue Voted) (Capital Voted)	449.79 464.14	1.67 52.65	332.68 351.79	118.78 165.00
41	65 - Tourism (Revenue Voted)	5.42	0.16	4.62	0.96

**Appendix-2.3 (Concluded)**

42	66 - Compensation & Assignment to Local Bodies & Panchayati Raj Institutions (Revenue Voted)	15.25	0.75	7.80	8.20
43	70 - Hill Areas (Revenue Voted)	14.00	2.20	3.28	12.92
44	71 - Education (Elementary, Secondary etc) (Revenue Voted)	3194.61	158.50	2316.58	1036.53
45	72 - Relief & Rehabilitation (Revenue Voted)	29.00	1.00	21.43	8.57
46	73 - Urban Development (GDD) (Revenue Voted)	32.75	10.74	31.04	12.45
	(Capital Voted)	45.27	37.00	11.63	70.64
	(Capital Charged)	-	1.10	-	1.10
47	74 - Sports & Youth Services (Revenue Voted)	120.53	13.18	109.34	24.37
<b>Total Revenue</b>		<b>10895.21</b>	<b>635.07</b>	<b>7438.89</b>	<b>4091.39</b>
<b>Total Capital</b>		<b>1780.45</b>	<b>226.17</b>	<b>872.16</b>	<b>1134.46</b>
<b>Grand Total</b>		<b>12675.66</b>	<b>861.24</b>	<b>8311.05</b>	<b>5225.85</b>



**Appendix-2.4**

(Reference to paragraph 2.3.5 ; Page- 32)

**Grants where savings exceeded Rs.10 lakh and also by more than 20 per cent of the total provisions persistently in all the three years from 2004-05 to 2006-07**

(Rupees in crore)

Sl. No.	Description of grants	Amount of saving and its percentage to total provision (in brackets)		
		2004-2005	2005-2006	2006-07
(1)	(2)	(3)	(4)	(5)
1	3- Administration of Justice (Revenue Voted)	18.08(30)	24.09(39)	20.66(31)
2	6-Land Revenue and Land Ceiling (Revenue Voted)	58.12(49)	67.14(51)	67.38(48)
3	7-Stamps & Registration (Revenue Voted)	4.76(41)	4.40(35)	4.24(32)
4	13- Treasury and Accounts Administration (Revenue Voted)	26.23(61)	11.49(31)	51.38(71)
5	15- Jails (Revenue Voted)	26.35(59)	18.42(44)	15.15(33)
6	19- Vigilance Commission and others (Revenue Voted)	7.19(36)	6.61(39)	14.01(39)
7	24- Aid Materials (Revenue Voted)	14.25(100)	28.87(100)	16.99(100)
8	25- Miscellaneous General Services (Revenue Voted)	46.42(99)	6.34(95)	6.06(95)
9	33- Residential Buildings (Revenue Voted) (Capital Voted)	7.49(56) 3.09(35)	10.03(64) 7.04(70)	9.23(75) 6.48(62)
10	36- Labour and Employment (Revenue Voted)	11.66(28)	10.27(25)	12.52(22)
11	38- Welfare of Scheduled Caste/Scheduled Tribes and other Backward Classes (Revenue Voted)	74.76(30)	124.92(33)	96.44(21)
12	41- Natural Calamities (Revenue Voted)	694.61(62)	192.48(100)	101.95(35)
13	43- Co-operation (Capital Voted)	2.65(66)	5.34(76)	2.23(64)
14	44- North Eastern Council Schemes (Revenue Voted) (Capital Voted)	34.27(86) 726.78(69)	44.44(89) 747.97(73)	40.85(80) 783.65(66)
15	45- Census, Surveys and Statistics (Revenue Voted)	4.63(28)	6.80(34)	4.28(22)
16	48- Agriculture (Revenue Voted)	49.84(23)	181.02(56)	87.78(26)

**Appendix-2.4 (Concluded)**

(1)	(2)	(3)	(4)	(5)
17	52- Animal Husbandry (Revenue Voted)	55.11(39)	44.81(34)	46.24(33)
18	53- Dairy Development (Revenue Voted)	11.77(56)	11.13(40)	17.01(63)
19	54- Fisheries (Revenue Voted)	6.05(22)	14.92(32)	14.68(38)
20	55- Forestry and Wild Life (Revenue Voted)	41.02(26)	59.63(32)	63.81(28)
21	58- Industries (Revenue Voted)	12.76(43)	13.02(85)	6.98(52)
22	59- Sericulture and Weaving (Revenue Voted) (Capital Voted)	49.02(41) 4.06(100)	60.39(42) 1.50(74)	50.22(40) 1.83(90)
23	62- Power (Electricity) (Capital Voted)	1599.44(41)	489.88(63)	359.20(56)
24	68- Loans to Government Servants (Capital Voted)	205.79(99)	26.94(91)	7.40(83)
25	70- Hill Areas (Revenue Voted)	12.15(82)	6.60(55)	12.92(80)
26	72- Relief and Rehabilitation (Revenue Voted)	8.65(30)	18.66(65)	8.57(29)

**Appendix-2.5**

(Reference to paragraph 2.3.6. ; Page- 32 )

**Grants where savings exceeding Rupees one crore each remained to be surrendered at the end of 2006-07**

(Rupees in crore)

Sl. No.	Number and name of grant	Total grant/appropriation	Total saving	Amount surrendered	Un-surrendered saving and its percentage to total saving (in brackets)
(1)	(2)	(3)	(4)	(5)	(6)
1.	3 - Administration of Justice (Revenue Voted)	66.14	20.66	-	20.66(100)
2.	6 - Land Revenue & Land Ceiling (Revenue Voted)	139.58	67.38	-	67.38(100)
3.	7 - Stamps & Registration (Revenue Voted)	13.42	4.24	0.01	4.23(99)
4.	8 - Excise & Prohibition (Revenue Voted)	19.11	5.10	-	5.10(100)
5.	9 - Transport Services (Revenue Voted) (Capital Voted)	86.37 22.89	23.62 15.30	0.24 --	23.38(99) 15.30(100)
6.	11 - Secretariat & Attached Offices (Revenue Voted)	1228.44	742.92	8.62	734.30(99)
7.	12 - District Administration (Revenue Voted)	63.16	12.08	0.58	11.50(95)
8.	14 - Police (Revenue Voted)	1003.03	226.83	-	226.83(100)
9.	15 - Jails (Revenue Voted)	45.72	15.15	-	15.15(100)
10.	16 - Stationery & Printing (Revenue Voted)	13.13	2.36	-	2.36(100)
11.	17 - Administrative & Functional Buildings (Revenue Voted)	174.34	50.63	-	50.63(100)
12.	18 - Fire Services (Revenue Voted)	33.37	5.10	-	5.10(100)
13.	19 - Vigilance Commission & Others (Revenue Voted)	36.14	14.00	-	14.00(100)
14.	20 - Civil Defence & Home Guards (Revenue Voted)	46.25	7.72	-	7.72(100)



**Appendix-2.5 (Continued)**

(1)	(2)	(3)	(4)	(5)	(6)
15.	21 - Guest Houses, Govt. Hostel etc. (Revenue Voted)	7.21	2.21	0.11	2.10(95)
16.	24 - Aid Materials (Revenue Voted)	16.99	16.99	-	16.99(100)
17.	25 - Misc. General Services (Revenue Voted)	6.37	6.06	-	6.06(100)
18.	26 - Education (Higher Education) (Revenue Voted)	407.64	104.41	-	104.41(100)
19.	27 - Art & Culture (Revenue Voted)	70.43	48.14	-	48.14(100)
20.	31 - Urban Development (T&CP) (Revenue Voted)	112.61	87.69	-	87.69(100)
21.	33 - Residential Buildings (Revenue Voted)	12.30	9.22	-	9.22(100)
22.	34 - Urban Development (Municipal Administrative Dept) (Revenue Voted) (Capital Voted)	47.47 30.59	33.02 28.95	- -	33.02(100) 28.95(100)
23.	35 - Information & Publicity (Revenue Voted)	13.11	2.46	-	2.46(100)
24.	36 - Labour & Employment (Revenue Voted)	57.75	12.52	-	12.52(100)
25.	38 - Welfare of SC/ST & OBC (Revenue Voted)	450.89	96.44	-	96.44(100)
26.	39 - Social Security, Welfare & Nutrition (Revenue Voted)	487.64	304.67	-	304.67(100)
27.	40 - Sainik Welfare & Other Relief Prog etc. (Revenue Voted)	17.22	9.86	-	9.86(100)
28.	41 - Natural Calamities (Revenue Voted)	295.14	101.95	-	101.95(100)
29.	44 - N.E.C Schemes (Revenue Voted) (Capital Voted)	50.80 1184.20	40.85 783.65	- -	40.85(100) 783.65(100)
30.	45 - Census, Survey & Statistics (Revenue Voted)	19.50	4.28	-	4.28(100)
31.	48 - Agriculture (Revenue Voted)	336.27	87.78	-	87.78(100)

**Appendix-2.5 (Concluded)**

(1)	(2)	(3)	(4)	(5)	(6)
32.	49 - Irrigation (Revenue Voted) (Capital Voted)	206.39 140.90	36.44 66.92	- -	36.44(100) 66.92(100)
33.	50 - Other Special Areas Programmes (Revenue Voted)	21.73	4.67	-	4.67(100)
34.	51 - Soil & Water Conservation (Revenue Voted)	29.64	5.46	-	5.46(100)
35.	52 - Animal Husbandry (Revenue Voted)	141.61	46.24	-	46.24(100)
36.	53 - Dairy Development (Revenue Voted)	26.89	17.01	-	17.01(100)
37.	54 - Fisheries (Revenue Voted)	38.99	14.68	-	14.68(100)
38.	55 - Forestry & Wild Life (Revenue Voted)	225.50	63.81	-	63.81(100)
39.	56 - Rural Development (Panchayat) (Revenue Voted)	564.03	328.43	-	328.43(100)
40.	57 - Rural Development (Revenue Voted)	344.03	18.26	-	18.26(100)
41.	59 - Sericulture & Weaving (Revenue Voted) (Capital Voted)	126.12 2.04	50.22 1.83	- -	50.22(100) 1.83(100)
42.	62 - Power (Electricity) (Revenue Voted) (Capital Voted)	306.79 639.96	14.45 359.20	- -	14.45(100) 359.20(100)
43.	64 - Roads & Bridges (Revenue Voted)	451.46	118.78	-	118.78(100)
44.	66 - Compensation & Assignment to Local Bodies & Panchayati Raj Institutions (Revenue Voted)	16.00	8.20	-	8.20(100)
45.	68 - Loans to Govt Servants (Capital Voted)	8.92	7.40	-	7.40(100)
46.	70 - Hill Areas (Revenue Voted)	16.21	12.92	-	12.92(100)
47.	71 - Education (Elementary, Secondary etc) (Revenue Voted)	3353.12	1036.53	-	1036.53(100)
48.	72 - Relief & Rehabilitation (Revenue Voted)	30.00	8.57	-	8.57(100)
49.	74 - Sports & Youth Services (Revenue Voted)	133.72	24.37	-	24.37(100)
	<b>Total</b>	<b>13475.91</b>	<b>5250.12</b>	<b>9.56</b>	<b>5240.56</b>

### Appendix-3.1

(Reference to Para No.3.1.9; Page 41 )

#### Statement showing the category wise shortage of staff in selected district

Category of post	2002-03				2003-04				2004-05				2005-06				2006-07			
	Required strength	Actuals	Shortfall	Percentage of shortfall	Required strength	Actuals	Shortfall	Percentage of shortfall	Required strength	Actuals	Shortfall	Percentage of shortfall	Required strength	Actuals	Shortfall	Percentage of shortfall	Required strength	Actuals	Shortfall	Percentage of shortfall
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
Station Officer	26*	18	8	31	26*	19	7	27	26*	20	6	23	26*	19	7	27	26*	16	10	38
Sub-Officer	47*	21	26	55	48*	20	28	58	49*	22	27	55	50*	27	23	46	49*	28	21	43
LFM	128#	70	58	45	129#	72	57	44	130#	69	61	47	129#	76	53	41	128#	74	54	42
FM	698♣	330	368	53	702♣	315	387	55	706♣	299	407	58	698♣	311	387	55	694♣	309	385	55
Driver	173♦	103	70	40	180♦	100	80	44	182♦	97	85	45	176♦	104	72	50	180♦	107	73	41
Total	1072	542	530	49%	1085	526	559	52%	1093	507	586	54%	1079	537	542	50%	1077	534	543	50%

N.B. - Requirements calculated on the basis of following norms:-

\* Station Officer and Sub-Officer:

Category of station	No of personal
1 pumping station	1 Staff Officer or 1 Sub-Officer
2 " "	1 Station Officer & 1 Sub-Officer
3 " "	1 -do- & 2 -do-
4 " "	2 -do- & 2 -do-
6 " "	2 -do- & 4 -do-

# Leading Fire Man (LFM): 1 person for each WTP + 1 person per station for outdoor duty.

♣ Fireman (FM): 6 persons per WTP + 4 persons per station for outdoor duty.

♦ Driver:

No of motor vehicle	No of driver	Remarks
1	2	Assuming 1 no driver/operator for each additional vehicle in case of stations with more than 6 vehicles
2	3	
3	4	
4	6	
5	7	
6	9	



## Appendix-3.1 (Calculation)

## (A) Station Officer and Sub-Officer

Year	Unit Status	No of Station	Station Officer requirement per station as per norm	Total requirement	Sub-Officer requirement per station as per norm	Total requirement
2002-03	Adhoc	14	Nil	Nil	1	14
	2 unit	11	1	11	1	11
	3 "	5	1	5	2	10
	4 "	4	2	8	2	8
	6 "	1	2	2	4	4
		35		26		47
2003-04	Adhoc	15	Nil	Nil	1	15
	2 unit	11	1	11	1	11
	3 "	5	1	5	2	10
	4 "	4	2	8	2	8
	6 "	1	2	2	4	4
		36		26		48
2004-05	Adhoc	16	Nil	Nil	1	16
	2 unit	11	1	11	1	11
	3 "	5	1	5	2	10
	4 "	4	2	8	2	8
	6 "	1	2	2	4	4
		37		26		49
2005-06	Adhoc	17	Nil	Nil	1	17
	2 unit	11	1	11	1	11
	3 "	5	1	5	2	10
	4 "	4	2	8	2	8
	6 "	1	2	2	4	4
		38		26		50
2006-07	Adhoc	16	Nil	Nil	1	16
	2 unit	11	1	11	1	11
	3 "	5	1	5	2	10
	4 "	4	2	8	2	8
	6 "	1	2	2	4	4
		37		26		49

## (B)\* Leading Fire Man (LFM)

Year	No of Station	No of WTP	Requirement as per vehicle (1 LFM per WTP)	Required LFM in stations (1 LFM per station)	Total required strength
2002-03	35	93	93	35	128
2003-04	36	93	93	36	129
2004-05	37	93	93	38	130
2005-06	38	91	91	38	129
2006-07	37	91	91	37	128

## (C)\* Fireman (FM)

Year	No of Station	No of WTP	Requirement as per vehicle (6 FM per WTP)	Required FM in stations (4 FM per station)	Total required strength
2002-03	35	93	558	140	698
2003-04	36	93	558	144	702
2004-05	37	93	558	148	706
2005-06	38	91	546	152	698
2006-07	37	91	546	148	694

## (D)\*\* Driver \* Excluding water lorry

Name of the district	2002-03			2003-04			2004-05			2005-06			2006-07		
	Total no of FS	No of appliance	Required driver	Total no of FS	No of appliance	Required driver	Total no of FS	No of appliance	Required driver	Total no of FS	No of appliance	Required driver	Total no of FS	No of appliance	Required driver
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1. Kamrup	11	35	61	11	35	63	11	36	64	11	35	59	10	34	61
2. Cachar	4	8	15	4	8	17	4	8	17	5	8	19	4	8	19
3. Nalbari	4	8	15	4	8	16	4	9	17	4	7	15	4	7	15
4. Nagaon	7	18	33	8	18	35	9	19	37	9	19	38	7	20	40
5. Karbi-Anglong	2	6	11	2	6	11	2	4	8	2	4	8	2	4	8
6. Karimganj	3	5	11	3	5	11	3	4	12	3	6	12	3	6	12
7. Tinsukia	4	16	27	4	16	27	4	16	27	4	15	25	4	15	25
Total	35	96	173	36	96	180	37	96	182	35	94	176	37	94	180

\*\* Including water lorry.

### Appendix-3.2

(Reference: Para 3.1.9; Page 41 )

Statement showing the deployment of Staff at Headquarters office of the SFSO.

Category of Post	2002-03			2003-04			2004-05			2005-06			2006-07		
	Sanctioned Strength	Man-in-position	(+) Excess (-) Shortage	Sanctioned Strength	Man-in-position	(+) Excess (-) Shortage	Sanctioned Strength	Man-in-position	(+) Excess (-) Shortage	Sanctioned Strength	Man-in-position	(+) Excess (-) Shortage	Sanctioned Strength	Man-in-position	(+) Excess (-) Shortage
Station Officer	8	6	(-) 2	8	7	(-) 1	8	6	(-) 2	8	6	(-) 2	8	5	(-) 3
Sub-Officer	3	6	(+) 3	3	5	(+) 2	3	6	(+) 3	3	6	(+) 3	3	6	(+) 3
LFM	3	6	(+) 3	3	12	(+) 9	3	6	(+) 3	3	6	(+) 3	3	7	(+) 4
FM	7	57	(+) 50	7	44	(+) 37	7	81	(+) 74	7	168	(+) 161	7	172	(+) 165
Driver	-	20	(+) 20	-	18	(+) 18	-	17	(+) 17	-	56	(+) 56	-	51	(+) 51
Total (Excluding Station Officer)	13	89	(+) 76	13	79	(+) 66	13	110	(+) 97	13	236	(+) 223	13	236	(+) 223



### Appendix-3.3

(Reference: Para 3.1.15.1; Page 48 )

#### Statement showing the fire damages above rupees one crore where no follow up action taken.

Particulars	Place of Accidents		
	B. Barua College, Ulubari	Janata Bhawan, Dispur	ASTC Parking yard, Paltanbazar
Category	Government building	Educational Institution	Warehouse
Date of fire:	03/03/2005	07/05/2005	09/11/2005
Nature of loss	Property valued at Rs.2.00 crore (one third of U type building and furniture/lab equipments etc)	Property valued at Rs.1.10 crore (12 Nos. of rooms completely gutted with furniture etc)	Property valued at Rs.1.27 crore (One third of the godown building along with stock of Vanspati/Mustered oil/Refine oil gutted)
Circumstance leading to devastation	Gas cylinders busted at the Principal's room, Common room of teachers after commencement of fire fighting. Though Para 6.1.51 of National Building code of India prohibit storage of volatile flammable liquid except in science lab	Fire fighting equipments were not properly maintained as suggested by Fire Service Organisation.	Nature of stored items were of inflammable nature
Enquiry/Investigation of causes of fire	No Enquiry Investigation conducted.	No Enquiry Investigation conducted	No Enquiry Investigation conducted.
Follow up	No follow up action to avoid recurrence	No follow up action to avoid recurrence	No follow up action to avoid recurrence
Audit observation	Fire safety and preventive measures could not be ensured through routine Inspection.	The authorities were not persuade to adhere to the suggestions made which could have prevented fire/reduce the extent of fire	In spite of specific provision to issue license for godown/warehouse with fire safety/preventive measure the same could not be ensured through inspections.



## Appendix-3.4

(Reference: Paragraph-3.2.8; Page- 56)

Statement showing requirement of fund as per population and as per target fixed by State Government  
for 300 days feeding and actual fund provided

(Rupees in crore)

Year	Beneficiary population	Funds required for coverage of the population as per norm(*)	Targeted beneficiary	Funds required for coverage of the targeted beneficiary as per norm(*)	Actual fund provided	Shortfall in provision	
						With respect to population (percent)	With respect to target (percent)
2002-03	5437500	163.46	2541600	76.41	44.10	119.36 (73)	32.31 (42)
2003-04	5437500	163.46	2541600	76.41	44.10	119.36 (73)	32.31 (42)
2004-05	5437500	339.46	2541600	158.67	47.65	291.81 (86)	111.02 (70)
2005-06	5437500	339.46	2541600	158.67	52.89	286.57 (84)	105.78 (67)
2006-07	5437500	339.46	2541600	158.67	47.99	291.47 (86)	110.68 (70)
Total	--	1345.30	--	628.83	236.73	1108.57 (82)	392.10 (62)

Source: worked out by audit based on departmental data.

	<u>Population</u>	<u>Target</u>	<u>Prescribed rate per day<sup>(*)</sup></u>	
			<u>upto 2003-04</u>	<u>from 2004-05</u>
1) 0-6 years ordinary malnourished 77% = 41,86,875		19,57,032	Rs.0.95 per day	Rs. 2 per day
2) 0-6 years severely malnourished 3% = 1,63,125		76,248	Rs.1.35 -do-	Rs.2.70 -do-
3) Lactating mothers and girls 20% = 10,87,500		5,08,320	Rs.1.15 -do-	Rs.2.30 -do-
	<u>54,37,500</u>	<u>25,41,600</u>		

**Appendix-3.5**  
(Reference: Paragraph 3.2.10; Page 58 )

**Year-wise beneficiary status in selected districts**

Sl. No.	Name of district	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
1	2	3	4	5	6	7	8
1	Cachar	144872	156308	161968	172138	172138	320887
2	Jorhat	68013	76384	78361	81377	84602	102996
3	Kamrup	84553	94877	92930	96721	104596	116015
4	Karbianglong	75600	75600	75600	75600	75600	76554
5	Nalbari	57031	57592	58581	58581	66665	69677
6	Sibasagar	72774	93300	93300	93300	93300	114335
7	Sonitpur	127002	135713	138521	138521	143024	191767
<b>Total</b>		<b>629845</b>	<b>689774</b>	<b>699261</b>	<b>716218</b>	<b>739925</b>	<b>992231</b>
Women		93488	99499	100188	106902	115871	253947
Average per AWC		12	13	13	14	15	32
Children:0-6		536447	590275	599676	609216	624054	738284
Average per AWC		68	75	76	77	79.29	94
Average Per AWC Women + Children		80	88	89	91	94	126

Note: 7870 AWCs of 65 projects in 7 districts

**Appendix-3.6**

(Reference: Paragraph 3.2.18; Page- 61-62 )

**Diversion of allotment without compensatory replacement**

Sl. No.	Name of the project refusing to receive the allotment	Qty. allotted (in kg)	Name of project getting the additional allotment	Qty. allotted	
				Original (Kg)	Additional (Kg)
1	2	3	4	5	6
1	Bhurbandha	3840	1. Algapur	2550	12750
2	Jogijan	7560	2. Hailakandi	2190	10950
3	Binakandi	11280	3. Katlichera	4200	21000
4	Dholpukuri	5760	4. South Hailakandi	3960	23760
5	Gauripur	8760	5. Lala	2940	17760
6	Agamani	7560	6. North Karimganj	3330	11250
7	Narasingpur	4620	7. Badarpur	3390	11250
8	Golokganj	5760			
9	Chapar	5760			
10	Mahamaja	6060			
11	Hajo	14040			
12	Rampur	16620			
13	Guwahati Urban	5100			
14	Mayong	6000			
	Total	1,08,720		22560 kg	108720 kg
1	Balipara	3750	1. Raha	458	13740
2	Binakandi	6750	2. Laharighat	400	12000
3	Kaliabar	1200	3. Kapili	336	10080
4	Rangia	10725	4. Kathiatali	458	13740
5	Chaygaon	9000	5. Juria	322	9660
6	Nalbari	2544	6. Barhampur	162	4860
7	Badarpur	828	7. Mairabari	270	8100
8	Barbhag	384	8. Lanka	144.20	4326
9	Lakhipur	4950	9. Katlichera	140	4200
10	Jaleswar	2505	10. S. Hailakandi	132	3960
11	Jamadarhat	975	11. Golaghat	304	9120
12	Majuli	7500	12. Gamariguri	99.60	2988
13	U-Majuli	7500			
14	C-Jorhat	525			
15	NW-Jorhat	2700			
16	Jala	1350			
17	Bajali	1800			
18	Pakabarbari	1965			
19	Jogijan	1890			
20	Bhabani	1155			
21	Bordoloi	6804			
22	Kakopathar	6540			
23	Amguri	1890			
24	Dhakuakhana	30			
25	Karunabari	30			
26	Dhemaji	11448			
	Total	96774			96774
1	Agamani	1050	1. Lakhipur, Goalpara		27,214
2	Golokganj	2070.90			
3	Sadia	10592.10			
4	Karunabari	600			
5	Morkongselek	8340.90			
6	Sisibargaon	4530.90			
	Total	27214.			27,214
	Grand total	2,32,708			2,32,708



**Appendix-3.7**

(Reference: Paragraph 3.2.19; Page- 62 )

**Cases of unit cost in excess of limit**

(in Rupees)

Sl No.	Ref to sanction order No. and Date	Name of the RTE item	No. of beneficiaries	No. of days	Actual expenditure		Admissible Expenditure		Excess expenditure
					Expenditure	Unit cost	Unit cost	Admissible expenditure	
1	2	3	4	5	6	7	8	9	10
1.	SWD-320/2004/17 dt.29.12.04 (SCCP 2004-05)	Milk and biscuit	1,37,360	74	2,54,92,581	2.508	2.03	20593560	4899021
2.	SWD-320/2004/16 dt.29.12.04 TSP-2004-05	-do-	52,800	74	1,00,00,000	2.559	2.03	7915987	2084013
3.	SWD-252/2002/148dt 25.11.04 Gen-2004-05	RTE	5,99,940	51	8,31,00,000	2.716	2.02	62631936	20468064
4.	SWD-252/2002/Pt/19 dt 6.10.04 Gen-2004-05	Milk and biscuit	2,07,600	57	3,00,00,000	2.535	2.03	23974063	6025937
5.	SWD-255/2002/90 Dt.7.1.05 SCCP 2004-05	RTE	65,250	51	78,00,000	2.344	2.02	6811904	988096
6.	SWD-258/2005/17 dt 11.11.05 Gen-2005-06	RTE	4,23,930	73	8,00,00,000	2.585	2.02	63348284	16651716
7.	SWD-293/2005/11 dt 7.12.05 Gen-2005-06	THR	19,70,000	7	4,39,83,495	3.190	2.08	28683200	15300295
<b>Total Excess Expenditure</b>									<b>66417142</b>

**Appendix-3.8**  
(Reference: Paragraph- 3.2.22; Page- 63 )

**Short delivery of food stuff during 2005-06**

Sl No	Name of district	No. of projects	Total quantity supplied as per DSWs record			Total qty. received by projects as per stock book and delivery challan			Qty. received short by Project Officers		
			In quintal			In quintal			In quintal		
			Rice	M. Dal	RTE	Rice	M. Dal	RTE	Rice	M. Dal	RTE
1.	Jorhat	1	643.14	156.62	--	300.56	72.88	--	342.58	83.74	--
2.	Sonitpur	8	4254.60	662.64	--	3100.11	428.43	--	1154.49	234.21	--
3.	Cachar	9	1919.95	469.57	317.68	790.79	193.12	46.20	1129.16	276.45	271.48
4.	Kamrup	6	2782.78	677.97	396.30	2188.00	532.19	236.70	594.78	145.78	159.60
5.	Sivasagar	1	457.61	111.53	----	371.83	51.80	--	85.78	59.73	--
	Total	25	10058.08	2078.33	713.98	6751.29	1278.42	282.90	3306.79	799.91	431.08
Procurement rate as per supply order issued by DSW									Rs.1700/- per qtl.	Rs.3035/- per qtl.	Rs.3700/- per qtl.
Amount involved in short supply									Rs.56.22 lakh	Rs.24.27 lakh	Rs.15.95 lakh
<b>Total</b>									<b>Rs.96.44 lakh</b>		

**Appendix-3.9**

(Reference-Paragraph-3.2.23; Page- 63 )

**Inadequate Scale of Nutrition in Karbianglong district**

Sl. No.	Name of Project	No. of beneficiaries	Date of issue	Qty. issued in kg	No. of feeding days	Unit scale in gm.
1.	Amri	4700	29.11.01	R-7238 D-1739	58	R-26.55 D-6.38
			22.11.01	R-10152 D-235	67	R-32.24 D-8.33
			1.9.03	R-14100 D-470	60	R-50.00 D-16.67
			8.12.04	R-16920 D---	60	R-60.00
			10.2.06	R-18200 D-28.67	105	R-36.88 D-5.81
2.	Chinthong	5100	11.4.02	R-8390 D-1428	47	R-35.00 D-5.96
			1.9.03	R15300 D-5100	60	R-50.00 D-16.67
			27.11.04	R-18360 D-4080	65	R-55.38 D-12.31
			8.2.06	R-30600 D-3111	105	R-57.14 D-5.81
3.	Howraghat	24400	10.8.02	R65880 D-21960	46	R-58.69 D-19.57
			9.1.05	R-73200 D-9760	60	R-50.00 D-6.67
			18.2.06	R-146400 D-14880	105	R-57.40 D-5.81
4.	Rong Khong	11100	20.11.01	R-23976 D-5550	67	R-32.24 D-7.46
			31.12.04	R-39968 D-8880	65	R-55.40 D-12.30
			26.2.06	R-66600 D-6771	105	R-57.14 D-5.81
5.	Nilip	5100	22.8.02	R-10530 D-3510	46	R-44.88 D-14.96
			8.9.03	R-15300 D-5151	60	R-50.00 D-16.83
			20.2.06	R-30600 D-3100	105	R-57.14 D-5.79
6.	Lumbarjong	5500	6.4.01	R-8470 D-2035	58	R-26.55 D-6.40
			28.8.03	R-16500 D-5500	60	R-50.00 D-16.67
			10.3.06	R-33000 D-3355	105	R-57.14 D-5.81
	Total	55900				

Source: Stock register and distribution register of CDPOs and allotment orders of Programme Officers.



**Appendix-3.10**

(Reference-Paragraph-3.2.25; Page-65 )

**A. CHILDREN LEFT UN-WEIGHED (2002-03 TO 2006-07)**

Sl. No.	Name of District	No. of projects	No. of AWC	% age children average		
				6m to 1 year	1 year to 3 years	3 years to 6 years
1	Cachar	10	953	65	67.40	74.54
2	Jorhat	3	373	55.36	53.02	60.58
3	Sivasagar	3	407	6.62	6.55	8.56
4	Nalbari	4	364	43.04	46.84	36.07
5	Kamrup	5	181	36.06	45.18	57.23
6	K. Anglong	6	563	30.87	28.59	36.95
<b>Total</b>		<b>31</b>	<b>2841</b>			

**B. Nutritional Status (Category wise) determined after children being weighed (5 years period)**

Sl. No.	Name of District	No. of projects	No. of AWC	Average percentage				
				Normal	Gr-I	Gr-II	Gr-III	Gr-IV
1.	Cachar	10	953					
			6m to 1 yr	40.56	30.11	16.63	10.84	1.86
			1 yr to 3 yrs	40.98	28.56	16.91	12.62	0.93
			3 yrs to 6 yrs	47.57	30.50	14.65	6.68	0.69
			Total Av.	<b>43.03</b>	<b>29.17</b>	<b>16.09</b>	<b>10.04</b>	<b>1.15</b>
2.	Jorhat	3	373					
			6m to 1 yr	40.19	27.12	21.69	11.00	Nil
			1 yr to 3 yrs	47.13	33.40	16.02	3.45	Nil
			3 yrs to 6 yrs	50.45	32.11	11.86	5.58	Nil
			Total Av.	<b>45.92</b>	<b>30.88</b>	<b>16.52</b>	<b>6.68</b>	--
3.	Kamrup	5	181					
			6m to 1 yr	55.66	30.47	12.94	0.93	Nil
			1 yr to 3 yrs	53.19	32.54	13.14	1.13	Nil
			3 yrs to 6 yrs	50.07	32.19	15.80	1.94	Nil
			Total Av.	<b>52.97</b>	<b>31.73</b>	<b>13.96</b>	<b>1.33</b>	--
4.	Nalbari	4	364					
			6m to 1 yr	63.93	24.18	9.33	2.56	Nil
			1 yr to 3 yrs	62.18	24.85	10.49	2.48	Nil
			3 yrs to 6 yrs	62.92	24.16	10.51	2.41	Nil
			Total Av.	<b>63.01</b>	<b>24.40</b>	<b>10.11</b>	<b>2.48</b>	--
5.	K. Anglong	6	563					
			6m to 1 yr	24.00	38.40	37.60	Nil	Nil
			1 yr to 3 yrs	26.80	33.98	39.22	Nil	Nil
			3 yrs to 6 yrs	23.92	33.94	42.14	Nil	Nil
			Total Av.	<b>24.90</b>	<b>35.44</b>	<b>39.65</b>	--	--
6.	Sivasagar	3	407					
			6m to 1 yr	51.57	31.93	16.50	Nil	Nil
			1 yr to 3 yrs	55.12	25.24	12.45	7.19	Nil
			3 yrs to 6 yrs	55.31	29.04	15.65	Nil	Nil
			Total Av.	<b>54.00</b>	<b>28.74</b>	<b>14.87</b>	<b>7.19</b>	--

**Appendix-3.11**

(Reference: Paragraph-3.5.8; Page- 97 )

**Statement showing requirement and supply of some important items of medicines in health care units between 2004-05 and 2006-07**

(Figures in lakh)

(Figures in bracket indicate percentage:26)

Name of the medicines	2004-05			2005-2006			2006-2007		
	Require ment	Procure ment	Shortfall	Require ment	Procure ment	Shortfall	Require ment	Procure ment	Shortfall
1. Nimisalide 100mg	244.10	42.50	201.60 (83)	384.60	51.50	333.10 (87)	402.75	28.86	373.89 (93)
2. Trinidazole 300 mg	41.00	22.00	19.00 (46)	35.70	18.00	17.70 (50)	36.10	7.00	29.10 (81)
3. Tab.Ciprofloxacin 500 mg	198.20	28.37	169.83 (86)	228.55	50.65	177.90 (78)	337.60	39.05	298.55 (89)
4. Tab.Ciprofloxacin 250 mg	106.10	32.20	73.90 (70)	155.90	57.25	98.65 (63)	243.10	41.30	201.80 (83)
5. Norfloxacin 400 mg	106.00	31.00	75.00 (71)	178.70	24.10	154.60 (87)	239.75	30.43	209.32 (87)
6.Ranitidine 150 mg	255.80	44.76	211.04 (83)	361.18	35.00	326.18 (90)	364.36	NIL	364.36 (100)
7. Ciprofloxacin TZ	34.40	13.94	20.46 (59)	10.57	9.99	0.58 (5)	214.90	NIL	214.90 (100)
8. Cephalaxine 250 mg	157.10	21.74	135.36 (86)	153.50	27.40	126.10 (82)	225.30	19.60	205.70 (91)
9. Erythromycine 250 mg	125.30	4.08	121.22 (97)	61.20	NIL	61.20 (100)	63.60	NIL	63.60 (100)
10.Cap.Ampicillin 250 mg	95.00	4.67	90.33 (95)	145.70	20.38	125.32 (86)	194.95	26.25	168.70 (87)
11.Tetracycline 250 mg	--	--	--	90.60	NIL	90.60 (100)	48.50	NIL	48.50 (100)
12.Doxycycline 200 mg	--	--	--	--	--	--	14.15	NIL	14.15 (100)
13. Ampicillin 500 mg	193.40	11.50	181.90 (94)	202.15	8.50	193.65 (96)	284.00	21.50	262.50 (93)

**Appendix-3.12**

(Reference: Paragraph-3.5.9.3; Page- 99 )

**Statement showing details of avoidable expenditure**

(Rupees in lakh)

Name of purchaser	Name of the medicines	Quantity procured	Rate of procurement (per 1000)	ASIDC Rate (per 1000)	Difference of rates (per 1000)	Avoidable expenditure	AGST/VAT	Total
DHS, Assam	Tab Albendazole 400	86,57,730	Rs.3850	Rs 1,459.55	Rs.2390.45	206.96	14.94 <sup>1</sup>	221.90
	Tab Norfloxacin Tinidazole (400+ 600)	61,89,500	Rs.3300	Rs 2,200	Rs 1,100	68.08	5.99 <sup>2</sup>	74.07
Superintendent Guwahati Medical College & Hospital	Tab Norfloxacin Tinidazole	4,06,000	Rs.3300	Rs 2,200	Rs 1,100	4.47	0.34 <sup>3</sup>	4.81
						279.51	21.27	300.78
Less ASIDC <sup>4</sup> commission payable								13.57
Total avoidable expenditure								287.21

<sup>1</sup> AGST @ 8.8% on Rs. 90.22 lakh= Rs.7.94 lakh.  
VAT @ 6% on Rs.116.74 lakh= Rs.7.00 lakh  
**Total: Rs.206.96 lakh Rs.14.94 lakh.**

<sup>2</sup> AGST @ 8.8% on Rs.68.08 lakh= Rs.5.99 lakh

<sup>3</sup> AGST @ 8.8% on Rs. 2.78 lakh= Rs.0.24 lakh  
VAT @ 6% on Rs.1.69 lakh= Rs.0.10 lakh  
**Total: Rs.4.47 lakh Rs.0.34 lakh**

<sup>4</sup> ASIDC Commission payable on Rs.271.46 lakh @ 5 percent Rs.13.57 lakh



**Appendix-3.13**

(Reference: Paragraph-3.5.9.4; Page- 99 )

**Statement showing the excess expenditure**

Procured by	Name of Medicines	Quantity	Period of supply	Purchase rates (500 ml. bottles)	Approved rates	Difference of rates	Excess expenditure (Rs. in lakh)
Superintendent, GMCH& AMCH, Guwahati	Inj. Dextrose 5%	2,85,516	2004-07	Rs.16.50	Rs.12.40	Rs.4.10	11.71
	Inj DNS	2,99,696	2004-07	Rs.16.50	Rs.12.40	Rs.4.10	12.29
	Inj NS	2,84,464	2004-07	Rs.16.50	Rs.12.40	Rs.4.10	11.66
	Inj Ringer Lactate	2,06,003	2005-07	Rs.19.40	Rs.14.80	Rs.4.60	9.48
<b>Total excess expenditure</b>							<b>45.14</b>

## Appendix-3.14

(Reference: Paragraph-3.5.10; Page- 101)

## Statement of avoidable interest payment

Case reference	Period of filing cases	Original amount payable (Rs in lakh)	Total payable (Assessed as per latest court order)	Reference to court order	(Rs. in lakh)
					Avoidable payment of interest
187/93	1993	20.10	193.94 (20.10+ 173.84)	Supreme court order dt. 10.7.05	173.84 (already paid)
183/93, 190/93, 241-248/93, 28/94, 64/94, 66/94, and 183-190/94	1993 & 1994	34.41	293.44 (34.41+259.03)	Gauhati High court order dt. 28.2.05	259.03 (Payable)

**Appendix-3.15**

(Reference: Paragraph-3.5.11.3; Page- 103)

**STATEMENT SHOWING REQUIREMENT AND SUPPLY OF MEDICINES TO THE TEST CHECKED DISTRICTS  
DURING THE PERIOD 2004-05 TO 2006-07**

(Figures in lakh)

(Figures in bracket indicate percentage)

Name of the medicines	2004-05			2005-2006			2006-2007		
	Require- ment	Medicines supplied	Shortfall	Require- ment	Medicines supplied	Shortfall	Require- ment	Medicines supplied	Shortfall
1. Tinidazole 300 mg	77.00	14.90	62.10 (80)	51.00	18.50	32.50(64)	49.26	13.75	35.51(72)
2. Ciprofloxacin 250 mg	80.80	15.78	65.02 (80)	149.00	18.55	130.45 (88)	101.90	20.25	81.65 (80)
3. Norfloxacin 400	61.00	10.14	50.86 (83)	40.50	4.85	35.65 (88)	47.16	16.12	31.04 (66)
4. Rantidine 150 mg	81.00	13.22	67.78 (84)	95.00	6.84	88.16 (93)	64.169	NIL	64.16 (100)
5. Ciprofloxacin TZ	49.00	2.70	46.30 (94)	39.50	2.74	36.76 (93)	52.29	0.20	52.09 (99)
6. Cephalexin 250 mg	42.00	4.79	37.21 (89)	56.00	6.68	49.32 (88)	46.95	7.08	39.87 (85)
7. Erythromycin 250 mg	68.50	5.93	62.57 (91)	69.40	0.84	68.56 (99)	81.95	3.45	78.50 (96)
8. Ofloxacin 200 mg	84.00	9.87	74.13 (88)	128.00	15.30	112.70 (88)	109.78	19.08	90.70 (83)
9. Ampicillin 250 mg	36.00	6.87	29.13 (81)	53.00	4.60	48.40 (91)	40.29	7.22	33.07 (82)
10. Ampicillin 500 mg	54.00	0.60	53.40 (99)	57.00	0.10	56.90 (99)	45.95	4.55	41.40 (90)
11. Tetracycline 250 mg	26.60	6.45	20.15 (76)	32.20	0.90	31.30 (97)	39.95	3.40	36.55 (91)
12. Doxycycline 200 mg	18.60	4.66	13.94 (75)	20.00	0.21	19.79 (99)	32.12	0.70	31.42 (98)
13. Nimesulide 100mg	66.50	10.27	56.23 (85)	53.00	10.73	42.27 (80)	59.32	12.59	46.73 (79)



**Appendix-3.16**

(Reference: Paragraph-3.5.11.3; Page-103)

**Statement showing the period during which the health care units remained without important medicines**

Name of the district of PHC, CHC	Name of the medicines	Quantity received	Date	Quantity issued	Date on which stock found Nil	Date of subsequent receipt	The Centre running with out medicine (month/days)
1	2	3	4	5	6	7	8
<b>Kamrup District</b>							
(i) Chhay gaon PHC	Tab. Norflox TZ	900	9-4-05	900	12-4-05	16-7-05	3 months
(ii) Sonapur PHC	Tab. Cephalaxin 250	1000	3-6-05	1000	15-6-05	23-11-05	5 months
	Tab. Ciprofloxacin 500	2000	29-6-05	2000	18-7-05	21-9-05	2 months
<b>Dibrugarh District</b>							
(i) Tanghakhat PHC	Cap. Ampicillin 250	300	1-3-05	300	4-3-05	5-8-05	5 months
	Cap. Amoxycillin 250	2000	17-11-05	2000	10-12-05	5-4-06	3m 25 days
	Tab. Cephalexin 250	1500	17-11-05	1500	29-11-05	31-7-06	8 months
	Norflox 400	2000	2-5-05	2000	30-5-05	10-1-06	7 months
(ii) Rajgarh PHC	Tab. Ciprofloxacin 500	3000	23-11-05	3000	30-12-05	5-4-06	3 months
	Cap. Doxy Cycline 250	500	01-4-05	500	30-4-05	18-7-05	2 m. 18 days
	Cap. Amoxycillin 250	500	18-7-05	500	28-8-05	30-11-05	3 months
	Tab. Cephalexin 250	1000	23-11-05	1000	23-12-06	7-9-06	8. months 15 days
(iii) Naharkatia CHC	Cap. Ampicillin 500	1000	25-9-06	1000	20-10-06	7-2-07	3 m. 20 days
	Cap. Amoxycillin 250	1000	25-9-06	1000	20-12-06	7-2-07	1 m. 10 days
(iv) Khowang PHC	Cap. Ampicillin 500	1000	28-8-06	1000	10-09-06	Not received up to 3/07	6. m. 20 days
	Tab. Ciprofloxacin 500	10,650	7-2-06 to 5-8-06	10,650	15-11-06	Not received up to 3/07	4. m. 15 days
(v) Lahool PHC	Tab. Ciprofloxacin	2000	23-8-06	2000	7-10-06	Not received up to 3/07	5 m 24 days
	Tab. Cephalexin 250	1000	3-10-06	1000	21-12-06	28-2-07	2 m. 9 days

**Appendix-3.16 (Continued)**

1	2	3	4	5	6	7	8
<b>Nalbari district</b>							
(i) Kamarkuchi PHC	Norflox TZ	1000	19-9-06	1000	29-9-06	9-2-07	4 m. 11days
	Ciprofloxacin 250	1000	19-9-06	1000	29-9-06	9-2-07	4 m. 11days
(ii) Mukalmua PHC	Norflox 400	1800	21-10-05	1800	6-11-05	28-3-06	4m 20 days
	Ciprofloxacin 250	2000	5-1-05	2000	21-1-05	4-5-05	3.m. 15 days
(iii) Tamulpur PHC	Norfolk 400	1000	10-12-05	1000	21-12-05	8-2-06	1 m.18 days
	Nimisulide 100	1000	12-3-05	1000	23-3-05	14-5-05	2 m.29 days
<b>Cachar District</b>							
(i) Dhalai PHC	Cap. Ampicillin 250	1000	16-9-06	1000	4-10-06	Not supplied up to 3/07	5 m. 28 days
	Tab. Ciprofloxacin 250	1000	23-11-06	1000	16-12-06	6-2-07	1 m.21 days
(ii) Kalain CHC	Tab. Ciprofloxacin 250	1000	8-11-05	1000	18-12-05	18-3-06	1 m. 21 days
	Norflox 400	3000	23-11-06	3000	28-12-06	Not supplied up to 3/07	3 m. 3 days
(iii) Borkhola PHC	Cap. Amoxcillin 250	2000	1-10-05	2000	2-11-05	22-2-07	3 m.3 days
	Tab. Ciprofloxacin 250	1000	28-11-06	1000	29-12-06	22-2-07	1 m. 24 days
(iv) Jalalpur PHC	Cap. Amoxycillin 500	1500	21-9-06	1500	30-10-06	Not supplied up to 3/07	3 m. 1 day
	Tab Cephalexin 125	3000	21-9-06	3000	10-11-06	Not supplied up to 3/07	4 m. 21 days

## Appendix-3.17

(Reference: Para 3.6.10.4; Page 114)

## Statement showing inordinate delay in release of scholarships in respect of Schedule Caste &amp; Tribe

Year of release by the Department	Name of ITDP to whom funds released	Year to which the scholarship money was related and the amount (Rs in lakh)									Extent of delay (Years)
		1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	Total 1996-04	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
<b>Schedule Caste</b>											
2003-04	Mongaldoi			--	--	9.69	--	--			3 Yrs.
	Golaghat			--	--	4.82	--	--			3 yrs
2004-05	Mongaldoi			--	--	1.77					4 yrs
	Golaghat			--	--	--	--	3.99			2 yrs
	K. Anglong			--	0.17	--	--	--			5 yrs
<b>Total for SCs</b>				-	0.17	16.28		3.99		20.44	
<b>Scheduled Tribes</b>											
2002-03	Mongaldoi			2.27	3.11	-	-	-			3-4 yrs
2003-04	Kamrup	-	2.75	5.53	12.29	13.72	39.85	2.42			1-6 yrs
	Golaghat				1.60		6.55	20.91			1-4 yrs
	K. Anglong	-	-	2.86	8.94	3.03	11.57				2-5 yrs
2004-05	Kamrup	-	-	-	-	3.91	3.95	6.04			2-4 yrs
	Mongaldoi	-	-	-	-	-	-	1.02			2 yrs
	K. Anglong	-	-	-	-	2.60	-	1.27			2-4 yrs
2005-06	Kamrup	-	-	-	-	0.08	8.67	7.02	42.80		1-4 yrs
	Golaghat	-	-	-	-	-	0.62	1.43	9.63		2-4 yrs
	Mongaldoi	-	-	-	-	-	15.40	17.70	1.75		2-4 yrs
	K. Anglong	-	-	-	-	-	-	-	18.33		2 Yrs
2006-07	Kamrup	-	-	-	-	-	-	4.72	12.57		2-3 Yrs
	Karbi Anglong	-	-	-	-	-	-	-	5.64		2 Yrs
	Kokrajhar	-	-	-	-	-	-	-	12.34		2 Yrs
	Golaghat	-	-	-	-	-	-	-	9.09		2 Yrs
	Morigaon	-	-	-	-	-	-	7.09	10.19		2-3 Yrs
<b>Total</b>			2.75	10.66	25.94	23.34	86.61	69.62	122.34	341.26	
<b>Grand total (Scheduled Caste and Scheduled Tribes)</b>										<b>361.70</b>	



**Appendix-3.18**  
(Reference: Para 3.6.10.5; Page 114 )

**Retention of undisbursed scholarship**

(A) Yearwise position of retention of undisbursed scholarships by 13 institutions<sup>5</sup> during 2002-07 with percentage of retention  
(Rupees in lakh)

Year	Fund received		Fund disbursed		Amount retained by Institutions		Percentage of retention of unspent amount	
	SC	ST	SC	ST	SC	ST	SC	ST
2002-03	9.78	4.37	7.52	3.59	2.26	0.78	23	18
2003-04	5.25	6.65	4.36	5.42	0.89	1.23	17	18
2004-05	6.30	7.33	4.62	5.74	1.68	1.59	27	22
2005-06	14.07	20.44	8.63	16.98	5.44	3.46	39	17
2006-07	2.86	14.06	2.43	13.65	0.43	0.41	15	3
Total	38.26	52.85	27.56	45.38	10.70	7.47		
<b>Grand Total</b>	<b>91.11</b>		<b>72.94</b>		<b>18.17</b>		<b>20</b>	

(B) Refunded amount retained by six ITDPs<sup>6</sup> (Rupees in lakh)

Year	Amount		Total
	SC	ST	
2002-03	0.72	0.52	1.24
2003-04	-	0.20	0.20
2004-05	2.25	2.01	4.26
2005-06	1.20	6.47	7.67
2006-07	-	1.39	1.39
<b>Total</b>	<b>4.17</b>	<b>10.59</b>	<b>14.76</b>

**Grand Total (A+B) = 32.93 (18.17 + 14.76) lakh**

<sup>5</sup> **Name of institutions** : Handique Girls College, Pragjyotish College, H C Das Commerce College, Nagaon Girls College, Nagaon Polytechnic, Dhing College Hojai College, Raha College, Kokrajhar College, Basugaon College, Siphajhar College, Mongaldoi Girls College and Diphu College

<sup>6</sup> **Name of ITDPs**: Kamrup, Kokrajhar, Golaghat, Gossaigaon, Darrang and North Lakhimpur

**Appendix-3.19**

(Reference: Para 3.6.13; Page 116 )

**Name of the Scheme: - Grants-in-Aid to Voluntary Organizations working for the SCs and STs**  
**(Project relating to residential and non-residential Schools and Hostels.)**

(Rupees in lakh)

Year	No. of voluntary organizations assisted under the scheme and of a) Residential Schools b) Non-residential Schools c) Hostels	Total amount of financial assistance provided by		Actual expenditure	Total no. of Students class-wise	
		Union	State		Boys	Girls
2002-03	a) 1	17.62	---	5.49	101	39
	b) 5	32.20	---	37.24	515	329
	c) 3	7.55	---	16.76	167	---
2003-04	a) 1	---	---	---	101	39
	b) 5	17.62	---	23.08	396	316
	c) 3	17.86	---	16.48	189	---
2004-05	a) 1	17.62	---	10.39	76	68
	b) 5	17.62	---	31.09	372	278
	c) 3	3.10	---	12.58	190	---
2005-06	a) 1	17.62	---	4.50	71	52
	b) 5	17.62	---	30.48	292	267
	c) 3	15.83	---	11.87	187	---
2006-07	a) 1	---	---	---	---	---
	b) 3	12.00	---	26.08	293	262
	c) 2	3.08	---	11.97	87	---
<b>Grand Total</b>		<b>175.07</b>	<b>---</b>	<b>238.02</b>		



**Appendix-4.1**

(Reference: Paragraph-4.1.1; Page- 123)

**Statement showing the Procurement, Distribution, Short/Non-receipt of rice & value thereof**

Sl. No.	Procured by DC		Issued by DC		Date of issue	Actual receipt by the Circle	Short/Non receipt of rice (In Quintals)	Rate per Qtl.	Value of Short / Non-receipt (In rupees)
	Agency by whom	Quantity (In Quintals)	To whom issued (Circle)	Quantity shown issued (In Quintals)					
1	2	3	4	5	6	7	8	9	10
A.	Nowgong Wholesale-Consumers' Co-Op. Store Ltd.	3000.00	i) Sadar Circle	1757.37	21/7/04 to	818.14	939.23	@	Rs.20,06,659.50
			ii) Rupahi "	616.32	23/7/04	Nil	616.32	Rs.1290/	
			iii) Dhing "	626.31	22/7/04	626.31	Nil	=	
					22/7/04				
	<b>Sub Total (A)</b>	<b>3000.00</b>	--	<b>3000.00</b>	--	<b>1444.45</b>	<b>1555.55</b>	--	<b>Say Rs.20.07 lakh</b>
B.	Zilla Parishad, Nagaon	4230.83	iv) Raha/Kampur	3000.00	20/7/04	-	3000.00	@	Rs.25,86,000.00
			v) Raha	744.77	2/8/04 &	744.77	-	Rs.862/=	
			vi) Dhing	49.00	9/8/04	49.00	-		
			vii) Samaguri	17.06	2/8/04	17.06	-		
			viii) Sadar	420.00	8/8/04	420.00	-		
					8/8/04				
	<b>Sub Total (B)</b>	<b>4230.83</b>	--	<b>4230.83</b>	--	<b>1230.83</b>	<b>3000.00</b>	--	<b>Say Rs.25.86 lakh</b>
C.	Nowgong Wholesale Consumers' Co-Op. Store Ltd.	6123.70	ix) Sadar	716.44	17/10/04	-	716.44	@	Rs.6,17,743.68
			x) Raha	2080.00	-do-	2080.00	-	Rs.862/=	
			xi) Kampur	3326.00	-do-	3326.00	-		
			xii) Samaguri	1.26	-do-	1.26	-		
	<b>Sub Total (C)</b>	<b>6123.70</b>	--	<b>6123.70</b>	--	<b>5407.26</b>	<b>716.44</b>	--	<b>Say Rs.6.18 lakh</b>
<b>Grand Total</b>		<b>13,354.53</b>	--	<b>13354.53</b>	--	<b>8082.54</b>	<b>5271.99</b>	--	<b>Rs.52.11 lakh</b>



## Appendix-4.2

(Reference: Paragraph-4.1.2; Page- 124)

Statement showing the pay and allowances in respect of Habildar, Naik,  
Lance Naik and Constable of 3<sup>rd</sup> Assam Police Battalion, Titabor  
drawn in excess and misappropriated

Sl. No.	Year	Gross amount as per treasury bills/VLC/Bill Register	Gross amount based on Man- in-Position	Excess amount drawn
1.	2000-01	8,76,89,619.00	6,80,44,563.00	1,96,45,056.00
2.	2001-02	9,57,91,299.00	7,16,72,422.00	2,41,18,877.00
3.	2002-03	9,68,93,087.00	6,96,76,954.00	2,72,16,133.00
4.	2003-04	10,05,05,714.00	6,69,39,162.00	3,35,66,552.00
5.	2004-05	10,54,58,322.00	6,59,78,536.00	3,94,79,786.00
6.	2005-06	11,01,24,822.00	7,24,01,042.00	3,77,23,780.00
7.	2006-07 (upto 6/2006)	2,79,37,050.00	1,89,41,386.00	89,95,664.00
Grand Total		62,43,99,913.00	43,36,54,064.00	19,07,45,848.00

(Based on drawal as per Treasury records and cash book and Bill Register of the Battalion)

**Appendix-4.3**

(Reference: Paragraph-4.1.3; Page-125)

**Statement showing excess transfer of bitumen over CE's allotment**

Sl. No.	Name of the consignee divisions	Date of allotment order	Allotment of bitumen made by CE (MT)	Actual quantity of bitumen transferred (MT)	Quantity of bitumen transferred in excess of allotment (MT)	Rate per Mt	Value of the excess bitumen transferred without allotment
1	2	3	4	5	6	7	8
1.	Bongaigaon Road Division	26-06-2003	15.00	34.463	19.463	Rs.17, 987.19	Rs. 3, 50,085/-
2.	RIDF-II Division, Guwahati	26-06-2003	15.00	52.585	37.585	Rs.17, 987.19	Rs. 6, 76,049/-
		16-02-2004	12.00	13.268	1.268	Rs.18, 822.16	Rs. 23, 866/-
3.	Jorhat East Road Division	26-06-2003	20.00	33.978	13.978	Rs.17, 987.19	Rs. 2, 51,425/-
4.	Jorhat West Road Division	26-06-2003	20.00	29.124	9.124	Rs.17, 987.19	Rs. 1, 64,115/-
5.	Guwahati City I Division	26-06-2003	20.00	38.257	18.257	Rs.17, 987.19	Rs. 3, 28,392/-
		16-02-2004	12.00	46.922	34.922	Rs.18, 822.16	Rs. 6, 57,307/-
6.	Guwahati City II Division	26-06-2003	20.00	72.325	52.325	Rs.17, 987.19	Rs. 9, 41,180/-
		16-02-2004	12.00	42.097	30.097	Rs.18, 822.16	Rs. 5, 66,491/-
7.	Guwahati City III Division	26-06-2003	15.00	31.066	16.066	Rs.17, 987.19	Rs. 2, 88,982/-
		16-02-2004	12.00	45.037	33.037	Rs.18, 822.16	Rs. 6, 21,828/-
8.	N.K. Division, Nalbari	26-06-2003	15.00	44.371	29.37	Rs.17, 987.19	Rs. 5, 28,284/-
		26-06-2003	15.00	23.461	8.461	Rs.18, 822.16	Rs. 1, 59,254/-
9.	N. Lakhimpur Division	26-06-2003	30.00	40.524	10.524	Rs.17, 987.19	Rs. 1, 89,297/-
10.	Nagaon West Road Division	26-06-2003	15.00	25.962	10.962	Rs.17, 987.19	Rs. 1, 97,176/-
		16-02-2004	13.00	24.270	11.27	Rs.18, 822.16	Rs. 2, 12,126/-
11.	Karimganj Road Division	26-06-2003	10.00	36.405	26.405	Rs.17, 987.19	Rs. 4, 74,952/-

**Appendix-4.3 (Concluded)**

1	2	3	4	5	6	7	8
12.	Silchar Road Division	26-06-2003	20.00	33.978	13.978	Rs.17, 987.19	Rs. 2, 51,425/-
		16-02-2004	14.562	39.641	25.079	Rs.18, 822.16	Rs. 4, 72,041/-
13.	Chariali Road Division	26-06-2003	10.00	30.742	20.742	Rs.17, 987.19	Rs. 3, 73,090/-
14.	Sibsagar Road Division	26-06-2003	20.00	30.742	10.742	Rs.17, 987.19	Rs. 1, 93,218/-
		16-02-2004	15.00	27.182	12.182	Rs.18, 822.16	Rs. 2, 29,292/-
15.	PCC Division, Dispur	NIL	No allotment made	4.045	4.045	Rs.17, 987.19	Rs. 72,758/-
		NIL	No allotment made	1.618	1.618	Rs.18, 822.16	Rs. 30, 454/-
16.	Charaideo Road Division	26-06-2003	15.00	48.814	33.814	Rs.17, 987.19	Rs. 6, 08,219/-
		16-02-2004	15.00	34.623	19.623	Rs.18, 822.16	Rs. 3, 69,347/-
17.	Hailakandi Road Division	26-06-2003	10.00	15.856	5.856	Rs.17, 987.19	Rs. 1, 05,333/-
		16-02-2004	15.00	26.212	11.212	Rs.18, 822.16	Rs. 2, 11,034/-
18.	Goalpara Road Division	26-06-2003	15.00	26.286	11.286	Rs.17, 987.19	Rs. 2, 03,003/-
		16-02-2004	12.00	25.562	13.562	Rs.18, 822.16	Rs. 2, 55,266/-
19.	Guwahati Road Division	26-06-2003	30.00	154.629	124.629	Rs.17, 987.19	Rs. 22, 41,726/-
		16-02-2004	30.00	70.870	40.870	Rs.18, 822.16	Rs. 7, 69,262/-
20.	Dibrugarh Road Division	26-06-2003	15.00	25.883	10.883	Rs.18, 822.16	Rs. 2, 04,842/-
21.	Barpeta Road Division	26-06-2003	15.00	25.562	10.562	Rs.18, 822.16	Rs. 1, 98,800/-
22.	Kaliabor Road Division	16-02-2004	12.00	25.888	13.888	Rs.18, 822.16	Rs. 2, 61,402/-
23.	Bokakhat Road Division	16-02-2004	12.00	22.973	10.973	Rs.18, 822.16	Rs. 2, 06,536/-
<b>Total:-</b>			<b>546.562</b>	<b>1305.221</b>	<b>758.659</b>		<b>Rs.1,38,37,857/-</b>



#### Appendix-4.4

(Reference: Paragraph-4.1.3; Page- 125)

#### Statement showing short receipt of bitumen

Sl. No.	Name of the consignee division	Actual quantity of bitumen despatched from Guwahati Rural Road Division (MT)	Total quantity received by the consignee division (MT)	Short receipt by the consignee division (MT)	Rate per MT	Value of short receipt of bitumen by the consignee division
1	2	3	5	6	7	8
1	EE, PWD, Silchar Road Division	33.978	16.18	17.798	Rs.17, 987.19	Rs.3, 20,136/-
		39.641	14.562	25.079	Rs.18, 822.16	Rs.4, 72,041/-
2	EE, PWD, N.L. Road Division	40.524	29.124	11.4	Rs.17, 987.19	Rs.2, 05,054/-
3	EE, PWD, Jorhat West Road Division	29.124	19.416	9.708	Rs.17, 987.19	Rs.1, 74,620/-
4	EE, PWD, Jorhat East Road Division	33.978	24.27	9.708	Rs.17, 987.19	Rs.1, 74,620/-
5	EE, PWD, Nagaon West Road Division	25.962	14.562	11.4	Rs.17, 987.19	Rs.2, 05,054/-
		24.270	12.944	11.326	Rs.18, 822.16	Rs.2, 13,180/-
6	EE, PWD, Goalpara Road Division	26.286	14.886	11.4	Rs.17, 987.19	Rs.2, 05,054/-
		25.562	14.562	11.00	Rs.18, 822.16	Rs.2, 07,044/-
7	EE, PWD, Bokakhat Road Division	22.973	11.00	11.973	Rs.18, 822.16	Rs.2, 25,358/-
8	EE, PWD, Charaideo Road Division	48.814	25.888	22.926	Rs.17, 987.19	Rs.4, 12,374/-
		34.623	11.326	23.297	Rs.18, 822.16	Rs.4, 38,500/-
9	EE, PWD, Karimganj Road Division	36.405	24.270	12.135	Rs.17, 987.19	Rs.2, 18,275/-
10	EE, PWD, Sivasagar Road Division	30.742	17.798	12.944	Rs.17, 987.19	Rs.2, 32,826/-
		27.182	14.562	12.620	Rs.18, 822.16	Rs.2, 37,536/-
11	EE, PWD, Chariali Road Division	30.742	9.708	21.034	Rs.17, 987.19	Rs.3, 78,343/-
12	EE, PWD, Kaliabor Road Division	25.888	11.326	14.562	Rs.18, 822.16	Rs.2, 74,088/-
13	EE, PWD, Guwahati City-III-Division	31.066	14.886	16.18	Rs.17, 987.19	Rs.2, 91,033/-
		45.037	11.326	33.711	Rs.18, 822.16	Rs.6, 34,514/-
<b>Total</b>		<b>612.797</b>	<b>312.596</b>	<b>300.201</b>	<b>--</b>	<b>Rs.55,19,650/-</b>

**Appendix-4.5**

(Reference: Paragraph-4.2.1; Page- 126)

**Statement showing details of excess expenditure**

Sl No.	Name of the item	Quantity procured	Rate at which procured	Market rate	Difference	Excess expenditure
(In Rupees)						
1	Plastic bucket 10 litres	219	350	100	250	54,750
2	Visitor's chair (Plastic)	3250	526	260	266	8,64,500
3	Water filter with stand.	219	2500	745	1755	3,84,345
4	Slate	7665	35	30	5	38,325
5	Clay Pencil	7665 box	20	3	17	1,30,305
6	White Board	219	7500	1270	6230	13,64,370
7	Plastic table	219	2500	850	1650	3,61,350
8	Colour TV 21 inch (TCL)	219	15666	7190	8476	18,56,244
9	DVD (TCL)	219	7599	4290	3309	7,24,671
<b>Total</b>						<b>57,78,860</b>



**Appendix-4.6**

(Reference: Paragraph-4.3.1; Page- 131)

**Statement showing interest recoverable on the outstanding mobilisation advance**

(Amount in Rupees)

Bill number	Date of payment	Value of the bills	Amount of MA adjusted	Balance M.A	Interest payable for the days	Interest due
Bill for MA	29-5-2003	3,35,76,000	--	3,35,76,000	29-5-2003 to 8-8-2003=72	662321
Bill for MA	8-8-2003	83,94,000	--	4,19,70,000	9-8-2003 to 30-9-2003=53	609427
1 <sup>st</sup> RA	30-9-2003	80,05,863	20,98,500	3,98,71,500	31-9-2003 to 31-10-2003=32	349558
2 <sup>nd</sup> RA	31-10-2003	80,42,323	20,98,500	3,77,73,000	1-11-2003 to 30-11-2003=30	310463
3 <sup>rd</sup> RA	30-11-2003	85,01,510	20,98,500	3,56,74,500	1-12-2003 to 31-12-2003=31	302989
4 <sup>th</sup> RA	31-12-2003	1,41,58,031	20,98,500	3,35,76,000	1-1-2004 to 31-1-2004=31	285166
5 <sup>th</sup> RA	31-1-2004	1,85,44,234	20,98,500	3,14,77,500	1-2-2004 to 29-2-2004=29	250095
6 <sup>th</sup> RA	29-2-2004	1,09,53,022	20,98,500	2,93,79,000	1-3-2004 to 29-3-2004=29	233422
7 <sup>th</sup> RA	29-3-2004	67,06,025	20,98,500	2,72,80,500	30-3-2004 to 31-5-2004=63	470869
8 <sup>th</sup> & 9 <sup>th</sup> RA	31-05-2004	78,77,784	20,98,500	2,51,82,000	1-6-2004 to 31-8-2004=92	634724
10 <sup>th</sup> , 11 <sup>th</sup> & 12 <sup>th</sup> RA	31-08-2004	63,57,615	20,98,500	2,30,83,500	1-9-2004 to 30-9-2004=30	189727
13 <sup>th</sup> RA	30-9-2004	53,37,478	20,98,500	2,09,85,000	1-10-2004 to 31-10-2004=31	178229
14 <sup>th</sup> RA	31-10-2004	38,99,714	20,98,500	1,88,86,500	1-11-2004 to 30-11-2004=30	155231
15 <sup>th</sup> RA	30-11-2004	58,05,746	20,98,500	1,67,88,000	1-12-2004 to 31-12-2004=31	142583
16 <sup>th</sup> RA	31-12-2004	43,31,215	20,98,500	1,46,89,500	1-1-2005 to 10-1-2005=10	40245
17 <sup>th</sup> RA	10-01-2005	60,32,974	20,98,500	1,25,91,000	11-01-2005 to 28-2-2005=48	165580
18 <sup>th</sup> RA	28-2-2005	69,74,989	20,98,500	1,04,92,500	01-03-2005 to 31-3-2005=31	89114
19 <sup>th</sup> RA	31-3-2005	78,01,226	20,98,500	83,94,000	01-04-2005 to 30-4-2005=30	68992
20 <sup>th</sup> RA	30-4-2005	43,59,504	20,98,500	62,95,500	1-5-2005 to 30-6-2005=61	1,05,212
21 <sup>st</sup> & 22 <sup>nd</sup>	30-6-2005	1,37,15,178	20,98,500	41,97,000	1-7-2005 to 31-7-2005=31	35,646
23 <sup>rd</sup> RA	31-7-2005	1,19,62,565	20,98,500	20,98,500	1-8-2005 to 31-8-2005=31	17,823
24 <sup>th</sup> RA	31-8-2005	38,19,968	20,98,500	--	--	--
25 <sup>th</sup> RA	30-9-2005	1,59,51,905	--	--	--	--
26 <sup>th</sup> RA	31-10-2005	1,39,08,689	--	--	--	--
<b>Total</b>						<b>52,97,416</b>



**Appendix-4.7**

(Reference: Paragraph-4.3.4; Page 134)

**Statement showing the details of avoidable expenditure**

Sl. No.	Name of the items	Quantity procured	Period of purchase	Amount paid to the firm (Rs)	Period of payment	Amount payable at wholesale rate (Rs)	Avoidable expenditure (Rs) (5-7)
1	2	3	4	5	6	7	8
1.	Hunting Boots	39734	25-5-2005 & 28-7-2005	1,06,70,069	22-8-2005 & 18-2-2006	82,67,453	24,02,616
2.	Brown Canvass Shoes	86242	21-5-2005 & 31-7-2005.	77,60,917	24-10-2005 & 21-3-2006	64,56,939	13,03,978
<b>Total: -</b>							<b>37,06,594</b>

**Appendix-4.8**

(Reference Paragraph-4.3.12 Page 141)

**Statement showing avoidable extra expenditure of interest and other charges due to non payment of dues in time**

(Rupees in lakh)

Department/ Division	Particulars of work	Year of contract	Name of contractor	Amount claimed	Amount paid	Balance amount	Final payment including Court's decree	Extra expenditure
Guwahati Irrigation Division	Supply of rigid polyvinyl chloride pipes	September 1991 to February 1992	M/s Luit Asian Plastics (P) Limited	71.24	21.55	49.69	446.99	397.30
Rangia PWD Rural Road Division	Supply of RCC Hume Pipes	March 1994 to March 1995	M/s Maheswari Industries	14.89	2.25	12.64	69.99	57.35
Barpathar PWD Road Division	Construction of RCC Bridge No. 9/1 on BBDC Road	April 1998	Shri D.D. Sharma	87.17	32.95	54.22	100.81	46.59
Guwahati PWD City Division No.1	Improvement and repair of ten existing roads	July 1995 to November 1995	M/s General Engineering	59.48	30.65	28.83	69.01	40.18
National Highway Division Dibrugarh	Construction of two lane pavement	December 1989 to October 1992	Sri D.N. Beria	150.99	111.00	39.99	59.09	19.10
Rural Road Division Koliabor	Construction of RCC Bridge over river column	May 1997 to June 2001	M/s General Engineering	173.37	13.00	160.37	286.06	125.69
<b>Total:</b>				<b>557.14</b>	<b>211.4</b>	<b>345.74</b>	<b>1031.95</b>	<b>686.21</b>



## Appendix-4.9

(Reference: Paragraph-4.4.6; Page- 146)

## Statement showing the year-wise/scheme-wise drawal of money from PL Account &amp; unspent balance thereof during the period from 1979-80 to 2006-07.

Sl.No	Name of the Scheme	Year	Money drawn from the treasury and deposited in the PLA (Rs.)	Money utilised till March 200 (Rs.)	Unspent Balance (Rs.)
(1)	(2)	(3)	(4)	(5)	(6)
1	Construction of Office building at P.R.T.C. Arunachal	1979-80	1,50,000	64,585	85,415
2	Construction of Hostel at PRTC, Arunachal	1980-81	2,50,000	0	2,50,000
3	A. N. P.	1983-84	3,00,000	3,00,000	--
4	Well Construction Programme	1984-85	5,00,000	4,70,306	29,694
5	Extension of G.P. Office Building	1984-85	7,00,000	6,92,000	8,000
6	Construction/Repairing of G.P. office	1985-86	8,39,200	7,15,800	1,23,400
7	Construction of ADC, Zonal, Jorhat	1985-86	97,000	0	97,000
8	Financial assistance to M.M. under A.N.P.	1985-86	60,000	54,000	6,000
9	C.D. Scheme	1986-87	30,00,000	29,33,445	66,555
10	Sixth Schedule Areas	1986-87	4,00,000	3,98,618	1,382
11	S.N.P. Sixth Schedule Areas	1986-87	12,90,000	12,82,050	7,950
12	S.N.P.F.D.R.	1986-87	36,61,000	36,57,900	3,100
13	Construction of office building of ADC, Jorhat	1986-87	99,548	0	99,548
14	Creation of Remuneration Assets	1986-87	5,00,000	4,60,000	40,000
15	Self-help schemes	1986-87	4,99,683	4,99,683	--
16	Construction of G.P. Office Building	1986-87	5,00,000 10,00,000	14,76,000	24,000
17	C.D. Scheme under T.S.P.	1986-87	9,50,000	9,42,530	7,470
18	C.D., T.S.P. (Plan)	1986-87	31,00,000 30,00,000	60,45,573	54,427
19	F.D.R. Grant	1986-87	3,00,000	2,86,048	13,952
20	Procurement of materials under ANP	1986-87	4,00,000	3,77,261	22,739
21	Construction of staff Quarter at D.D.Hills, Diphu	1986-87	1,00,000	0	1,00,000
22	Repair of B.H.Q. Building at Katlicharra	1986-87	1,00,000	0	1,00,000

## Appendix-4.9 (Continued)

(1)	(2)	(3)	(4)	(5)	(6)
23	C.D. Scheme under T.S.P.	1988-89	77,00,000	76,45,574	54,426
24	C.D., T.S.P.(Non Plan)	1988-89	6,65,000	6,49,229	15,771
25	Procurement of Materials under ANP	1988-89	3,60,000	3,54,774	5,226
26	C.D., TSP	1989-90	85,00,000	80,04,914	4,95,086
27	A.N.P, GIA	1989-90	1,00,000	83,000	17,000
28	Village Dev. Fund	1989-90	20,00,000	17,81,978	2,18,022
29	C.D. T.S.P.	1990-91	85,00,000	79,97,004	5,02,996
30	C.D. S.C.P	1990-91	50,00,000	46,13,197	3,86,803
31	Re-imbursement of training under ANP	1990-91	31,20,000	31,03,730	16,270
32	Village Dev. Fund	1990-91	23,00,000	19,60,000	3,40,000
33	C.D., under T.S.P	1991-92	94,00,000	76,27,256	17,72,744
34	C.D., under S.C.P.	1991-92	55,00,000	30,04,380	24,95,620
35	Sale proceeds or Portable chulah	1991-92	19,388	-22,09,950	22,29,338
36	Panchyat Election	1991-92	48,000	47,288	712
37	Publication of Dainik Prantik	1991-92	6,400	3,200	3,200
38	Construction of M.P. Guest House	1991-92	7,35,000	7,20,240	14,760
39	Refund of RD/SRD Fund	1992-93	23,89,338	-50	23,89,388
40	Land Rev./Local Rates	1992-93	10,40,000 1,00,00,000	79,69,441	30,70,559
41	House Rent of S.T. Building	1992-93	6,13,156	6,02,653	10,503
42	Repairs of Govt. Veh.No.3884, Gypsy	1992-93	15,239	0	15,239
43	Land Rev./Local Rates	1993-94	2,14,07,580	1,24,00,000	90,07,580
44	Panchayat Election	1993-94	30,000 40,00,000	39,66,247	63,753
45	S.N.P. T.S.P., G-A(Non-Plan)	1993-94	50,000	-32,67,833	33,17,833
46	Land Rev/ Local Rates	1994-95	57,07,580	11,32,699	45,74,881
47	Electrification of Block Building & Staff Quarters	1994-95	1,24,471	71,971	52,500
48	Repairs of Block & Hqr.Building	1994-95	1,27,000	0	1,27,000
49	Purchase of Furniture of New Block	1994-95	1,40,000	1,25,092	14,908
50	Amount refunded by Blue Hills Pvt. Ltd	1995-96	1,38,126	0	1,38,126
51	Salaries of P.W.D. Staff	1996-97	17,86,000 14,10,000	31,95,175	825
52	House Rent of Newly created Block	1996-97	2,00,000	1,99,967	33
53	Construction of Staff Quarter and Office building at A.D.C Jorhat	1996-97	1,00,000	0	1,00,000



Appendix-4.9 (Concluded)

(1)	(2)	(3)	(4)	(5)	(6)
54	Construction of New Block	1996-97	1,20,000	0	1,20,000
55	Amount refunded by TISCO	1996-97	2,265	0	2,265
56	Electrification of Block & Staff quarters	1997-98	1,25,000	0	1,25,000
57	Amount refunded by Blue Hills	1998-99	1,16,095	0	1,16,095
58	Salaries and Prov. Pension of Employees (Plan)	2000-01	1,83,22,690	1,82,76,454	46,236
59	Salaries of Sub-Engineer PWD	2000-01	41,00,000	39,67,310	1,32,690
60	Salaries of Sub-Engineer of PWD deputed to MP	2001-02	47,42,500 47,42,500	84,95,827	9,89,173
61	Salaries of 'B' Dist. Admn.	2001-02	1,24,98,000	1,23,83,917	1,14,083
62	Salaries of Prov. MP/AP to Ex-cadre Employees (Plan)	2001-02	5,52,70,547	5,52,54,381	16,166
63	Salaries of Provi. Pension Employees	2002-03	18,07,54,264	17,97,42,541	10,11,723
64	Salaries of Provi. Pension Employees	2002-03	5,90,21,000	5,84,78,025	5,42,975
65	Salaries of 'B' Dist. Admn.	2002-03	1,31,31,384	1,30,15,504	1,15,880
66	Unspent balance against construction of DD Hills. Diphu	2002-03		-53,610	53,610
67	Amount refunded by PIBCO	2002-03		-52,029	52,029
Total			47,79,74,954	44,19,45,295	3,60,29,659

**APPENDIX-4.10**

(Reference: Paragraph-4.4.8; Page- 147)

**Statement showing expenditure from Calamity Relief Fund**

Sl. No.	Name of work	Payment made in / Rupees in lakh							Total
		July 2004	August 2004	September 2004	October 2004	January 2005	May 2005	June 2005	
1.	Construction of retaining wall at Kasturba Ashram Road for 2003-04.	-	8.00	-	-	-	-	-	8.00
2.	FDR to K.K Bhatta Road for 2003-04.	-	6.00	-	-	-	-	-	6.00
3.	S/R to G.G Road for 2003-04.	-	43.47	-	-	-	-	0.21	43.68
4.	S/R to GNB Road for the year 2003-04 (from RBI to Chandmari Point).	-	48.01	6.39	12.87	-	-	3.15	70.42
5.	S/R to G.F Road for 2003-04.	-	22.65	-	-	-	-	-	22.65
6.	S/R to Nabagraha Kharguli Road for 2003-04.	-	5.97	-	-	-	-	-	5.97
7.	S/R to S.S Road for 2003-04.	-	5.52	-	-	-	-	-	5.52
8.	S/R to Pension Para Road.	-	-	6.00	-	-	-	-	6.00
9.	S/R to RBI to Town Club for 2003-04.	-	7.95	-	-	-	-	-	7.95
10.	Repair and restoration of Donbosco School Road for 2003-04.	-	1.99	-	-	-	-	-	1.99
11.	S/R to West Bank of Dighli Pukhuri Road for 2003-04.	-	6.00	-	-	-	-	-	6.00
12.	Repair and restoration of College Hostel Road for 2003-04.	-	2.00	-	-	-	-	-	2.00
13.	S/R to P.C Road for 2003-04.	-	4.99	-	-	-	-	-	4.99
14.	Repair and restoration of North Bank of Dighali Pukhuri Road for 2003-04.	-	2.36	-	-	-	-	-	2.36
15.	S/R to Lamb Road for 2003-04.	-	5.00	-	-	-	-	-	5.00
16.	S/R to G.S Road from Panbazar ROB to Ganeshguri Flyover for 2003-04.	10.00	2.00	-	-	-	-	14.30	26.30
17.	S/R to G.S Road from Panbazar ROB to Ulubari Flyover for 2003-04.	50.00	73.00	-	-	-	-	-	123.00
18.	S/R to North and East Bank of Dighali Pukhuri Road for 2003-04.	-	7.00	-	-	-	-	-	7.00
19.	S/R to GNB Road for the year 2003-04 (from Panbazar to Chandmari Point).	-	-	-	-	8.52	-	-	8.52
Total :-		60.00	251.91	12.39	12.87	8.52	-	17.66	363.35

**APPENDIX-4.11**

(Reference: Paragraph-4.4.8; Page- 147)

**Statement showing expenditure from Calamity Relief Fund**

Sl. No.	Name of work	Sanctioned amount	Fund received	Expenditure in January 2004	Expenditure in May 2004	Expenditure in July 2004	Expenditure in August 2004	Expenditure in September 2004	Expenditure in October 2004	Expenditure in May 2005	Total expenditure
Rupees in lakh											
1	S/R to Beltola Khanapara Road	33.00	33.00	27.61	NIL	NIL	NIL	NIL	5.39	NIL	33.00
2	FDR to GNRC Road	3.00	3.00	1.81	NIL	NIL	NIL	NIL	1.19	NIL	3.00
3	FDR to Sapta Swahid Path	2.43	2.43	1.49	NIL	NIL	NIL	NIL	0.94	NIL	2.43
4	FDR to Joyanagar Road	10.00	10.00	9.07	NIL	NIL	NIL	NIL	0.93	NIL	10.00
5	FDR to Kailash Nagar Road	4.00	4.00	2.00	NIL	NIL	2.00	NIL	NIL	NIL	4.00
6	S/R to Sweeper Colony	10.00	10.00	8.48	1.30	NIL	0.22	NIL	NIL	NIL	10.00
7	FDR to Bhakarjyoti Path	15.00	15.00	11.25	3.51	NIL	NIL	NIL	NIL	NIL	14.76
8	FDR to Rukmininagar Road via Balibat Road	25.70	25.70	16.53	7.50	NIL	NIL	1.67	NIL	NIL	25.70
9	S/R to Lichubari Road	12.37	12.37	4.30	3.02	NIL	3.82	1.23	NIL	NIL	12.37
10	S/R to Beltola Rukminigaon Road	10.00	10.00	5.00	1.00	NIL	4.00	NIL	NIL	NIL	10.00
11	FDR to Beltola Basistha Road	63.22	58.22	4.10	19.90	NIL	34.22	NIL	NIL	NIL	58.22
12	S/R to Nayanpur Road	10.00	10.00	7.50	2.00	NIL	NIL	NIL	1.00	NIL	10.00
13	S/R to G.S Road	243.57	213.57	NIL	99.90	NIL	112.50	0.47	NIL	NIL	213.37
14	Approach to State Guest House No. I	32.00	32.00	NIL	13.50	1.77	6.48	NIL	7.48	2.77	32.00
<b>Total</b>			<b>439.29</b>	<b>99.14</b>	<b>151.63</b>	<b>1.77</b>	<b>163.24</b>	<b>3.37</b>	<b>16.93</b>	<b>2.77</b>	<b>438.85</b>



**Appendix-4.12**

(Reference : Paragraph-4.4.9; Page 148)

Statement showing year wise budget provision, actual allocation of funds and expenditure incurred in respect of establishment cost.

(Rupees in lakh)

Year	Budget Provision	Allocation of funds by GOA	Expenditure incurred
1998-99	60.00	-	37.52
1999-2000	78.00	8.00	51.37
2000-01	75.48	10.87	54.35
2001-02	60.00	-	45.51
2002-03	100.00	10.00	60.03
2003-04	70.00	20.00	52.93
2004-05	64.00	-	56.99
2005-06	70.00	105.00	61.19
<b>Total</b>	<b>577.48</b>	<b>153.87</b>	<b>419.89</b>

**Appendix-4.13**

(Reference: Paragraph-4.5.3; Page- 150)

Statement showing the details of application fees for admission received, deposited into bank & expenditure incurred during the period from 1992-92 to 2004-05.

Year	Amount received and deposited	Amount withdrawn and spent
1991-92	0.88	0.34
1992-93	1.39	1.10
1993-94	1.16	1.70
1994-95	2.26	1.84
1995-96	13.14	10.10
1996-97	5.78	6.86
1997-98	30.50	32.08
1998-99	7.75	2.42
1999-2000	4.76	10.03
2000-01	6.65	0.01
2001-02	2.28	11.25
2002-03	19.40	-
2003-04		
2004-05		
<b>Total</b>	<b>95.95</b>	<b>77.73</b>

**Appendix-4.14**

(Reference : Paragraph-4.5.8; Page 154)

**Statement showing year-wise position of loan disbursed, realised, outstanding position at the end of the year including interest for the period from 1998-99 to 2005-06**

(Rupees in lakh)

Year	Opening balance of arrear loan	No. of beneficiaries involved for arrear loan	Loan disbursed during the year		Total loan realised during the year				Amount of unrealised loan at the end of the year					Interest accrued @ 6% on arrear loan against Col-12
			Amount of loan disbursed	Total beneficiaries involved	Current loan realised	Arrear loan realised	Total realised	Interest realised	Current loan	No. of beneficiaries involved	Arrear loan pending	No. of beneficiaries involved	Total loan No. of beneficiaries	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
1998-99	Not available	Not available	235.63	4416	5.92	NA	5.92	--	229.71	4416	NA	Not available	229.71 4416	--
1999-2K	229.71	4416	155.97	2791	5.40	NIL	5.40	--	150.57	2791	229.71	4416	380.28 7207	13.78
2000-01	380.28	7207	194.70	3735	3.76	NIL	3.76	--	190.94	3735	380.28	7207	571.22 10942	22.82
2001-02	571.22	10942	67.90	1146	3.75	NIL	3.75	--	64.15	1146	571.22	10942	635.37 12088	34.27
2002-03	635.37	12088	103.36	1850	5.57	NIL	5.57	--	97.79	1850	635.37	12088	733.16 13938	38.12
2003-04	733.16	13938	42.30	748	2.85	NIL	2.85	--	39.45	748	733.16	13938	772.61 14686	43.98
2004-05	772.61	14686	76.50	510	1.88	NIL	1.88	--	74.62	510	772.61	14686	847.23 15196	46.36
2005-06	847.23	15196	25.20	168	0.58	NIL	0.58	--	24.62	168	847.23	15196	871.85 15364	50.83
<b>Total-</b>	--	--	901.56	15364	29.71	--	29.71	--	871.85	15364	--	--	--	250.16

## Appendix-4.15

(Reference: Paragraph-4.6.1; Page- 154)

Statement showing number of paragraphs/reviews in respect of which *Suo-moto* Action Taken Notes had not been received from Government as on March 2007

	Department	Audit Report																						Grand Total	
		1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05		2005-06
	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26
	Sports & Youth Welfare	-	-	-	-	-	1	-	-	-	-	1	-	1	-	-	-	-	-	-	-	-	-	-	03
	Irrigation	5	4	-	-	6	4	3	8	-	-	-	7	5	-	-	1	-	1	-	-	1	1	1	47
	Forest	-	-	-	-	-	-	5	2	2	2	4	2	2	-	-	1	-	-	-	-	-	-	-	20
	Printing & Stationery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Soil Conservation	-	-	-	-	-	-	1	1	1	1	-	1	-	-	-	-	-	-	-	-	-	-	-	05
	Education	-	-	1	-	-	-	-	-	-	3	5	3	-	-	-	1	2	1	-	-	-	-	3	19
	PHE	2	-	5	-	2	4	2	2	-	1	-	3	1	-	-	1	-	-	-	-	1	2	1	27
	Transport	1	-	1	-	-	2	-	-	-	1	-	-	-	-	-	-	-	-	-	-	02	-	1	08
	Water Resources	-	-	1	-	-	-	1	(1+3)	-	-	-	-	-	-	-	-	-	-	-	01	01	03	1	12
	Tourism	-	-	-	-	1	1	-	-	1	-	1	-	4	-	-	-	-	-	-	-	-	-	-	08
	Public Works (PWD)	-	-	2	-	-	-	-	-	-	-	-	17	20	-	3	10	8	5	5	5	12	08	7	102
	AH & Veterinary	-	-	1	-	-	1	1	-	17	17	4	4	-	-	-	-	-	-	-	-	-	-	1	46
	General Administration	-	-	-	-	-	-	-	1	-	-	-	2	2	-	4	-	1	-	-	-	3	-	-	13
	WPT & BC	2	-	3	-	1	-	-	2	1	-	1	-	1	-	-	-	-	-	1	-	-	2	2	16
	Labour & Employment	-	-	-	-	2	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	03
	Handloom & Textiles	-	-	-	-	-	-	2	-	-	-	3	-	2	-	-	1	-	-	-	-	-	-	2	10
	Sericulture	2	-	-	-	-	-	-	1	2	-	-	-	-	-	-	-	-	-	-	-	01	-	-	06
	Co-Operation	-	1	-	-	-	-	1	-	-	-	-	-	1	-	-	1	1	-	-	-	01	-	-	05
	Industries & Commerce	-	-	2	-	-	2	2	1	2	3	-	1	-	-	-	-	-	-	-	-	-	-	-	13
	Cultural Affairs	-	-	-	-	-	-	-	-	-	-	1	1	-	-	-	-	-	-	-	-	-	01	-	03
	Mines & Minerals	-	-	-	-	-	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	01
	Judicial	-	-	-	-	-	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	02
	Health & F.W.	1	6	-	-	-	-	2	4	-	1	-	-	-	-	-	-	2	2	-	5	1	3	2	29



Appendix-4.15 (Concluded)

	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26
	Environment and Forest.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	02	02
	Agriculture	-	-	-	-	1	-	2	2	3	-	-	5	1	-	-	-	-	-	-	-	-	-	2	16
	P & R D.	-	1	-	-	-	2	5	3	-	1	2	-	1	-	-	1	1	1	8	1	1	01	5	35
	Revenue/Reforms General.	-	-	1	-	3	-	-	1	-	1	-	1	-	-	-	-	-	-	-	-	-	-	-	07
	Planning & Development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2	01	01	-	03
	Fishery	-	-	1	-	-	-	1	6	1	-	1	-	1	-	-	-	-	-	-	-	-	-	1	12
	Food & Civil Supplies	-	-	1	-	-	-	-	-	-	-	2	1	-	-	-	1	-	-	-	-	01	02	02	10
	Home (Police)	-	-	3	-	-	3	4	2	2	4	2	3	1	-	-	-	-	-	-	-	01	02	-	27
	R & R Deptt.	-	-	-	-	-	-	-	-	2	-	-	-	3	-	-	-	1	-	-	-	-	-	-	06
	Election/Gad/ Home	-	-	-	-	2	-	-	-	2	-	-	-	-	-	-	1	-	-	-	-	-	-	-	05
	Social Welfare.	-	-	-	1	-	-	1	-	-	1	-	-	1	-	-	1	-	-	-	-	-	1	02	08
	Finance/ Taxation/ LB	-	-	-	-	-	1	-	-	1	-	-	1	-	-	-	3	(3+1)	-	2	2	02	-	-	16
	Sectt. Admn (A/Cs)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1-	-	-	-	-	-	-	-	-	01
	Town & Country Planning/Mad.	2	-	1	1	-	2	2	-	-	2	2	1	-	-	-	-	4	-	-	-	2	-	-	19
	Hill Areas.	-	-	1	-	1	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	03
	Dairy Development	-	-	-	-	-	-	-	-	-	-	-	1	1	-	-	-	-	-	-	1	-	-	02	05
	Municipal Administration.	-	-	5	-	1	-	-	-	-	-	-	1	-	-	-	-	-	-	5	5	01	-	1	19
	Assam Housing Board.	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	01	01
	General	-	-	-	-	-	-	-	-	-	-	-	1	1	-	-	-	1	-	-	2	-	-	05	05
	Political (B)	-	-	-	-	-	-	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-	02	02
	Total	15	12	30	02	30	25	36	41	37	38	30	57	49	Nil	08	22	24	10	21	25	32	27	39	600

**Appendix- 4.16**

(Reference-Paragrap-4.6.2; Page- 154)

**Status of outstanding Recommendations as on March 2007  
(CIVIL AUDIT REPORT)**

Sl No	Department	Total number of recommendations
1.	Sports & Youth Welfare	01
2.	Irrigation	33
3.	Forest	03
4.	Printing & Stationery	01
5.	Soil Conservation	02
6.	Education	26
7.	Public Health Engineering	09
8.	Transport	07
9.	Public Works	25
10.	Flood Control/Water Resources	16
11.	General Administration	02
12.	Labour & Employment	01
13.	Urban Development	03
14.	Co-operation	02
15.	Industries & Commerce	04
16.	Cultural Affairs	02
17.	Mines & Minerals	02
18.	Health & Family Welfare	26
19.	Agriculture	06
20.	Panchayat and Rural Development	65
21.	Revenue (Reforms)	02
22.	Planning & Development	01
23.	Fisheries	05
24.	Food & Civil Supplies	04
25.	Home (B) Police	13
26.	Relief & Rehabilitation (R&R)	01
27.	Social Welfare	02
28.	Information & Public Relation	01
29.	General	02
30.	Dairy Development	08
31.	Revenue (General)	02
32.	Science/Environment/Technology	01
33.	Handloom/Textile & Sericulture	01
34.	Municipal Administration	09
35.	Welfare of Plain Tribes and Backward Classes	01
<b>Total</b>		<b>289</b>

**Appendix-4.17**

(Reference: Paragraph 4.6.3 Page- 155)

**Department-wise details of outstanding Inspection Reports/Paragraphs as on June 2007**

Sl. No	Name of Department	Number of outstanding		Earliest year of the outstanding IRs	No. for which even first replies have not been received		Earliest year of the report for which first replies have not been received	Total number of IRs/Paragraphs not settled for more than 10 years		
		IRs	Paragraphs		IRs	Paragraphs		IRs	Paragraphs	Earliest year of issue
1	2	3	4	5	6	7	8	9	10	11
1	Administrative Reform and Training	5	27	1999-2000	1	7	2005-06	-	-	--
2	Agriculture	391	2216	1994-95	157	1123	1994-95	106	281	1994-95
3	(a) Animal Husbandry and Vety.	220	579	1994-95	86	298	1995-96	70	144	1994-95
	(b) Dairy Development	37	136	1994-95	-	-	--	6	10	1994-95
4	Border Area Development	5	32	1995-96	-	-	--	1	1	1995-96
5	Co-operation	84	288	1995-96	22	104	1995-96	12	26	1995-95
6	(a) Cultural Affairs	29	118	1997-98	9	30	1994-95	1	3	1994-95
	(b) Library Services	19	53	1990-91	-	-	--	-	-	--
7	CM's Secretariat	5	25	1995-96	2	12	2002-03	1	5	1995-96
8	Education	495	2053	1994-95	140	869	1994-95	110	324	1994-95
9	Election	77	326	1994-95	38	224	1994-95	10	28	1994-95
10	Environment and Forest	367	877	1994-95	101	344	1994-95	62	143	1994-95
11	Excise	43	66	1994-95	30	40	1995-96	1	1	1994-95
12	Finance Department (a) Taxes	39	152	1994-95	10	33	2000-01	8	28	1994-95
	(b) Treasuries and Eco. Affairs	3	9	1999-2000	-	-	--	-	-	--
13	Fisheries	66	239	1994-95	35	157	1994-95	8	20	1994-95
14	(a) Food and Civil Supplies	49	152	1994-95	15	73	2005-06	11	16	1994-95
	(b) Legal Metrology	14	25	1995-96	17	35	1995-96	1	1	1995-96
15	General Administration	223	2425	1994-95	105	1276	1994-95	56	457	1994-95
16	Guwahati Development	4	60	1998-99	2	31	2003-04	-	-	--
17	(a) Handloom and Textiles	120	601	1994-95	42	276	1994-95	38	141	1994-95
	(b) Sericulture	95	281	1994-95	15	62	1994-95	22	51	1994-95
18	Health and Family Welfare	317	1523	1994-95	82	573	1994-95	55	147	1994-95
19	Hill Areas	24	469	1994-95	19	412	1994-95	6	103	1994-95
20	Home Department	283	1187	1994-95	62	287	1994-95	40	52	1995-96
21	Horticulture and Food Processing	-	-	--	-	-	--	-	-	--
22	Implementation of Assam Accord	-	-	--	-	-	--	-	-	--
23	Industries and Commerce	131	484	1994-95	40	245	1994-95	25	64	1994-95
24	Information and Public Relation	29	83	1994-95	4	26	1994-95	5	6	1994-95



1	2	3	4	5	6	7	8	9	10	11
25	Information Technology	-	-	--	-	-	--	-	-	--
26	Irrigation	201	1141	1990-91	31	305	2003-04	49	68	1990-91
27	Judicial	87	340	1995-96	35	102	1996-97	11	34	1995-96
28	Labour and Employment	81	234	1994-95	6	17	1998-99	14	28	1994-95
29	Legislative Assembly	8	83	1994-95	4	34	1994-95	2	14	1994-95
30	Minorities Development	-	-	--	-	398	--	-	-	--
31	Panchayat and Rural Development	162	179	1995-96	33	-	1995-96	33	347	1995-96
32	Pension and Public Grievances	13	31	1995-96	4	13	2001-02	2	2	1995-96
33	Personal Department (a) A.P.S.C	3	14	1997-98	-	-	--	-	-	--
	(b) Governor's Secretariat	9	24	1994-95	3	14	1997-98	1	1	1994-95
	(c) Civil Secretariat	24	179	1994-95	4	45	1998-99	6	37	1994-95
34	Parliamentary Affairs	-	-	--	-	-	--	-	-	--
35	Passport	-	-	--	-	-	--	-	-	--
36	Planning and Development	1	4	2004-05	-	-	-	-	-	--
37	Political (B)	4	30	1996-97	2	18	1996-97	1	15	1996-97
38	Power, Mines and Minerals	7	24	1997-98	-	-	--	-	-	--
39	Printing and Stationary	7	37	1999-2000	4	21	2001-02	-	-	--
40	Public Enterprises	1	4	1994-95	1	4	1994-95	1	4	1994-95
41	Public Health Engineering	164	934	1989-90	31	383	2004-05	37	75	1989-90
42	Public Works	642	2920	1975-76	65	699	2004-05	231	363	1975-76
43	Relief and Rehabilitation	3	20	2002-03	3	20	2002-03	-	-	--
44	(a) Revenue	16	75	1996-97	9	67	2000-01	1	4	1996-97
	(b) Registration	34	51	1994-95	19	24	2000-01	2	3	1994-95
45	Science and Technology	-	-	--	-	-	--	-	-	--
46	Secretariat Administration	-	-	--	-	-	--	-	-	--
47	Social Welfare	210	981	1994-95	6	39	1995-96	28	143	1994-95
48	Soil Conservation	59	146	1994-95	5	18	2000-01	7	11	1994-95
49	Sports and Youth Welfare	43	135	1995-96	15	66	1996-97	9	24	1996-97
50	(a) Transport	40	67	1994-95	10	21	2001-02	2	5	1994-95
	(b) Tourism	29	142	1994-95	10	63	1996-97	8	42	1996-97
	(c) Inland Water Transport	24	84	1987-88	3	35	1987-88	7	11	1987-88
51	Urban Development	31	93		7	29		6	15	
	(a) Town and Country Planning			1994-95			1995-96			1994-95
	(b) Municipal Administration	12	70	1994-95	8	59	1994-95	2	5	1994-95
52	Water Resources (Flood Control)	135	608	1991-92	24	223	2004-05	30	39	1991-92
53	WPT & BC	10	123	1994-95	7	59	1995-96	2	14	1994-95
<b>Total</b>		<b>5234</b>	<b>23259</b>	<b>1975-76</b>	<b>1383</b>	<b>9313</b>	<b>1994-95</b>	<b>1147</b>	<b>3356</b>	<b>1975-76</b>

