

SNO.373

00922



**Report of the  
Comptroller and Auditor General of India  
on  
Panchayati Raj Institutions and Urban Local Bodies  
for the year ended 31 March 2014**



**Government of Assam**

**Report No.2 of 2015**

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Government of Assam - Report No. 2 of 2013

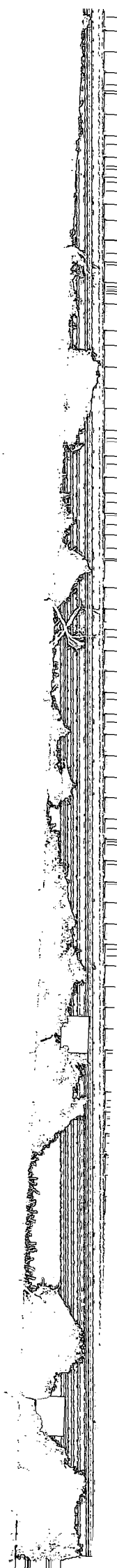
**Report of the  
Comptroller and Auditor General of India  
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Panchayati Raj Institutions and Urban Local Bodies**

3

**for the year ended 31 March 2014**

**GOVERNMENT OF ASSAM**

Report No. 2 of 2015



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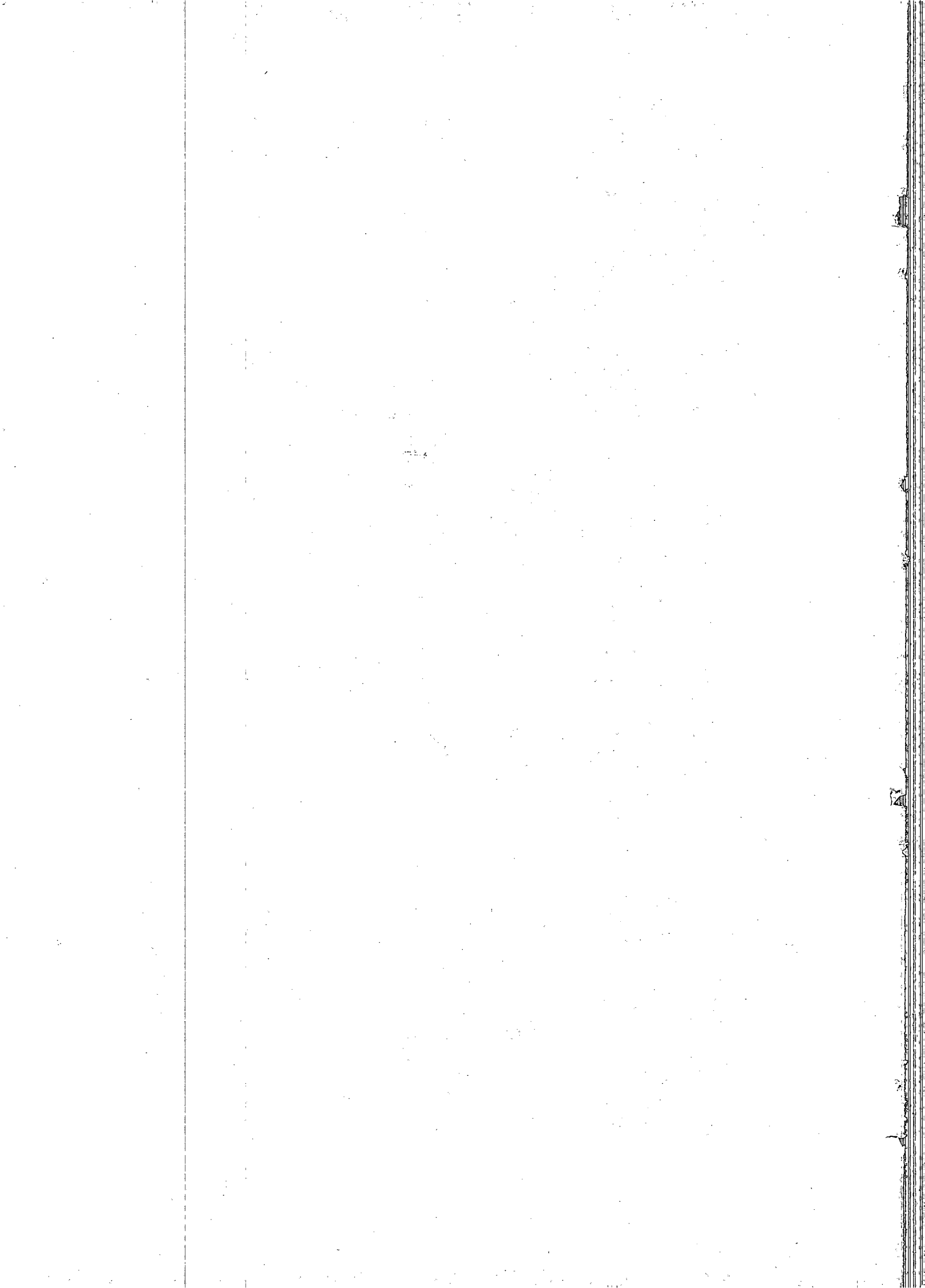
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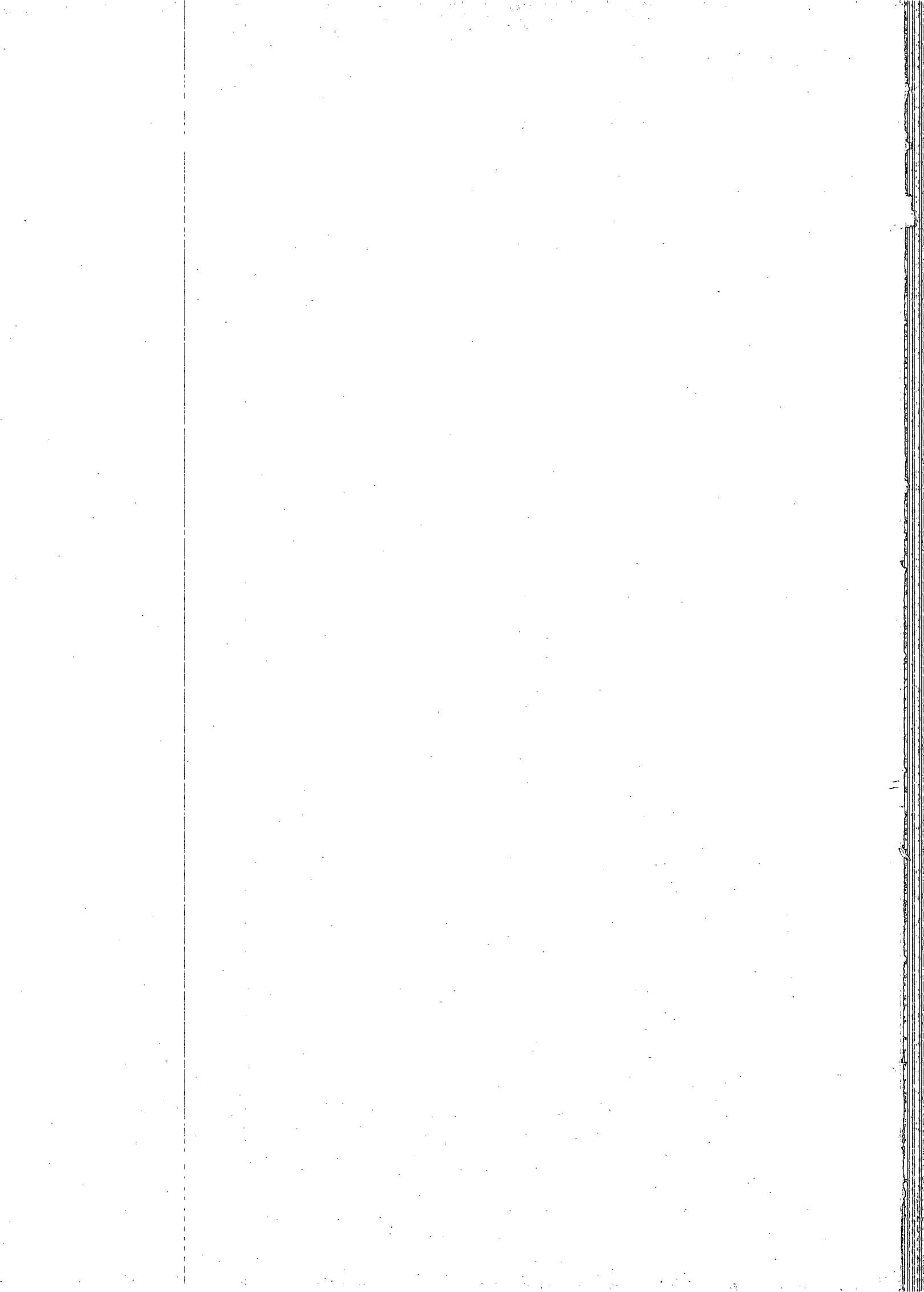


## PREFACE

1. This Report for the year ended March 2014 has been prepared for submission to the Governor of Assam under Article 151 of the Constitution of India for being laid before the State Legislature.
2. This Report contains significant results of the Performance audit and Compliance audit of the Panchayati Raj Institutions and Urban Local Bodies in the State including audit of accounts of Panchayat and Rural Development Department, Urban Development Department and Guwahati Development Department.
3. The instances mentioned in this Report are those which came to notice in the course of test audit for the period 2013-14. Matters relating to the period subsequent to 2013-14 have also been included, wherever necessary.
4. The audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.



# OVERVIEW



## OVERVIEW

This Report contains four chapters. The first and third chapters contain an overview and finances of PRIs and ULBs. The second chapter contains a Performance Audit on “Implementation of Indira Gandhi National Old Age Pension Scheme (IGNOAPS)” and Compliance audit paragraphs of PRIs. The fourth chapter contains a Performance Audit on “Implementation of Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT) and Integrated Housing and Slum Development Programme (IHSDP)” and Compliance audit paragraph of ULBs. A synopsis of the findings is presented in this overview.

## CHAPTER – I

### Section -A

#### An overview of Panchayati Raj Institutions (PRIs)

There were 2,412 PRIs in the State headed by the Principal Secretary, Panchayat and Rural Development Department (PRDD).

*(Paragraphs 1.1 & 1.3)*

District Planning Committee (DPC) had been formed in all districts of General Areas but they failed to perform their primary objective of preparation of District Plan as envisaged in the AP Act, 1994.

*(Paragraph 1.8)*

State Finance Commission were constituted to review the financial conditions of the PRIs and to make recommendations to the Governor for devolution of funds. However, it was seen that against devolution of ₹719.93 crore, only ₹158.23 crore was released by the State Government during 2013-14 which constituted only 2.42 *per cent* of the State’s total revenue. Thus, due to short release of funds, the PRIs could not implement various welfare activities for the overall economic development.

*(Paragraph 1.9)*

The State Government had not completed the process of selection of Ombudsman and Deputy Ombudsman in the 27 districts in the State under Section 27 (1) of the MGNREG Act, 2005.

*(Paragraph 1.16.1)*

### Section - B

#### Financial Reporting of PRIs

Asset Registers were not maintained by eight test checked PRIs and the State Government also did not call for any return on the nature of asset, year of creation and monetary value of the assets.

*(Paragraph 1.19.2)*

13 out of 21 ZPs did not submit budget during 2013-14 and in nine PRIs, ₹13.94 crore was expended without preparation of budget.

*(Paragraph 1.19.3)*

## **CHAPTER - II**

### **Section - A**

#### **Performance Audit on IGNOAPS**

The Performance Audit on “Implementation of Indira Gandhi National Old Age Pension Scheme (IGNOAPS)” revealed that:

The implementing agencies took minimum of 12 days and maximum of 481 days to disburse the pension to beneficiaries in the test-checked districts.

*(Paragraph 2.5.3)*

An amount of ₹874.88 lakh (Programme money: ₹751.25 lakh and Accrued Interest: ₹123.63 lakh) was blocked by four out of six test-checked districts. Consequently, beneficiaries were deprived of getting pension.

*(Paragraph 2.5.4)*

A series of misappropriations took place in Cachar ZP due to absence of proper financial control.

*(Paragraph 2.5.5)*

Deficiencies in the tendering process, preparing comparative statement, issuing work order and making payment to the supplier on the same day of issue of formal work order without ensuring actual installation of 108 iron framed signboards and 120 flexes pointed towards suspected misappropriation of Government money of ₹36.03 lakh.

*(Paragraph 2.5.9)*

The Annual Action Plan covering the criteria as envisaged in the guidelines were not prepared by any of the districts.

*(Paragraph 2.6.1)*

Large number of undisbursed cheques amounting to ₹45.70 lakh were returned by the various field offices due to death cases or unavailability of whereabouts of the beneficiaries.

*(Paragraph 2.6.3.2)*

There was lack of awareness among the beneficiaries as revealed by the survey conducted on the pensioners by Audit and there was universal dissatisfaction on the timeliness of disbursement of pension.

*(Paragraph 2.8)*

## Section - B

### Compliance Audit paragraphs of PRIs

Expenditure of ₹58.88 lakh turned out to be infructuous due to procurement of computers without ensuring availability of basic infrastructure like electricity.

*(Paragraph 2.11)*

Undue financial benefit extended to lessees by PRIs by not enforcing the provision of the Assam Panchayat (Financial) Rules 1992 and Indian Stamp Act while leasing out markets, fisheries etc., resulted in loss of Government revenue of ₹75.28 lakh.

*(Paragraph 2.12)*

Unauthorised expenditure of ₹36.50 lakh by the Dibrugarh Zilla Parishad due to its failure to deduct 10 *per cent* Contractor's profit in the estimate for the works executed departmentally.

*(Paragraph 2.13)*

The Chief Executive Officer (CEO), Nagaon Zilla Parishad accepted tenders of bidder other than the highest bidder for settlement of markets/*beels* resulting in loss of revenue of ₹46.83 lakh.

*(Paragraph 2.14)*

₹14,06,000 was misappropriated by the Block Development Officer showing fictitious entries in the Cash Book.

*(Paragraph 2.15)*

## CHAPTER – III

### Section -A

#### Overview of ULBs

There were 94 ULBs in the State as on 31 March 2014 consisting of one Municipal Council, 34 Municipal Boards and 59 Town Committees. ULBs falling under General Areas are governed according to the provisions of the Assam Municipal Act, 1956 and areas falling within the Sixth Schedule of the Constitution of India were governed by the rules framed by the respective Autonomous District Councils (ADCs). Recommendations of the Assam State Finance Commissions (ASFCs) did not cover the ADCs.

The Principal Secretary, Urban Development Department (UDD) was the administrative head of the ULBs.

*(Paragraphs 3.1 & 3.3)*

It was observed that against devolution of ₹1020.15 crore, the GoA could release only ₹555.84 crore. Thus, due to short release of ₹464.31 crore the ULBs were unable to implement various welfare activities for the overall economic development.

*(Paragraph 3.7)*

The ULBs as their traditional functions were implementing only eight subjects out of 18 subjects listed in the XII<sup>th</sup> Schedule. Hence, the objective of creating the Municipal window in the State Budget was frustrated due to lack of effective action on the part of the Government to implement its own decisions on devolution of 3Fs (Funds, Functions and Functionaries) to the ULBs.

*(Paragraph 3.8)*

### **Section -B**

#### **Financial Reporting of ULBs**

The accounts of ULBs were maintained on cash basis and thereby actual financial position of ULBs and their assets and liabilities could not be ascertained. The prescribed mandatory reforms were also not introduced by the ULBs.

*(Paragraph 3.16)*

11 ULBs had prepared the budget without taking into account the past trend of receipt and expenditure which resulted in huge variance ranging from ₹8.67 lakh to ₹21.64 crore in estimated and actual expenditure.

*(Paragraph 3.17.1)*

## **CHAPTER IV**

### **Section- A**

#### **Performance Audit on UIDSSMT and ISHDP**

The performance audit on Infrastructure Development by ULBs through implementation of Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT) and Integrated Housing and Slum Development Programme (IHSDP) revealed that:

Out of total sanction of ₹293.50 crore (₹208.51 crore under UIDSSMT and ₹84.99 crore under IHSDP) for 46 projects (30 UIDSSMT projects and 16 IHSD projects), only ₹153.23 crore (₹127.69 crore under UIDSSMT and ₹25.54 crore under IHSDP) was utilised.

- (i) Only seven projects under UIDSSMT had been completed which was quite dismal.
- (ii) DPRs were proposed without conducting the basic surveys including existing drainage system, considering land availability, ground realities and assessing



requirements of beneficiaries resulting in defective formulation of DPRs which led to revision in DPRs and delay in completion of the projects.

- (iii) Labour cess of ₹28.16 lakh was not deducted by seven ULBs which had deprived the intended welfare to that extent.
- (iv) Short deduction of VAT of ₹15.84 lakh resulted in undue financial aid to the contractors and loss of Government revenue.
- (v) ULBs failed to implement the mandatory as well as optional reforms and as a result the objective of providing urban services and stakeholder participation in urban governance envisaged in scheme guideline was not fully achieved.
- (vi) Monitoring of the projects by GoI and independent agency was not done satisfactorily in the State. Even monitoring by SLNA and ULBs was lacking in the State.

*(Paragraphs 4.1 to 4.18)*

## **Section - B**

### **Compliance audit paragraphs of ULBs**

Dhekiajuli Municipal Board (MB) failed to impose penalty clause as per agreement for delay in completion of the project “Construction of Multi-utility Building for Rehabilitation of Vendors and Hawkers” at Dhekiajuli thereby resulting in undue financial benefit of ₹48.94 lakh to the contractor.

*(Paragraph 4.19)*

Due to allowance of 10 *per cent* Contractor’s profit in the estimate for the works executed departmentally, the Sapatgram Town Committee (TC) incurred an extra expenditure of ₹23.67 lakh.

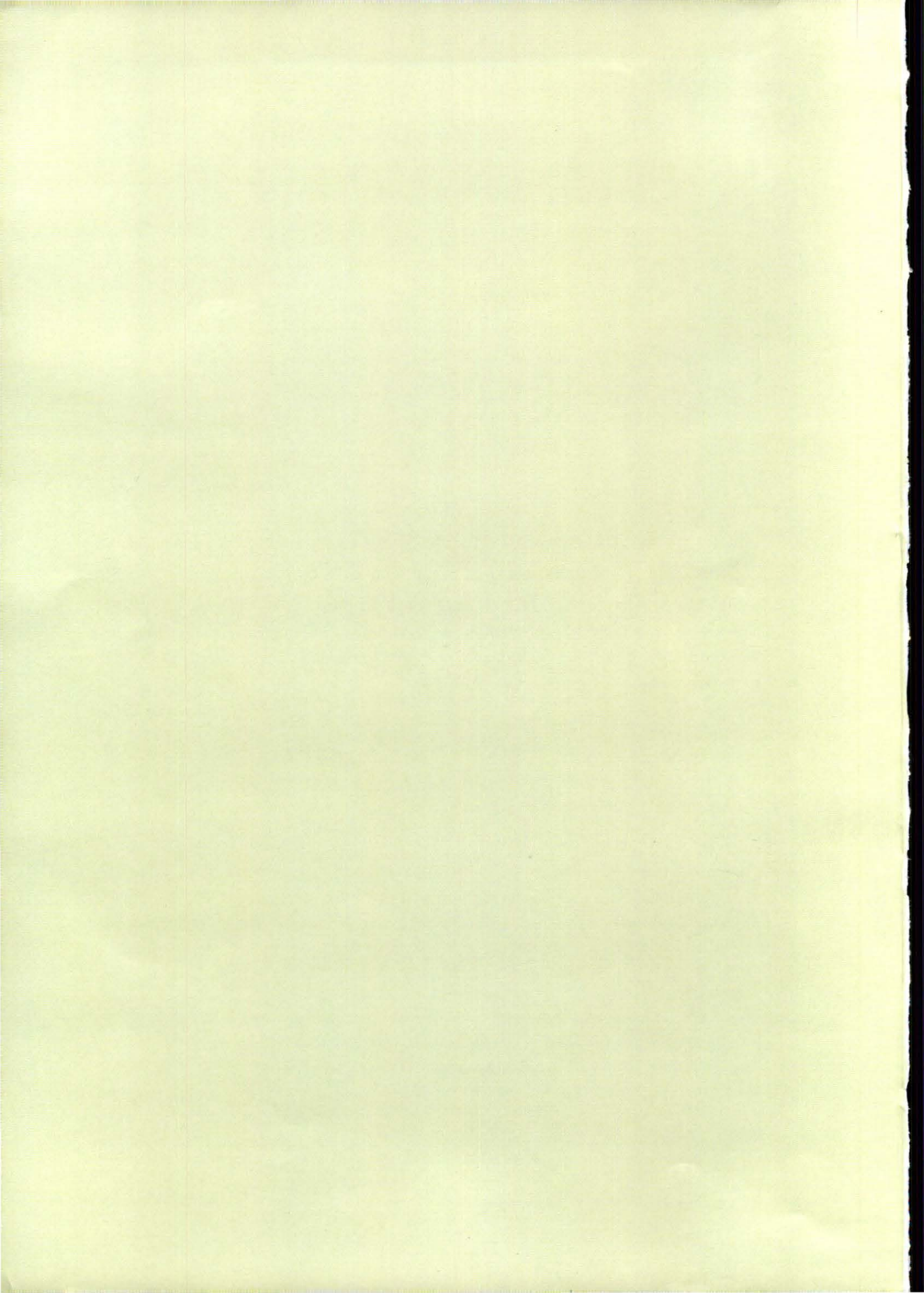
*(Paragraph 4.20)*

The Chairman, Mahur TC withdrew ₹17.10 lakh through self-cheques without any evidence of utilisation resulting in suspected misappropriation of Government money. The Chairman also unauthorisedly spent ₹7.95 lakh (payment of salary to staff ₹4.92 lakh and self-loan ₹3.03 lakh).

*(Paragraph 4.21)*

Failure of ULBs to enforce the provision of the Assam Municipal Act and Indian Stamp Act while leasing out markets, fisheries, bus stand etc., resulted in undue financial benefit to lessees and loss of Government revenue to the tune of ₹84.68 lakh.

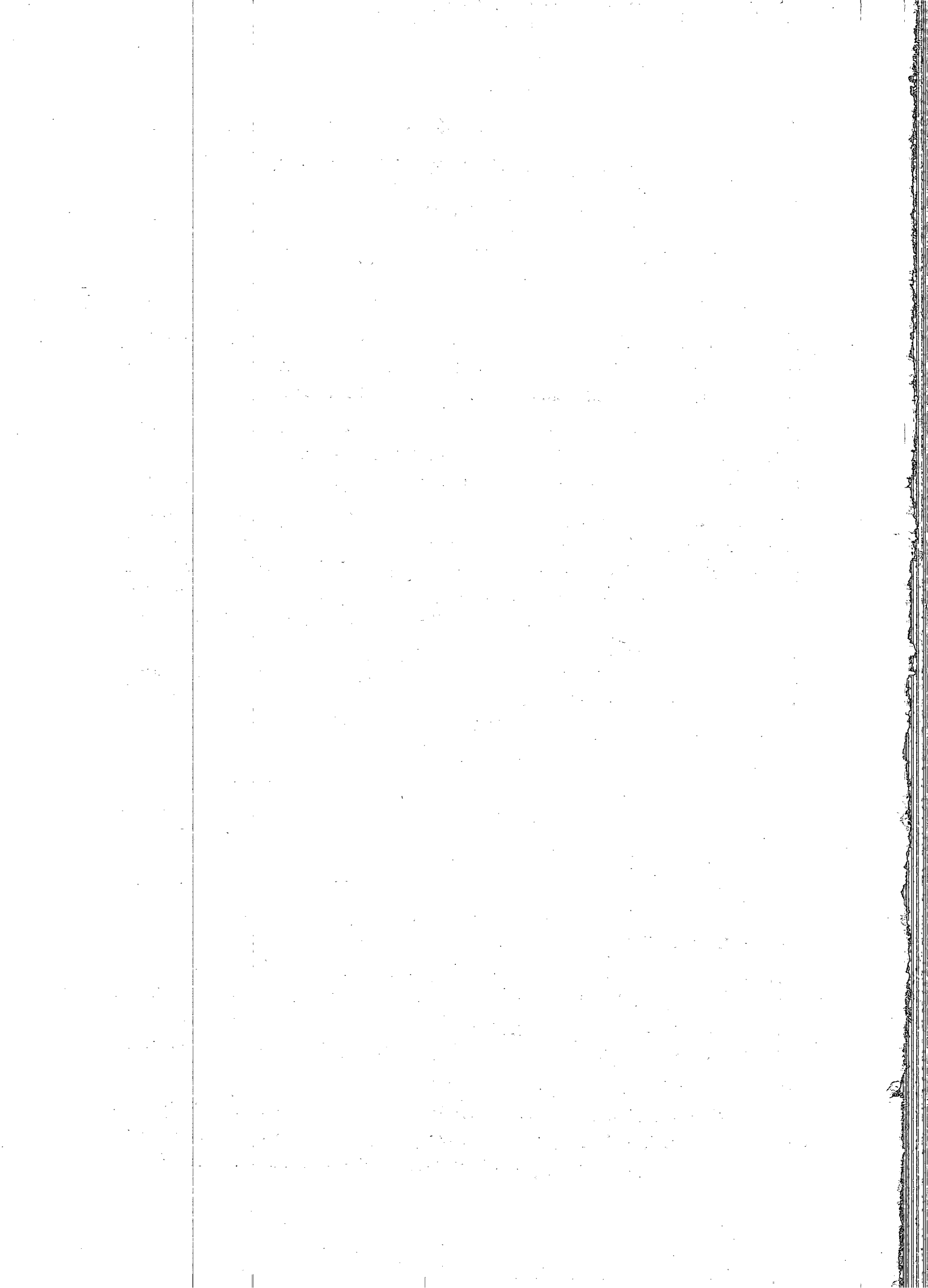
*(Paragraph 4.22)*



# **CHAPTER I**

## **Section-A**

### **An Overview of Panchayati Raj Institutions**



## CHAPTER – I

### PANCHAYAT AND RURAL DEVELOPMENT DEPARTMENT

#### Section-A

#### An Overview of Panchayati Raj Institutions (PRIs)

##### 1.1 Introduction

The 73<sup>rd</sup> Constitutional Amendment Act, 1992 marked a new era in the federal democratic set up of the country as it conferred Constitutional status to the Panchayats and recognised them as the third tier of Government.

The Administrative set-up of panchayats in the State consists of a three tier system; Gaon Panchayat (GP) at the Village level, Anchalik Panchayat (AP) at the Intermediate level co-terminus with Blocks and Zilla Parishad (ZP) at District level.

The amendment provides for devolution of powers and responsibilities with respect to preparation of plans and programmes for economic development and social justice. It also provides for transferring of 29 subjects listed in XI<sup>th</sup> Schedule of the Constitution of India for PRIs. As a follow up, the State was required to entrust PRIs with such powers, functions and responsibilities as to enable them to function as Local Self Government Institutions (LSGIs). The Constitutional Amendment established a system of uniform structure, conducting of regular election, regular flow of funds etc. The legislative framework for conduct of business of the PRIs includes:

- Assam Panchayat Act, 1994 (AP Act, 1994);
- Assam Panchayat (Financial) Rules, 2002 {AP (F) Rules, 2002};
- The Assam Panchayat (Administrative) Rules, 2002 {AP (A) Rules, 2002}; and
- Government instructions issued from time to time.

Article 243 of the Constitution of India provides that elections in panchayats shall be held once in every five years. Elections to the PRIs in the State were last conducted between January-February 2013.

The Governor of Assam in pursuance of the provisions of Articles 243(I) and 243(Y) of the Constitution of India, read with Section 2(1) of the Assam Finance Commission (Miscellaneous Provision) Act, 1995 had so far constituted five State Finance Commissions (SFCs) covering the period 1996–2020 and all the SFCs had submitted their reports to the State Governments.

There were 2,412 PRIs in the State as on 31 March 2014. All the 2,412 PRIs are in General Areas. The Panchayati Raj system does not exist in the Sixth Schedule Areas where local governance is vested with the Autonomous District Councils (ADCs).

## 1.2 State Profile

Assam is the biggest North Eastern State having 27 Districts divided into 56 Sub-divisions and 184 Revenue Circles for convenience of administration and revenue collection. With a geographical area of 78,438 sq. kms., Assam has 219 Blocks, 26395 Villages and 214 Towns (as per the Census of India, 2011). The demographic and development profile of the State is given in **Table 1.1**.

**Table 1.1: Important statistics of the State**

Sl. No.	Indicator	Unit	Value
1	Population	Crore	3.12
2	Population density	Persons / Sq.km.	398
3	Urban population	Per cent	14
4	Rural population	Per cent	86
5	Gender ratio	Female per 1,000 male	958
6	Population below poverty line	Per cent	31.98
7	Literacy	Per cent	72.19
8	Zilla Parishads (ZP)	Numbers	21
9	Anchalik Panchayats (AP)	Numbers	189
10	Gaon Panchayats (GP)	Numbers	2,202

Source: Economic Survey, Assam 2013-14.

## 1.3 Size of PRIs

The position of PRIs in Assam in terms of number, average area and average population is given in **Table 1.2**.

**Table 1.2: Position of PRIs**

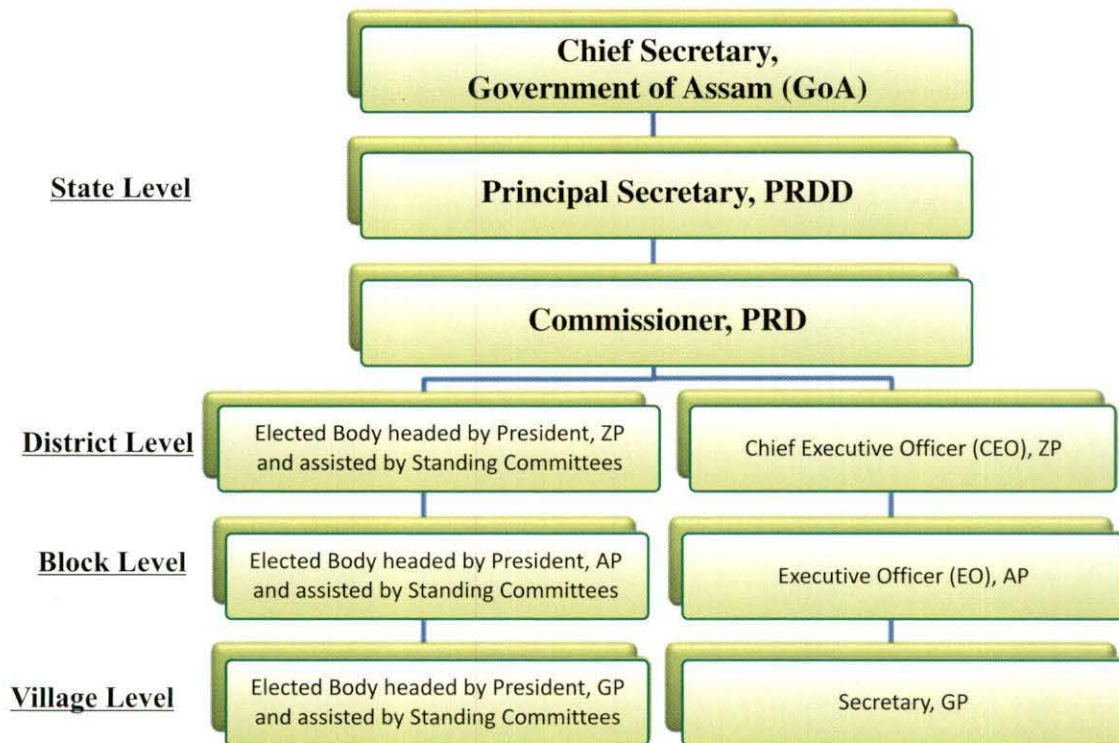
Level of LB	No.	Average Area per PRIs (Sq Km)	Average population
		<i>As per 2011 census</i>	
Zilla Parishad (ZP)	21	2032.93	1188256
Anchalik Panchayat (AP)	189	219.78	128460
Gaon Panchayat (GP)	2202	18.46	10793

Source: Assam State Finance Commission's report submitted for 14<sup>th</sup> CFC

## 1.4 Organisational Set-up in State Government and PRIs

The Principal Secretary, Panchayat and Rural Development Department (PRDD) is the administrative head of PRIs and is assisted by the Commissioner, Panchayat and Rural Development (PRD) in allocation of fund, overall control and supervision of functions and implementation of different schemes at the State level. Following organogram depicts the organisational set-up of PRIs:

### Organisational set-up of PRIs



### 1.5 Functioning of PRIs

The Administrative set up of panchayats in the State consists of a three tier system, GP at the village level, AP at the intermediate level co- terminus with Blocks and ZP at the District level. The Constitution enjoins the State Government to make appropriate legislation regarding devolution of powers and functions to the panchayats in such a way as to enable them to function as LSGI.

Subject to the provisions of the AP Act, a Panchayat may make by-laws to carry out its functions. The Constitutional Amendment empowered them with powers and authority in revenue mobilisation and gave them access to such resources as the State Legislature may, by law, confer on them. Accordingly, the AP (F) Rules was framed in 2002 and amended in 2004 which empowers all the three tiers to levy and collect taxes. Through the AP (F) Rules, GPs got the power to levy tax *viz.* tax on houses and structures and tax on trades etc., as a result of which framing of bye-laws indicating all details relating to tax base, rates of taxes, exemption limit, manner and time of collection and so on were required by the PRIs. However, the relevant bye-laws had not been framed (March 2014).

The post of Chief Accounts Officer (CAO) and Chief Planning Officer (CPO) had been created in each ZP to provide advice on financial matters including the preparation of Annual Accounts and Budget and also advice the ZP on plan

formulation. However, no appointment had been made (March 2014) by the State Government. In the absence of suitable administrative machinery in the PRIs, a substantial portion of the budgetary outlays under Plan and Non-plan in the revenue accounts earmarked for panchayats against transferred subjects were being spent through the respective line departments.

Unless the required legal framework along with appropriate administrative machinery is put in place, it would be futile to expect PRIs to become pro-active in augmenting internal revenue generation.

### **1.6 Standing Committees**

Sections 22, 52 and 81 of Assam Panchayat Act, 1994 stipulate that PRIs shall constitute Standing Committees to perform functions assigned under the Act. Details of constitution of Standing Committee and its roles and responsibilities are given in **Appendix-I**.

### **1.7 Staffing pattern of PRIs**

On the matter of staffing pattern fixed by AP (A) Rules 2002, the Third Assam State Finance Commission (TASFC) while observing the acute shortage of staff at all level of PRIs recommended a revised staffing pattern of 30, 20 and 8 for each ZP, AP and GP respectively from 2008-09. It was observed that the revised staffing pattern recommended by TASFC was not implemented by PRDD.

PRDD could not fill up the vacant posts of PRIs in spite of approval given by the Finance Department. Regarding new staffing patterns, PRDD stated (December 2014) that proposed staffing pattern was under consideration of the Government.

PRIs were understaffed and therefore unable to implement/administer the various schemes effectively and efficiently. The TASFC noted (vide para 4.53) that the present scenario of Panchayat administration in Assam was marked by a deficiency syndrome in manpower development and that PRIs at all levels were starved of adequate number of functionaries in respect of competent staff trained in the nitty-gritty of functional and fiscal decentralisation.

### **1.8 District Planning Committee (DPC)**

As per Article 243 ZD of the Constitution of India, the State Government is required to constitute a District Planning Committee (DPC) to consolidate the plans prepared by the panchayats in the District and to undertake integrated development of the District. Accordingly, Section 3 of AP Act, 1994 and AP (F) Rules 2002 framed there under, provides that the State Government shall constitute DPC in every District for tenure of one year.

The DPC consists of:

- the members of the House of People who represent the whole or part of the District;
- the members of Assam Legislative Assembly whose major part of the constituencies fall within the District;
- the President of the ZP and



- such number of persons not less than four fifth of the total number of members as may be specified by the Government from amongst the members of the ZP in districts on rotation annually and in proportion to the ratio between the population of the rural areas of the District.

Deputy Commissioner is a permanent invitee to the DPC of the District. The President of the ZP is the Chairman and CEO of ZP is Ex-officio Secretary of the DPC.

### 1.8.1 Role of DPC

As per AP Act, 1994, DPC is to consolidate the plans prepared by the panchayats in the District and prepare a draft Development Plan for the District as a whole having regard to:

- the matter of common interest of panchayats in the District including sectoral planning, sharing of water and other physical and natural resources, the integrated development of infrastructures and environmental conservation;
- the extent and type of available resources whether financial or otherwise; and
- consult such institutions and organisations as the Governor may, by order, specify.

GoA, PRDD in June 2010 framed guidelines for preparation of a draft District Development Plan for PRIs detailing the method of preparation of draft plan at different stages of PRIs and consolidation of a draft Development Plan of the District. Though the guidelines provided a scope for a review of implementation and monitoring of the plan by the DPC, it did not prescribe a mechanism for reporting of progress of implementation of District Plan to the State Government.

The DPCs did not call for submission of their annual plan from the PRIs and other stake holders with a view to prepare the Annual District Plan as a whole. Thus, the DPCs failed to perform its primary objective of preparation of District Plan as envisaged in the AP Act, 1994.

### 1.9 State Finance Commission Grants

Article 243-I of the Constitution had made it mandatory for the State Government to constitute a SFC within a year from the enactment of the Constitutional Amendment Act and to make recommendation on taxes, duties, fees and tolls to be assigned and appropriated by the PRIs.

Consequent upon merger of District Rural Development Agencies (DRDAs) with ZPs and Blocks with APs, the SFC recommended additional devolution during 2008-11 to PRIs to enable them to meet the salary burden of DRDA and Block staffs. In addition to devolution, the TASFC also recommended *Grant-in-Aid* (GIA) to PRIs for specific purposes involving liquidation of arrears and also creation of capacity in terms of human resources and physical infrastructure.

Details of quantum of devolution recommended by ASFC and fund released by the GoA to PRIs are indicated in **Table1.3**.

**Table 1.3: Devolution of Fund to PRIs**

(₹ in crore)

Year	Net collection of the State Government	Amount to be devolved	Additional devolution	Total	Actual released to PRIs	Short released
(1)	(2)	(3)	(4)	(5)	(6)	(7)
2009-10	4986.72	679.07	85.92	764.99	67.62	697.37
2010-11	5929.84	716.69	92.79	809.48	119.43	690.05
2011-12	7638.23	222.94	-	222.94	191.62	31.32
2012-13	8250.21	243.22	-	243.22	104.42	138.80
2013-14	6545.09	719.93	-	719.93	158.23	561.70
<b>Total</b>	<b>33350.09</b>	<b>2581.85</b>	<b>178.71</b>	<b>2760.56</b>	<b>641.32</b>	<b>2119.24</b>

Source: The FASFC Report and information furnished by Director, Finance (Economic Affairs) Department, Assam and Finance Accounts

It can be seen from the above table that against devolution of ₹719.93 crore, only ₹158.23 crore was released by the State Government during 2013-14 which constituted only 2.42 per cent of the State's total revenue. Thus, due to short release of fund, the PRIs could not implement various welfare activities for the overall economic development.

### 1.10 Status of decentralised governance in respect of PRIs

In June 2007, GoA issued notification regarding 'Activity Mapping' for 23 subjects out of 29 as listed in XI<sup>th</sup> Schedule of the Constitution of India for devolution of Funds, Functions and Functionaries (3Fs) to the PRIs. Following the 'Activity Mapping' which defined the functions and functionaries that are to be devolved to each tier of PRIs, Government orders were issued for devolution in respect of only seven out of 23 notified subjects till March 2013. Further, 'Activity Mapping' in respect of remaining six subjects had not been completed (March 2014). Of the activities listed in the document, very little was being done at the ground level.

For meaningful devolution, deployment of functionaries from the line departments to the PRIs at all levels was a pre-requisite condition. However, the approach adopted by the State Government was only partial. Apart from this, every year a substantial portion of budgetary outlays under Plan and Non-Plan revenue account was earmarked for PRIs against transferred subjects. Belying the expectation in the activity mapping, devolution of functions at different levels of PRIs remained more or less only on paper. Similarly, little progress had been made in the matter of devolution of fund against transferred subjects as envisaged in the activity mapping. Till March 2014, only Central Finance Commission (CFC) and SFC Funds were passed on to the PRIs on a regular basis. Apart from this the PRIs got funds under District Development Plan (DDP). In addition, central funds channelised through Backward Regions Grant Fund (BRGF) were received by PRIs at all levels wherein the funds under other Centrally Sponsored schemes (CSS) viz. Indira Awas Yojana (IAY), Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) etc. were received by the APs and GPs from respective DRDAs of the District.

It is evident from the above that devolution of 3Fs to panchayats in respect of the transferred subjects is far below the desired level. The GoA had created a Panchayat window in the State Budget and every year a substantial portion of budgetary outlays under Plan and Non-Plan in the revenue account was earmarked for panchayats against the transferred subjects. However, the earmarked amount was being spent by the line departments.

## 1.11 Financial profile of PRIs

### 1.11.1 Fund flow to PRIs

The main source of income of PRIs in the State is funds released by GoI under various Centrally Sponsored Plan Schemes, CFC grants, SFC grants and State Government grants under various schemes. In addition, PRIs were also mobilising revenue from own sources such as taxes, rents, license fee etc. Details of sources of fund, its custody and reporting for each tier are given in **Table 1.4** and flow of fund for CFC grants and CSS are given in **Table 1.5**:

**Table 1.4: Fund flow mechanism in each tier of PRIs**

Nature of fund	ZPs, APs, GPs	
	Source of fund	Custody of fund
Own receipts	Assesses and users	Bank
SFC	State Government	Bank
CFC	GoI	Bank
State Plan Schemes	State Government	Bank
CSS	GoI and State Government	Bank

**Table 1.5: Fund flow arrangements of CFC grants and CSS to PRIs**

Sl. No	Scheme	Fund flow
(1)	(2)	(3)
1	Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)	Central share is released directly to the DRDAs. State share provided in the Budget is released to DRDAs through PRDD. DRDAs disburse the fund (Central and State share) to APs, which in turn, disburse the share of GPs under their jurisdiction.
2	Indira Awas Yojna (IAY)	Central share is released directly to DRDAs. State share provided in the Budget is released to DRDAs through PRDD. DRDA disburses the fund (Central and State share) to APs under its jurisdiction.
3	National Rural Livelihood Mission (NRLM)	Central share is released directly to State Mission Director, NRLM. State share provided in the budget to Mission Director through PRDD. The State Mission Director implemented the scheme directly through his DC level machineries
4	Central Finance Commission (CFC)	GoI transfers the fund to the State, which is released through budget allocation to the ZPs. The ZP after withdrawal of the fund through treasury disburses the share to APs and GPs under its jurisdiction.
5	Backward Region Grant Fund (BRGF)	GoI transfers the fund to the State which is released through budget allocation to the ZPs. ZPs disburse the share to APs and GPs under their jurisdiction.

Source: Scheme guidelines

### 1.11.2 Public investment in Social Sector and Rural Development

Details of public investment in Social Sector and Rural Development through major CSS by GoI including State share during 2009-10 to 2013-14 are shown in **Table 1.6:**

**Table 1.6: Statement showing investment through major CSS**

(₹ in crore)

Sl. No.	Scheme	Year	Allocation of fund	Fund Released to PRIs	Short release of fund
(1)	(2)	(3)	(4)	(5)	(6)
1.	MGNREGS	2009-10	1449.50	867.12	582.38
		2010-11	1828.15	690.80	1137.35
		2011-12	1276.65	481.72	794.93
		2012-13	1017.51	588.46	429.05
		2013-14	1034.61	647.31	387.30
2.	IAY	2009-10	N.A	747.55	--
		2010-11	N.A	825.63	--
		2011-12	N.A	867.28	--
		2012-13	N.A	71.27*	--
		2013-14	N.A	985.90	--
3.	Integrated Wasteland Development Project (IWDP)	2009-10	N.A	25.71	--
		2010-11	N.A	15.27	--
		2011-12	N.A	8.93	--
		2012-13	N.A	**	--
		2013-14	N.A	**	--
4.	BRGF	2009-10	168.19	86.58	81.61
		2010-11	185.01	65.29	119.72
		2011-12	168.19	140.54	27.65
		2012-13	177.75	92.92	84.83
		2013-14	228.79	199.88	28.91
5.	National Social Assistance Programme (NSAP)	2009-10	173.25	172.65	0.6
		2010-11	131.18	117.18	14
		2011-12	188.76	168.76	20
		2012-13	167.14	156.13	11.01
		2013-14	230.82	230.82	0
6.	Swarn Jayanti Gram Swarojgar Yojana (SGSY) (Merged with NRLM w.e.f 01 April 2012)	2009-10	N.A	202.10	--
		2010-11	N.A	224.72	--
		2011-12	N.A	132.33	--
		2012-13	N.A	0.79	--
7.	NRLM	2012-13	217.14	16.36	200.78
		2013-14	288.28	95.75	192.53

Source: Information furnished by Commissioner, PRD, Assam; \* State share only \*\* Now executed by Soil Conservation Department.

It could be seen from above that there was constant short release of fund to PRIs in respect of MGNREGS, BRGF and NRLM schemes which deprived the intended beneficiaries of their benefits.

### 1.11.3 Trends and composition of resources

The trend of resources of PRIs for the period 2009-10 to 2013-14 is shown in **Table 1.7**.

**Table 1.7: Time series data on PRIs resources**

Source	2009-10	2010-11	2011-12	2012-13	2013-14
Own Revenue	17.03	23.46	87.85	176.16	NA
SFC transfers	295.68	119.36	227.96	104.42	158.23
CFC transfers	152.71	73.44	196.01	362.05	201.93
State Sponsored Schemes	123.69	341.86	520.73	89.09	197.29
Centrally Sponsored Schemes	1712.18	1684.81	1323.36	1211.38	2000.58
<b>Total</b>	<b>2301.29</b>	<b>2242.93</b>	<b>2355.91</b>	<b>1943.10</b>	<b>2558.03</b>

Source: Commissioner PRD, Assam, Appropriation & Finance Accounts and information furnished by GoA.

PRIs at all levels had mobilised internal resources from tax and non-tax sources. However, there was a decline in receipts under CFC in 2013-14 in comparison to the previous year. Though, the receipt under SFC increased in 2013-14 in comparison to 2012-13 it was still less than the SFC received in 2009-10.

### 1.11.4 Funds transferred to State Implementing Agencies outside State Budget

The Central Government had been transferring sizeable amounts of funds directly to the State Implementing Agencies for implementation of various schemes/programmes in Social Sectors for the social and economic development of the rural population. During 2013-14, significant amounts were released for implementation of major programmes/schemes; the details are in **Table 1.8**.

**Table 1.8: Funds transferred directly to State Implementing Agencies**

Sl. No.	Programme/scheme	Fund transferred by the GoI during 2013-14	Implementing agencies
1	MGNREGS	573.49	Mission Director, Assam State Rural Livelihood Mission Society, DRDAs & SIRD (State Institute of Rural Development)
2	IAY	900.06	
3	NRLM	81.63	
4	Rashtriya Gram Swaraj Yojana (RGSY) under capacity building	1.69	
5	BRGF under capacity building	131.19	
	<b>Total</b>	<b>1,688.06</b>	

Source: Information received from Panchayat and Rural Development Department.

The above table shows that out of ₹1688.06 crore, sizeable amount of funds were transferred under IAY scheme (53.32 per cent) and MGNREGS (33.97 per cent) during 2013-14.

### 1.12 Central Finance Commission Grants

Since the enactment of the 73<sup>rd</sup> Constitutional Amendments, four CFCs had recommended financial support to augment the Consolidated Fund of the States to supplement the resources of Panchayats of the State.

The status of local body grants recommended by the four CFCs and the amount released by the Government of India (GoI) is shown in **Table 1.9**.

**Table 1.9: Details of funds awarded by CFC and actually released by the GoI**

Finance Commission	Period Covered	Awarded by CFC (₹ in crore)	Released by GoI (₹ in crore)	Shortfall	Percentage of shortfall
10 <sup>th</sup>	1995-2000	133.36	41.67	91.69	68.75
11 <sup>th</sup>	2000-2005	233.45	116.72	116.73	50.00
12 <sup>th</sup>	2005-2010	526.00	368.20	157.80	30.00
13 <sup>th</sup>	2010-2015 (upto March 2014)	1635.12	201.93	1433.19	87.65

Source: Information received from Fourteenth Finance Commission Report.

It could be seen from the above table that against the local body grants recommended by 13<sup>th</sup> CFC during 2013-14 there was huge shortfall in release by GoI.

### 1.13 Thirteenth Finance Commission (13<sup>th</sup> FC) Grant

The weights adopted by the 13<sup>th</sup> Finance Commission for inter distribution of funds among the States were 50 per cent population, 10 per cent area and 10 per cent distance from highest per capita income for PRIs, 15 per cent index of devolution, 10 per cent SC/ST population for PRIs and five per cent CFC grant utilisation index. Based on the above principles, the share of PRIs and ULBs for the periods 2010-15 in Assam including Sixth Schedule areas amounted to ₹1892.90 crore. The amount so recommended has two components viz, General Basic Grants and Performance Grants. According to the 13<sup>th</sup> FC for the periods 2010-15, States will be eligible to draw their Basic grants subject to submission of UCs in time and Performance grants from the second year of the award period subject to fulfilment of conditions as laid down in the 13<sup>th</sup> FC recommendations.

The position of grants released during 2013-14 by the GoI and GoA to PRIs is shown in **Table 1.10**.

**Table 1.10: Award of 13<sup>th</sup> FC to PRIs**

(₹ in crore)

Programme year	Scheme components	Fund received/released		Penal interest for late release of fund
		Received from GoI	Released to PRIs	
2010-11	General Performance Grant	Nil	Nil	2.54
	General Basic Grant	125.97	125.97	
2011-12	General Performance Grant	52.20	52.20	0.72
	General Basic Grant	161.38	161.38	
2012-13	General Performance Grant	124.40	124.40	1.91
	General Basic Grant	181.61	181.61	
2013-14	General Performance Grant	204.80	201.93	2.21
	General Basic Grant	139.88	NIL	
<b>TOTAL</b>		<b>990.24</b>	<b>847.49</b>	<b>7.38</b>

Source: Director, Finance (Economic Affairs) Department, Assam

It was observed that State Government released 13<sup>th</sup> FC grants to PRIs with an interest liability of ₹7.38 crore due to tardy transfer of fund. Further, it was also noticed that there was non release of ₹139.88 crore out of General Basic Grant of 2013-14. Delay in release of funds hampered the timely implementation of the projects in the field because time factor played an important role in Assam in view of season specific limitations in execution of works.

#### **1.14 Creation of Database**

Based on the recommendations of 11<sup>th</sup> FC, CAG had prescribed database formats for capturing the finances of PRIs. The database formats were prescribed with a view to have a consolidated position of sector wise resource and application of funds by PRIs, details of works executed by PRIs and their physical progress etc.

The 11<sup>th</sup> FC had earmarked funds for creation of database for PRIs in their awards covering the period 2000-05. The 12<sup>th</sup> FC had also recommended that States may assess the requirement of each PRI in this regard and earmark funds accordingly out of the total allocation of 12<sup>th</sup> FC grants. Despite the dedicated fund allocation, little improvement had been made in development of database though ₹55.61 crore were incurred on creation of database during the years 2008-2013. The 13<sup>th</sup> FC in its report had also expressed similar dissatisfaction. Even after several persuasions by audit, a reliable base data on finances of PRIs had not been developed. Moreover, computerisation of PRIs in Assam suffered due to non-electrification of GP offices.

The entire matter of implementation of the programme of database on finances needed to be evaluated and effective steps were required to be taken to develop the database without further loss of time.

#### **1.15 Accountability framework**

##### **1.15.1 Power of State Government over PRIs**

The Constitution of India empowers States to legislate on Panchayats. Further, in exercise of relevant Acts and Rules, the State Government exercises its powers in relation to PRIs. Details of powers of the State Government over the PRIs in decentralised setup are detailed in **Appendix-II**.

The AP Act also gives the State Government the following powers for ensuring proper functioning of PRIs:

- Call for any Panchayat to furnish information or report, plan, estimate, statement, accounts or statistics;
- Inspect any office or any record or any document of PRIs;
- Inspect the works and development schemes implemented by PRIs and
- Take action for default of Panchayat President/Secretary.

Lapses/defects noticed in audit relating to formulation and implementation of schemes, matters relating to finance, etc., are mentioned in Chapter II (Section – B) of this Report.

## **1.16 Vigilance mechanism**

### **1.16.1 Ombudsman**

The Ombudsman conducts investigation and enquires into instances of maladministration, corruption, favouritism, nepotism, lack of integrity, excessive action, inaction, abuse of position etc., on the part of officials and elected representatives of PRIs. He can even register cases, *suo moto*, if the instances of the above kind come to his notice. In October 2014 the State Government has initiated action for appointment of Ombudsman for 27 districts in the State for a tenure of two years for conducting above investigation and enquires on the part of officials and elected representatives of LBs under section 27 (1) of the MGNREG Act, 2005. However, the process of selection of Ombudsman and Deputy Ombudsman had not been completed (January 2014).

There was however, no provision in the AP Act regarding setting up of Ombudsman for PRIs.

### **1.16.2 Social Audit**

The primary objective of social audit is to bring the activities of PRIs under close surveillance of people to enable them to access the records and documents of PRIs. Such immediate access to information would facilitate transparency and accountability in day-to-day functioning of PRIs. The State Finance Department issued guidelines (May 2009) for social audit which, *inter alia*, included the following:

- Use of *Gaon Sabhas* as important vehicles for spread of awareness about social audit;
- Appointment of nodal officer at the level of *Gaon Sabhas* who would register complaints and fix the date for social auditing;
- Wide publication of the date of social audit through local newspapers, hand bills, leaflets and notice boards etc;
- Presentation by the GP Secretaries of the relevant data on revenue and expenditure of their organisations including bills, vouchers, muster rolls, measurement books, copies of sanction orders and other books of accounts and papers necessary for the purpose of social auditing.

Except for a provision made under the Assam Rural Employment Guarantee (AREG) Scheme under MGNREGA, the State Government had not amended the relevant Panchayat Act by including a statutory provision for social auditing.

In July 2014, the Government designated the State Institute of Rural Development (SIRD) as Nodal Agency for conducting Social Audit of all the Panchayati Raj Schemes and Rural Development Schemes of the GoI/GoA under PRDD.

### **1.16.3 Lokayukta**

The Assam Lokayukta and Upa-Lokayukta Act, 1985 (Assam Act XX of 1985) was introduced to improve the standard of Public Administration through investigation of complaint against ministers, legislators and public functionaries including those of PRIs. The institution was headed by Upa-Lokayukta from March 2001 as the post of Lokayukta had



been lying vacant for the last 19 years (since March 1995). The Upa-Lokayukta's post was also vacant from August 2012 to May 2014 as the Government failed to fill up the vacant post. Though the State Government had taken various initiatives for creating awareness among the people regarding Lokayukta and Upa-Lokayukta Act, the Upa-Lokayukta had received only 28 complaints during the year 2013-2014 out of which 20 cases were settled.

Thus, there was a need to increase awareness among the people about the existence and functioning of anti-corruption mechanism to make it more effective and useful to the public.

## 1.17 Audit Mandate

### 1.17.1 Primary Auditor of PRIs

Director of Audit, Local Fund (DALF), Assam, established under Assam Local Funds (Accounts & Audit) Act, 1930 is the Primary Auditor of all tiers of PRIs in the State. The Local Fund Audit organisation in the State of Assam under DALF had 20 circle offices each of which was headed by an Assistant Director to perform audit functions at the District level. There are 131 audit parties comprising of one Audit Officer and one or more Assistant Audit Officers. Training to Officers of DALF for capacity building and to improve local body audit was imparted by Assam Administrative Staff College in May 2012 by the O/o the Accountant General (Audit), Assam in April 2013 and by RTI Kolkata in December 2013.

### 1.17.2 Staff strength of DALF

Details of sanctioned strength and persons in position in the organisation as of 31 March 2014 are shown in **Table 1.11**.

**Table 1.11: Sanctioned strength and persons in position in DALF**

Sl. No.	Post	Sanctioned	Men-in-position	Vacant	Percentage of vacancy
1	Director	1	1	Nil	Nil
2	Joint Director	2	2	Nil	Nil
3	Deputy Director	3	1	2	66.67
4	Assistant Director	23	20	3	13.04
5	Registrar	1	1	Nil	Nil
6	Superintendent	1	1	Nil	Nil
7	Personal Assistant	1	1	Nil	Nil
8	Audit officer	159	141	18	11.32
9	Assistant Audit Officer	220	115	105	47.73
10	Other ancillary staff	270	225	45	16.67
<b>Overall</b>		<b>681</b>	<b>508</b>	<b>173</b>	<b>25.40</b>

Source: DALF, Assam.

The organisation is functioning with an overall 25 per cent shortage of personnel within which the shortage in the cadre of Audit Officer (11 per cent) and Assistant Audit Officers (48 per cent) adversely affected the mandated functions of the organisation.

### **1.17.3 Audit by CAG of India**

CAG of India conducts audit of substantially financed PRIs under Section 14(1) of CAG's (DPC) Act, 1971 and audit of specific grants to PRIs under Section 15 of the Act *ibid*. The audit of PRIs is also conducted by CAG under Section 20(1) of the Act as per Technical Guidance and Support (TGS) module as entrusted by the State Government in May 2002 followed by acceptance of standard terms and conditions of TGS (May 2011) pursuant to the 13<sup>th</sup> FC recommendations.

During April 2013 to March 2014 accounts of 107 PRIs (11 ZPs, 36 APs and 60 GPs) were audited.

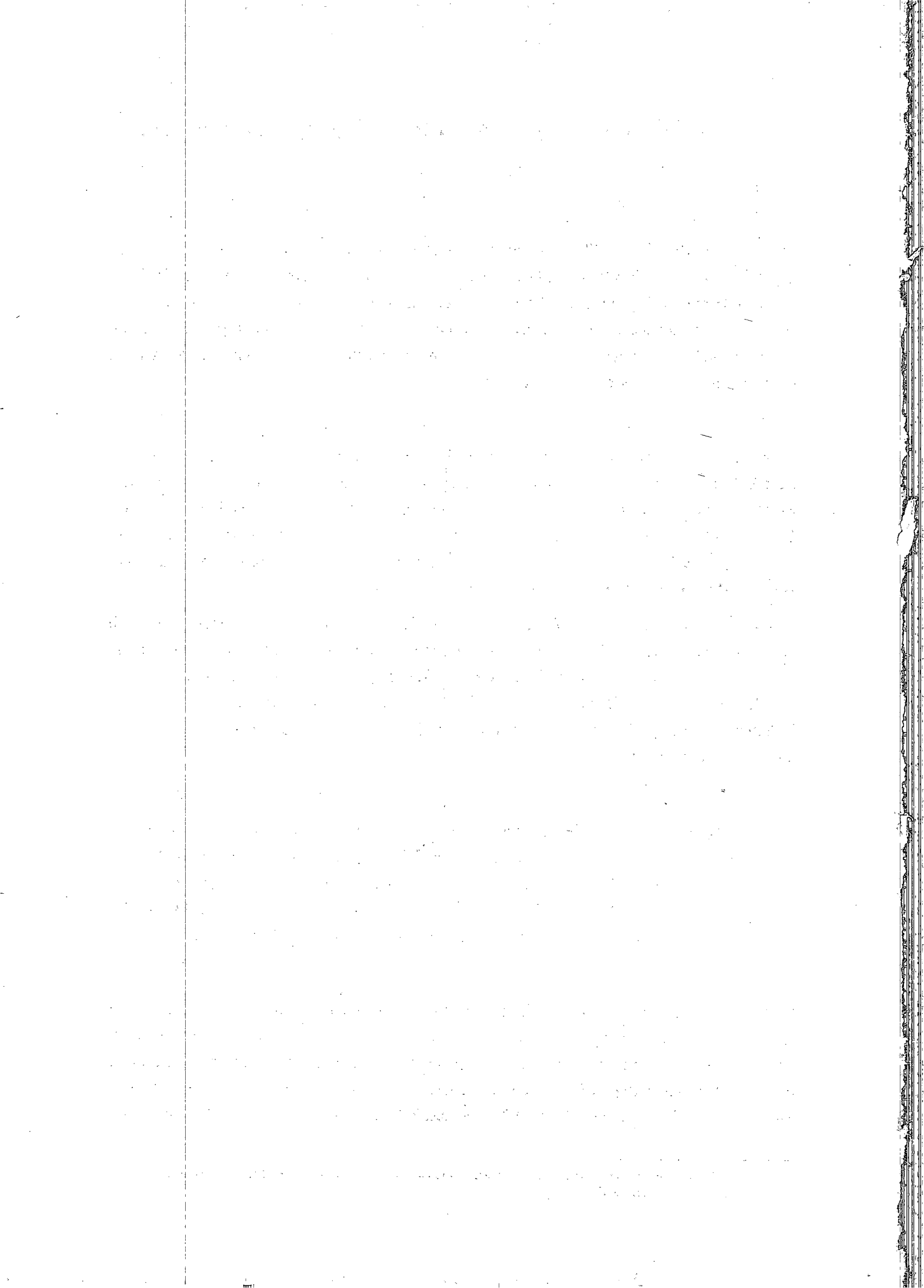
### **1.18 Conclusion**

Consequent upon the 73<sup>rd</sup> Constitutional Amendments, there had been considerable progress in empowerment of panchayats. By and large, such empowerments remained confined to setting up of State Election Commission, conducting regular election to PRIs, constituting SFCs periodically and devolution of funds as per award of CFCs & SFCs. Very little had been done to augment the capacity building of PRIs and to upgrade their weak administrative set up. Devolution of 3Fs to panchayats in respect of the transferred subjects is far below the desired level. Also delay and constant short release of funds hampered the timely implementation of the projects in the field besides deprivation of scheme benefits to the intended beneficiaries. The DPCs failed to perform its primary objective of preparation of District Plan as envisaged in the AP Act, 1994. A reliable data base on finances of PRIs was not developed which was essential for implementation of the program of database on finances. The process of selection of Ombudsman and Deputy Ombudsman was not completed (January 2014). There was a need to increase awareness among the people about the existence and functioning of anti-corruption mechanism to make it more effective and useful to the public.

# **CHAPTER I**

## **Section-B**

### **Financial reporting of PRIs**



## Section-B

### Financial Reporting of PRIs

#### 1.19 Financial reporting issues

Financial reporting in the PRIs is a key element of accountability. Therefore, a sound internal control system significantly contributes to efficient and effective governance of the PRIs by the State Government. The present system of accounting suffers from lot of deficiencies with regard to maintenance of accounts as per formats prescribed by the Ministry of Panchayati Raj in consultation with the CAG of India. Some of the discrepancies relating to financial reporting noticed during test check are enumerated below:

##### 1.19.1 Improper maintenance of records

Rule 8, sub rule 4 (a), (b) and (c) of AP (F) Rules 2002 stipulate that all moneys received and payments made should be entered in the Cash Book which should be closed every day. Monthly closing of Cash Book with physical verification of cash and reconciliation of Cash Book balance with bank balance under proper authentication are to be done. Sub-rule 4 (e) further stipulates that at the close of each month, the bank balance as reflected in the Cash Book shall be reconciled with balances as per bank account.

However, during audit it was observed that Cash Book balances were not reconciled with bank balances in some PRIs. Instances of un-reconciled balances with differences ranging from ₹800 to ₹11.34 crore in four PRIs were noticed as given in **Appendix - III**. Failure in maintenance of Cash Book as per provision of financial rules pointed towards gross irregularity. Besides, the possibility of occurrence of fraud and embezzlement of Government money could not be ruled out.

##### 1.19.2 Asset Register

All properties vested in the ZPs, APs and GPs shall be entered in the Register of properties and assets in the Form 6 of Rule 19 of AP (F) Rules, 2002. The entries shall be attested by the officer concerned. However, audit noticed that the Asset Registers were not maintained by eight<sup>1</sup> test-checked PRIs and the State Government also did not call for any return on the nature of asset, year of creation and monetary value of the assets.

##### 1.19.3 Budget Formulation

Budget is the most important tool for financial planning, accountability and control. As per AP Act, the Budget proposals containing detailed estimates of Income & Expenditure expected during the ensuing year were to be prepared by the respective Standing Committees of PRIs after considering the estimates & proposals submitted by the executive authorities of PRIs ever year. Rule 32, 33 & 34 of AP (F) Rules, 2002 also stated that every GP, AP and ZP

<sup>1</sup> Algapur AP, Rangjuli AP, Dholchera GP, Lalacherra Vernerpur GP, Mahammedpur GP, Mohanpur Burnie-Breas GP, Panchgram GP and Kalinagar GP.

shall prepare Budget before the beginning of Panchayat financial year in the respective format by indicating minor heads. After considering the proposals, the Finance, Audit and Planning Committee was to prepare the budget showing the income and expenditure of the respective PRIs for the ensuing years and place it before the governing body for approval. The approved budget of PRIs had to be consolidated by the ZPs for submission to the State Government for final approval.

The position of submission of budget by the Zilla Parishads during last three years to PRDD, Assam is shown in the **Table 1.12**.

**Table 1.12: Details of budget submitted by the ZP**

Year	Total ZPs in the State (no.)	Budget proposals submitted by the ZPs (no.)	Budget proposals not submitted by the ZPs (no.)
2011-12	21	11	10
2012-13	21	13	8
2013-14	21	8	13

Source: Commissioner PRD, Assam,

The above table shows that out of 21 ZPs, 10, 8 and 13 ZPs had not submitted budget proposals during 2011-12, 2012-13 and 2013-14 respectively. Funds were released by the government in a routine manner, thereby defeating the purpose of planning and without taking to account the requirement of the people at the grass root level. Further, it was also noticed that in nine PRIs (2 APs and 7GPs), ₹13.94 crore was expended during the years 2008 -13 without preparing Budget Estimates.

#### **1.19.4 Non Adjustment of Advance paid to JE/Contractor**

State Financial Rules stipulate that advances paid should be adjusted without any delay and DDO concerned should watch their adjustment. Though Chief Executive Officer (CEO) of ZP, Executive Officer (EO) of AP and Secretary of GP are custodians of Panchayat funds, it was noticed that in eight PRIs, advances (ranging from ₹0.17 lakh to ₹1.85 crore) given to JEs/Contractors for implementation of schemes were not adjusted as detailed in **Appendix-IV(A)**.

#### **1.19.5 Non-deduction of VAT/IT**

According to Income Tax (IT) Act and State Value Added Tax (VAT) Act, IT & VAT is to be deducted from the payment of contractors/suppliers. Test check of records revealed that in 17 PRIs (three ZPs, nine APs and five GPs) VAT/IT amounting to ₹26.48 lakh were not deducted as detailed in **Table 1.13**.

Table 1.13: Non-deduction of VAT/IT by PRIs

		(₹ in lakh)
Sl No.	Name of PRI	Amount
1.	Dibrugarh ZP	5.12
2.	Goalpara ZP	1.30
3.	Kamrup ZP	0.49
4.	Barbhag AP	2.11
5.	Bezera AP	5.40
6.	Bongaon AP	2.81
7.	Jorhat AP	0.29
8.	Madhupur AP	0.48
9.	Panitola AP	3.35
10.	Rani AP	2.57
11.	Ruposi AP	0.32
12.	Sualkuchi AP	0.94
13.	Amsing GP	0.15
14.	Balijan GP	0.12
15.	Jerai GP	0.09
16.	Madhabpara GP	0.39
17.	Rohmoriam GP	0.55
<b>Total</b>		<b>26.48</b>

Source: Information collected from records of various PRIs.

Due to non-deduction of taxes, Government suffered a loss of revenue to that extent.

#### 1.19.6 Short collection of Kist Money

Sub-Rule 14 and 15 of Rule 47 of the Assam Panchayat (Financial) Rule 2002, stipulates that panchayats are required to recover the *kist*<sup>2</sup> money from the lessees in due time. During test check of records it was noticed that there was short collection of *kist* money of ₹1.78 crore in 20 PRIs as shown in **Appendix - V (A)**.

Thus, due to short collection of *kist* money, revenue could not be augmented to that extent.

#### 1.19.7 Non-furnishing of Utilisation Certificates (UCs)

Scheme guidelines of CSS stipulate that UCs should be obtained by departmental officers from the grantees and after verification should be forwarded to GoI. As per information furnished by Commissioner, PRD, Assam, UCs amounting to ₹9.48 crore from different implementing agencies were pending as detailed in **Appendix-VI**.

Non furnishing of UCs indicates poor monitoring of the utilisation of scheme funds by the DDOs and the Head of the Department (HoD).

#### 1.19.8 Maintenance of Annual Accounts

The Monthly and Annual Accounts as per prescribed formats showing the details of income and expenditure during the year duly supported by the necessary documents should be prepared by all three tiers of PRIs. However, annual accounts were not prepared by any of the

<sup>2</sup> *Kist*: Installment

test checked PRIs, reflecting poor internal controls and inadequate accounting arrangements in PRIs. These records are important as they are included to constitute evidence of proper receipt and utilisation of funds.

Though, non maintenance of Annual Accounts by PRIs has been brought to the notice of State Government on several occasions through Inspection Reports and Annual Technical Inspection Reports, no effective action has been taken by the Government.

#### **1.19.9 Fiscal reform path in PRIs**

The State Government had enacted the Assam Fiscal Responsibility and Budget Management (AFRBM) Act, 2005 to ensure best practices of financial management of the departments. However, Principal Secretary, Finance, Assam observed that Local Bodies (LBs) being the third tier of Government at the local levels in a federal structure of Indian Union as per 73<sup>rd</sup> amendment of the Constitution of India, this AFRBM Act would not be applicable for Local Bodies and instructed the Finance (Economic Affairs) Department to expedite the process of finalisation of separate FRBM Act for LBs for streamlining fiscal activities and bringing fiscal discipline of LSGIs (April 2011).

Audit observed that State Legislative Assembly had passed (9 July 2011) the Local Self Government Fiscal Responsibility Act 2011, and the State Government notified the Act (September 2011) in the State Gazette. However, preparation and submission of medium term Fiscal Plan as envisaged in the Act was not carried out by any PRIs because date of effect of the Act was not specified. Thus, the purpose of the Act of ensuring fiscal stability and sustainability and greater transparency in fiscal operations was defeated.

#### **1.19.10 Reporting of misappropriation cases**

State Financial Rules stipulate that any defalcation or loss of public money or other property discovered in Government treasury or office or department, should immediately be reported to the Accountant General, even when such loss had been made good by the person responsible for it. However, no specific provision exists in AP (F) Rules, 2002 for DDOs or head of the PRIs to report any case of loss, theft or fraud to the Accountant General and the State Government which is a systemic deficiency at the level of State Government.

#### **1.19.11 Panchayat Financial Year**

In contrast to the financial year of Central and State Governments which commences on the 1<sup>st</sup> day of April every year, the Panchayat financial year commences on the 1<sup>st</sup> day of July. The difference of financial year between the Government and the PRIs create a lot of difficulties in maintenance of accounts, audit of accounts and devolution of funds from higher levels of Governments. The uniformity of financial year between Government and PRIs was recommended by the second SFC way back in 2003 which was again recommended by the fourth SFC in 2012. However, the same had not been implemented (March 2014).



## 1.20 Reporting arrangements

Findings of audit on accounts of PRIs conducted by the CAG were previously presented in the form of Annual Technical Inspection Reports (ATIRs). ATIRs containing audit findings on PRIs for the years ended 31 March 2005 to 2013 have been submitted to the State Government. On 19 December 2011, ATIR for the year ended 31 March 2010 was laid before the State Legislature for the first time. Subsequent three ATIRs *i.e.* ATIR for the year ended 31 March 2011, 2012 and 2013 were also been laid before the State Legislature on 04 April 2013, 19 July 2013 and 04 August 2014 respectively.

State Legislature has constituted (October 2012) a Local Fund Accounts Committee (LFAC) for the first time to discuss the Audit Report on LBs consisting of audit findings of PRIs. ATIR for the year ended 31 March 2010 was discussed by the Committee. However, Action Taken Report (ATR) on the ATIRs submitted to Government was awaited (March 2014).

## 1.21 Internal control system in PRIs

Internal control mechanism is an integral function of an organisation which helps it to govern its activities effectively and achieve the objectives of the organisation. It is intended to provide reasonable assurance of proper enforcement of Acts, Rules and Bye-laws. Various internal control measures would minimise the risk of errors and irregularities. It also provides reasonable assurance that the general objectives are achieved in fulfilling accountability obligations; compliance with applicable rules and regulations and implementation of programmes is carried out in an orderly, economical, efficient and effective manner.

### 1.21.1 Deficiencies in internal control mechanism in PRIs

The internal control system at the level of each PRIs had been designed by GoA through AP Act, 1994, AP (F) Rules, 2002, besides application of State Government's own rules and policies relating to finance, budget and personnel matters. Significant provisions of internal control mechanism in PRIs are given in **Appendix-VII**.

Though the shortcomings were pointed out in previous ATIRs also, no corrective action was initiated either by the PRIs or by the State Government to ensure proper maintenance of records and to put an internal control mechanism in place.

### 1.21.2 Internal Audit

Internal Audit is an important instrument to examine and evaluate the level of compliance with rules and procedures as envisaged in the relevant Acts as well as in the Financial/Accounting Rules so as to provide independent assurance to management on the adequacy of the risk management and internal control frame work in the PRIs.

Rule 18 of AP (A) Rules, 2002 provided for utilisation of internal auditors of PRDD for proper and correct maintenance of accounts of PRIs. An internal audit wing with internal auditors was in place in the Commissionerate of PRD, Assam. However, no internal audit of PRIs had been conducted (March 2014). The Department had no Audit Manual of its own

and its main function was limited to assisting the Commissioner, PRD, Assam in settling the outstanding audit paras and inspection reports relating to departmental units.

This affected the sense of accountability to ensure proper compliance with rules and procedures as envisaged in the relevant Acts/Rules.

## 1.22 Audit of accounts of PRIs

### 1.22.1 Audit coverage by Director of Audit, Local Fund (DALF)

DALF is the primary auditor to conduct the audit of PRIs in Assam. Based on information furnished by DALF (November 2014), the arrears in audit of PRIs during the period 2009-14 ranged between 44 and 82 *per cent*. The year-wise position of units to be audited and those actually audited are detailed in **Table 1.14**.

**Table 1.14: Shortfall in covering the units planned for audit by DALF**

Year	No. of units planned for audit	No. of units audited	Shortfall	Percentage of shortfall
2009-10	1969	356	1613	82
2010-11	1297	418	879	68
2011-12	877	492	385	44
2012-13	1423	788	635	45
2013-14	1130	888	242	21

*Source: Information furnished by DALF, Assam.*

Apart from this, there was also an arrear in issue of 694 audit reports as of March 2014. The reasons for shortfall in audit coverage and arrear in issue of audit reports were attributed to non-production of records and engagement of Audit Officials in General Election.

### 1.22.2 Presentation of Annual Audit Report

As per para 101(i) of Assam Audit Manual, DALF is required to send an Annual Audit Report to the Finance Department by 30 September each year incorporating major outstanding audit objections relating to PRIs which were pending settlement for further action by the Finance Department. DALF prepared its first consolidated Audit Report for the year 2010-12 and submitted to Finance Department which was also laid before the Legislature on 10 February 2014. Consolidated Audit Report for the year 2012-13 and 2013-14 was submitted to Finance Department on 7 December 2014 and the same was placed before the Legislature on 19 December 2014.

### 1.22.3 Response to Audit Observations

Inspection Reports (IRs) were issued by Accountant General (Audit), Assam to audited PRI authorities with a copy of each to the State Government. PRI authorities were required to comply with the observations contained in the IRs and rectify the defects and omissions and report their compliance within three months from the date of issue of IRs. Important audit findings are also reported to Government through Audit Reports on Local Bodies.

The details of outstanding paragraphs in respect of PRIs as of March 2014 are shown in **Table 1.15**.

**Table 1.15: The details of outstanding IRs and paragraphs**

Year of issue	No. of Inspection Reports	No. of outstanding Paras	Money value (₹ in crore)
Up to 2009-10	384	2574	243.27
2010-11	74	508	154.32
2011-12	52	515	188.98
2012-13	25	211	103.38
2013-14	111	375	183.03
<b>Total</b>	<b>646</b>	<b>4183</b>	<b>872.98</b>

Source: Progress Register

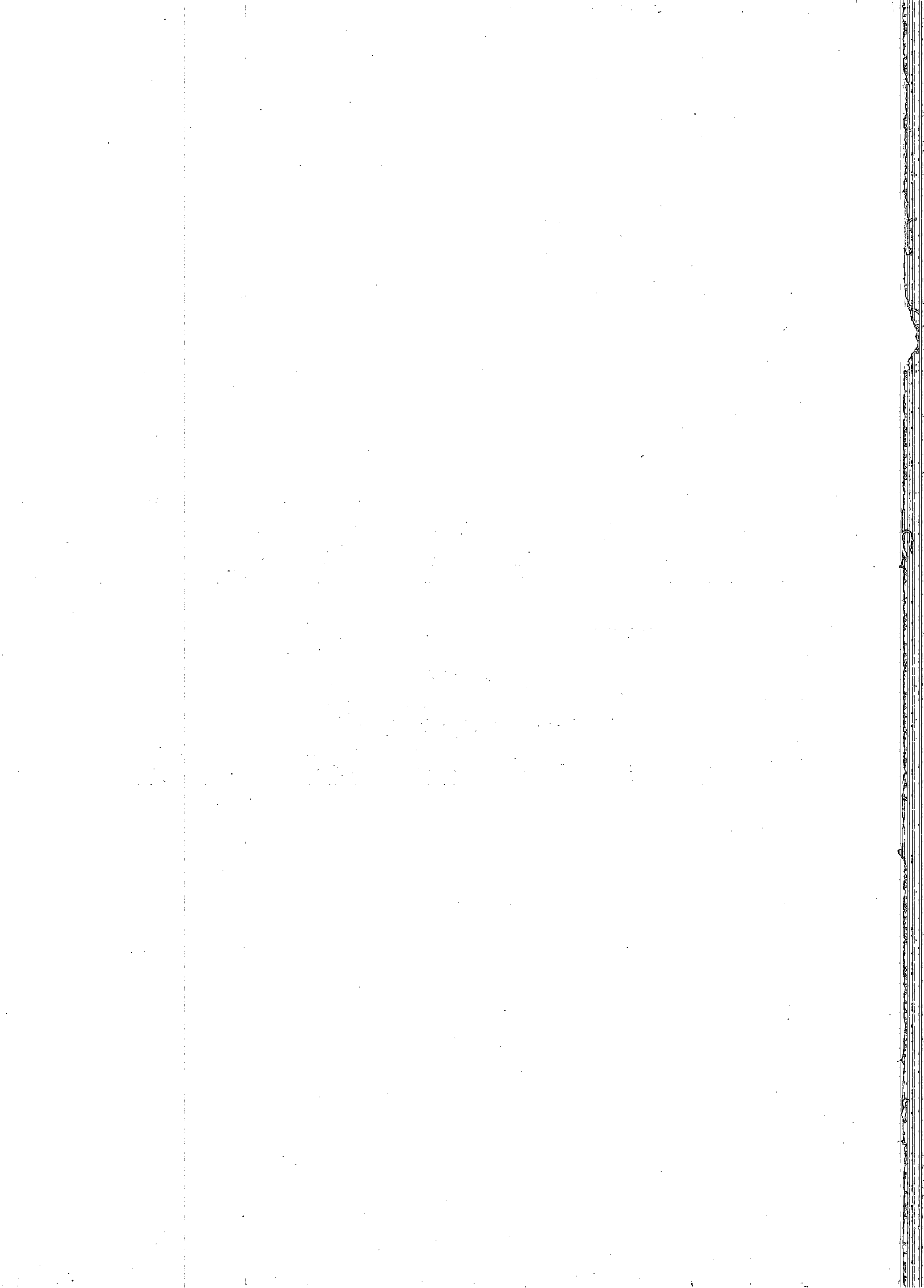
Thus, 4183 paragraphs with monetary value of ₹872.98 crore were pending settlement (December 2014) for want of replies from concerned PRIs. Increasing trend of outstanding paragraph was indicative of non-compliance with audit observations. The Administrative Heads of the Departments concerned also did not ensure that the concerned officers of the PRIs took prompt and timely action in furnishing replies to IRs and thereby weakening the accountability mechanism of PRIs in Government.

### 1.23 Administrative Reports

Sub-sections (1) and (2) under Section 128 of the AP Act, 1994, provides for submission of Annual Administrative Report of the preceding year of ZP and AP to the Government by 30 September every year. Report of the ZP together with a memorandum by the Government reviewing the working of the ZP should be laid before the State Legislature as per sub-section (3) of the section *ibid*. However, neither the PRIs prepared their Annual Administrative Reports nor the State Government (PRDD) called for Annual Administrative Reports from PRIs for consolidation and submission to the State Legislature.

### 1.24 Conclusion

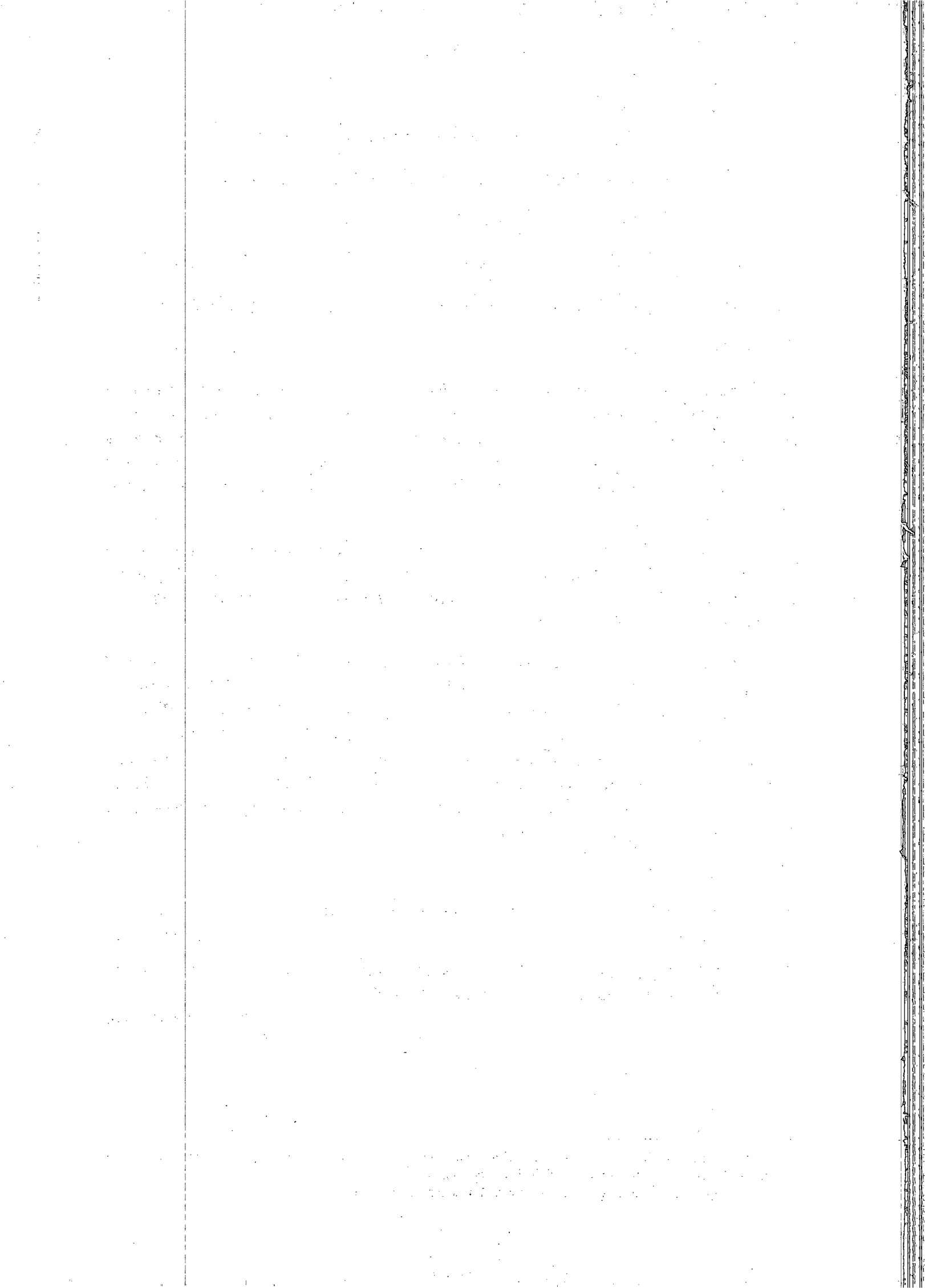
The PRIs were not maintaining their accounts as per format prescribed by MoPR. Cash Book balances were not reconciled with bank balances in some PRIs. Asset Registers were not maintained by PRIs. Expenditures were incurred either by preparing unrealistic budget or without preparing any budget. There were instances of non-deduction of VAT and short realisation of *kist* money causing significant loss to the Government. Internal audit had never been carried out in compliance with rules and procedures as envisaged in the relevant Acts/Rules. Increasing trend of outstanding paragraphs was indicative of non-compliance with audit observations which showed low level of accountability.



# **CHAPTER II**

## **Section - A**

### **Performance Audit on Implementation of IGNOAPS**



## Chapter – II

### PANCHAYAT AND RURAL DEVELOPMENT DEPARTMENT

#### Section – A

#### PERFORMANCE AUDIT

#### Implementation of Indira Gandhi National Old Age Pension Scheme (IGNOAPS)

##### *Executive Summary*

*IGNOAPS is one of the components of National Social Assistance Programme (NSAP) introduced by Government of India (GoI) in 1995-96. GoI provides Additional Central Assistance(ACA) and Government of Assam (GoA) contributes Minimum Mandatory Provision (MMP) under the scheme with an objective to improve quality of life, remove poverty & economic inequality and human deprivation by mitigating the hardships faced by the aged population.*

*As per Census 2011, Assam has around 6.1 per cent old age population. The Central Assistance under IGNOAPS is provided at the rate of ₹200 per month per beneficiary in the age group of 60-79 years whereas the same is provided at the rate of ₹500 per month to the beneficiaries who are 80 years and above.*

*The Performance Audit (PA) of IGNOAPS was conducted covering the period 2009-14 between May 2014 and September 2014. During 2009-14, an amount of ₹726.89 crore was released for 7,50,501<sup>3</sup> beneficiaries under the scheme. Implementation of IGNOAPS under six test checked districts<sup>4</sup> revealed serious irregularities viz. deficiencies in planning process, inadequate awareness among the beneficiaries, lack of monitoring, periodical survey and Social Audit. Besides, instances of misappropriation and non-utilisation of funds leading to lapse of funds, delay in release of fund etc. were also noticed during the performance audit. Some of the significant findings are as under:*

##### **Highlights:**

❖ *Pensioners had neither received their pension in time nor had they received it in full.*  
**[Paragraph: 2.5.1]**

❖ *The implementing agencies took minimum of 12 days and maximum of 481 days to disburse the pension to beneficiaries in the test-checked districts.*  
**[Paragraph: 2.5.3]**

<sup>3</sup> As per Census 2011, number of IGNOAPS beneficiaries in Assam was 7,85,836 – 35,335 of beneficiaries pertaining to (a) Karbi-Anglong and (b) Dima Hasou.

<sup>4</sup> 1. Kamrup (M & R); 2. Nagaon; 3. Sonitpur; 4. Cachar; 5. Jorhat and 6. Nalbari.

- ❖ *An amount of ₹874.88 lakh (Programme money: ₹751.25 lakh and Accrued Interest: ₹123.63 lakh) was blocked by four out of six test-checked districts. Consequently, beneficiaries were deprived of getting pension.*

**[Paragraph: 2.5.4]**

- ❖ *A series of misappropriations took place in Cachar ZP due to absence of proper financial control.*

**[Paragraph: 2.5.5]**

- ❖ *Deficiencies in the tendering process, preparation of comparative statement, issue of work order and making payment to the supplier on the same day of issue of formal work order without ensuring actual installation of 108 iron framed signboards and 120 flaxes pointed towards suspected misappropriation of Government money of ₹36.03 lakh.*

**[Paragraph: 2.5.10]**

- ❖ *None of the districts had prepared Annual Action Plan covering the criteria as envisaged in the guidelines.*

**[Paragraph: 2.6.1]**

- ❖ *962 cheques meant for pensioners valuing ₹16.01 lakh were returned to DC, Kamrup (Metro) after a lapse of more than four years.*

**[Paragraph: 2.6.3.2]**

- ❖ *Large number of undisbursed cheques amounting to ₹45.70 lakh were returned by the various field offices due to death cases or non-availability of whereabouts of the beneficiaries.*

**[Paragraph: 2.6.3.2]**

- ❖ *There was lack of awareness among the beneficiaries which was noticed during the survey conducted on the pensioners and there was universal dissatisfaction on the timeliness of disbursement of pension.*

**[Paragraph: 2.9]**

## **2.1 Introduction**

The National Social Assistance Programme (NSAP) which came into effect from 15 August 1995 aimed at ensuring minimum national standard for social assistance. NSAP comprised of National Old Age Pension Scheme (NOAPS), Indira Gandhi National Widow Pension Scheme (IGNWPS), Indira Gandhi National Disability Pension Scheme (IGNDPS), National Family Benefit Scheme (NFBS) and Annapurna. Initially launched as a Centrally Sponsored Scheme (CSS), NSAP was transferred to the States during 2002-03 and funds were to be released as Additional Central Assistance (ACA) to the States by the Ministry of Finance, Government of India (GoI) for its implementation. NOAPS covered destitute persons having little or no regular means of subsistence from their own sources of income or through financial support from family members or other sources. The scheme was renamed as Indira Gandhi National Old Age Pension Scheme (IGNOAPS) with effect from November 2007 and was being implemented during the period of audit with the following salient features:



- ❖ Applicant must belong to a household Below the Poverty Line (BPL) as prescribed by the GoI;
- ❖ Age of the applicant (male or female) shall be 65 years or above, subsequently revised (October 2012) to 60 years and above (excluding BPL widows) and BPL persons with severe or multiple disabilities in the age group of 60 to 79 years covered under the scheme.
- ❖ Central Assistance will be provided at the rate of ₹200 per month per beneficiary. For beneficiaries who are 80 years and above, the Central Assistance would be provided at the rate of ₹500 per beneficiary per month with effect from October 2012;
- ❖ Pension will be credited, where feasible into a post office or public sector bank account of the beneficiary;
- ❖ Number of eligible beneficiaries to be assisted under the IGNOAPS will be determined as per the field report of all the beneficiaries who satisfy the eligibility criteria.

The ceiling on the total number of old-age pension for purposes of claiming Central assistance are specified for the States and UTs from time to time. As per Census 2011, the number of IGNOAPS beneficiaries in Assam was 7,85,836.

## 2.2 Organisational set-up

The IGNOAPS in the State was being implemented by the Panchayat and Rural Development Department (P&RDD). Commissioner, P&RDD, Government of Assam (GoA) was the Administrative Head and acts as the Drawing and Disbursing Officer (DDO). The Commissioner was assisted by one Nodal and Branch Officer (Joint Director) and an Assistant Nodal Officer (Deputy Director). At District level, Chief Executive Officer (CEO), Zilla Parishad (ZP) was the sanctioning authority in plain<sup>5</sup> districts and Project Director (PD), District Rural Development Agency (DRDA) in the Sixth Schedule districts. At the level of Development Blocks (DBs) and Gaon Panchayats (GPs), Block Development Officers (BDOs) and Secretaries respectively were responsible for implementation of the scheme. However, in case of Municipal Board (MB) and Town Committee (TC), Chairperson was responsible for implementation of the scheme.

## 2.3 Audit framework

### 2.3.1 Scope and methodology

The Performance Audit of IGNOAPS was conducted for the period 2009-14 during May 2014 to September 2014. An Entry Conference was held on 02 May 2014 with the Commissioner and Secretary, P&RDD and representative (Deputy Secretary) from Finance Department for explaining the audit scope, methodology, criteria and objectives. The field audit involved collection of data from Commissioner's office, District, Block offices etc. and subsequent detailed scrutiny in selected villages and municipalities. Besides, detailed interviews were held with concerned officials at State, District and Block levels. To assess

<sup>5</sup> Excluding Hill areas and Bodoland Territorial Autonomous Districts (BTAD)

the impact of the scheme on the target population, beneficiaries were also covered in a survey conducted through a set of questionnaires devised for the purpose and the results thereof included in this report. After the conclusion of field audit, the Draft Performance Audit Report was forwarded to Government on 8 January 2015. The audit findings were also discussed in the exit conference held on 21 January 2015 with the Secretary, P&RDD, GoA, Joint Secretary, Finance Department, GoA, Commissioner, Jt. Director and other delegates from the P&RD Commissionerate. Though Commissioner, P&RD forwarded piecemeal replies received from the Implementing Agencies the reply from the Government was still awaited (March 2015). The Commissioner, P&RD had been requested (March 2015) to furnish a consolidated reply duly vetted by the Government so that it could be incorporated in this Report which was awaited till the time of finalisation of this Report.

### 2.3.2 Sample size

A Stratified Multi Stage Sampling plan was adopted for selection of units. Six districts<sup>6</sup> out of 20 plain districts<sup>7</sup> were selected by 'Probability Proportional to Size Without Replacement' (PPSWOR) method based on release of funds. Within selected districts, 21 Development Blocks, 72 GPs and seven ULBs (**Appendix-VIII**) were selected by 'Simple Random Sampling Without Replacement (SRSWOR)'. For beneficiary survey, 1455 beneficiaries in the selected 72 Gaon Panchayats and seven ULBs were covered.

### 2.3.3 Audit objective

The main objectives of the Performance audit were to assess:

- ❖ The efficacy of the planning of the scheme;
- ❖ Extent to which allocation, release and utilisation of funds were made as per the guidelines of the scheme;
- ❖ Extent to which the scheme had met the intended benefits;
- ❖ Socio-economic and demographic characteristics of the beneficiaries of the scheme so as to assess the extent to which the guidelines for identifying the beneficiaries/ villages had been followed;
- ❖ The efficiency and effectiveness of the database and operationalisation of NSAP software viz. NSAP-MIS;
- ❖ The shortcomings/ problems in implementation of the scheme, if any; and
- ❖ The system of monitoring and evaluation.

### 2.3.4 Audit Criteria

Audit findings were benchmarked against the criteria sourced from the following:

- ❖ Scheme guidelines and instructions issued by GoI and GoA from time to time;
- ❖ Annual Plans of the State, Budget and Outcome Budgets of P&RDD; and

<sup>6</sup> 1. Kamrup (Rural) and (Metro) considered as one district; 2. Sonitpur; 3. Nagaon; 4. Cachar; 5. Jorhat and 6. Nalbari.

<sup>7</sup> The PA aimed at assessing the implementation of IGNOAPS in Panchayati Raj Institutions excluding Sixth Scheduled districts where the Panchayati Raj Institutions do not exist. Hence the PA was restricted to 20 plain districts of Assam excluding six districts coming under sixth schedule area.

- ❖ Assam Financial Rules (AFR), Assam Treasury Rules.

## 2.4 Acknowledgement

The Accountant General (Audit), Assam acknowledges the cooperation extended by the Commissioner, P&RDD, Secretary, P&RDD, Deputy Commissioners, CEOs, EO-cum-BDOs, Secretaries, Chairman/Chairperson of all Panchayati Raj Institutions and Urban Local Bodies and all other staff of the concerned offices for extending their full cooperation during Audit.

### Audit Findings:

## 2.5 Financial Management

### 2.5.1 Untimely release of ACA by GoI

The guidelines stipulate following terms and conditions for the release of NSAP funds (including IGNOAPS) to the Consolidated Fund of the State Government:

- ❖ Annual allocation will be released in two installments;
- ❖ First installment shall be equal to 50 per cent of annual allocation fixed in accordance with the estimated number of the beneficiaries under the different schemes of NSAP and
- ❖ Second installment shall be equal to the annual allocation 'minus' first installment subject to utilisation of 60 per cent of total available fund.

Records, however, disclosed that annual allocations were released in more than two installments to GoA as shown in the **Table 2.1**.

**Table- 2.1: Details of release of ACA by GoI**

(₹ in lakh)

Year	1 <sup>st</sup> installment		2 <sup>nd</sup> installment		3 <sup>rd</sup> installment		4 <sup>th</sup> installment		Total
	Amount	Date of receipt	Amount	Date of receipt	Amount	Date of receipt	Amount	Date of receipt	
2009-10	5,942.00	21.01.10	4,241.00	12.03.10	2,851.00	25.03.10	2,791.00	12.03.10	15825.00
2010-11	2,413.00	19.07.10	5,765.00	01.12.10	3,540.00	10.01.11	-	-	11718.00
2011-12	5,069.00	14.07.11	8,690.00	20.03.12	-	-	2,517.00	27.03.12	16276.00
2012-13	9,127.93	22.01.13	6,485.57	25.03.13	-	-	-	-	15613.50
2013-14	12,287.23	20.12.13	5,396.00	22.02.14	1,798.67	28.03.14	-	-	19481.90

Source: Data furnished by P&RD Directorate.

From the above it is seen that:

- ❖ Funds were released to P&RDD by GoA in more than one installment as and when funds were received from GoI by GoA.

During beneficiary survey, it also came to light that neither did the beneficiaries receive the pension in full as entitled, nor in time.

## 2.5.2 Inadequate provision of State share

IGNOAPS guidelines stipulate that the State Finance Department pass the ACA amounts received from Central Government to the implementing departments immediately and not later than 15 days. Additionally, the State Government was required to make adequate provision in their Budget which may be recouped as and when the Central funds are released. Furthermore, States were also required to release funds regularly and establish an appropriate mechanism to enable timely and monthly disbursement of pension.

Central Assistance under IGNOAPS was uniformly ₹200 per month per beneficiary which was scaled up in April 2011 to ₹500 per month per beneficiary for the age group of 80 years and above. In order that a pensioner receives at least ₹400 and ₹1,000 per month, States were urged to contribute at least an amount equal to the Central Assistance. However, during 2009-14, GoA had been contributing only ₹50 per month per beneficiary for all categories of beneficiaries. It needs to be mentioned here that Performance Review Committee Meeting of IGNOAPS held on 09 October 2009 stated that 17 States<sup>8</sup> have been contributing either more than or equal to the ACA to lay foundation for National Policy for Social Assistance for the poor. Further, scrutiny of records revealed that against total requirement of Minimum Mandatory Provision (MMP) of ₹196.63 crore, during 2009-14 @ ₹50.00 pm/per beneficiary for targeted 7,50,501 IGNOAP beneficiaries, GoA released only ₹71 crore (36.11 per cent) which resulted in short release of ₹125.63 crore (63.89 per cent) as detailed in **Table 2.2**.

**Table-2.2: Statement showing short release of MMP by GoA**

(₹ in crore)

Year	Targeted beneficiaries	Requirement of fund for the year (Col. 2 x ₹50 x 12 months)	Total fund released	Short released
1	2	3	4	5
2009-10	5,98,965	35.94	15.00	20.94
2010-11	5,98,965	35.94	14.00	21.94
2011-12	5,98,965	35.94	20.00	15.94
2012-13	7,08,771	42.53	11.00	32.78
	41,730*	1.25		
2013-14	7,08,771	42.53	11.00	34.03
	41,730	2.50		
<b>Total</b>		<b>196.63</b>	<b>71.00</b>	<b>125.63</b>

\*Beneficiaries of 80 years and above for six months

As a result there was accumulation of huge backlog in payment of pension. Thus, the GoA had been depriving pensioners the full benefit as envisaged in the Scheme by not only contributing lesser MMP compared to other States but also did not release committed MMP (₹125.63 crore).

<sup>8</sup> Delhi, GoA (₹1,000); Chandigarh, Haryana (₹700); Puducherry (₹600); A&N, D&N Haveli, Maharashtra (₹500); Punjab (₹450); Gujarat, Jharkhand, Karnataka, Rajasthan, Sikkim, TamilNadu, Uttarakhand and West-Bengal (₹400).

### 2.5.3 Delays in release of fund

NSAP guidelines stipulate that State Finance Department should pass on the ACA amount received from the GoI to the implementing departments immediately and not later than 15 days. However, test-check of records disclosed that GoA failed to release funds as envisaged in the guidelines and abnormal delay was noticed with regard to release at State level. Summarised delayed release of funds is shown in the **Table 2.3**.

**Table- 2.3: Delayed release of pension at various levels**

Sl. No.	Various levels of delay	Delayed by (in days)	
		Minimum	Maximum
1	Govt. of Assam to P&RDD	13	253
2	District to Implementing agencies	6	459
3	Implementing agencies to Beneficiaries	12	481

It can be seen from the above table that abnormal delays occurred at various levels in passing the pension at the Government level, district level and Implementing Agency level till it reached the beneficiaries. At Government level, it took minimum of 13 to maximum of 253 days (2009-10) in violation of provision of the guideline. Records of six test-check districts disclosed that districts passed the pension fund to Implementing Agencies with a delay ranging from minimum of six to maximum of 459 days (CEO, Sonitpur ZP). Further, Implementing Agencies also took minimum 12 (BDO, Balipara) to maximum 481 days (Chairman, Silchar MB) to disburse the pension to beneficiaries.

It was observed that at State level, although the Commissioner prepared the bill as and when the Fixation of Ceiling (FOC) was received, it however, took minimum one to maximum three months to send the Bank Drafts to the districts. This indicates that there existed system deficiencies. The implementing authorities also at various levels failed to disburse pension to the beneficiaries at the earliest. As a result, pensioners received their monthly old age pension after inordinate delays instead of disbursement on the first day of each month as envisaged in the guidelines.

### 2.5.4 Blocking up of IGNOAPS fund

IGNOAPS was initially implemented by the Social Welfare Department, GoA through District Social Welfare Offices. Thereafter, the programme was implemented by the District Administration through various Development Blocks, Municipalities (MC/MB/TC). Later, the concerned Zilla Parishads started implementing the programme.

In four out of six test-checked districts, the respective Zilla Parishads were assigned the task of implementation of IGNOAPS between January 2011 (Kamrup) and April 2013 (Silchar). It was, however, observed that although the official records were handed over by the DC to concerned ZPs belatedly, significant amounts of IGNOAPS funds were kept in their custody without transferring to concerned ZPs. Details of funds blocked at the District Administrations and ZP are shown in the **Table-2.4**.

**Table- 2.4: Details of IGNOAPS funds parked at District administration/ZP**  
(₹ in lakh)

Sl. No.	Name of district	Sanction /Draft no and date	Amount	Remarks
1	Kamrup (M)	No.DPRD/Bills/20/2010/126 dt.9.8.11	119.82	Received from P&RD, GoA and lying in the savings bank account No.1809237297 of Kamrup (M).
		Accrued interest	40.95	
		Unspent programme money	132.17	
2	Jorhat	Draft No.99285 dt.30.3.12	38.18	Received from P&RD, GoA and lying with DC, Jorhat & Sonitpur since March 2012.
		Draft No.300411 dt.30.3.12	76.36	
		Accrued interest	13.60	
3	Sonitpur	Draft No.299294 dt.30.3.12	72.65	
		Draft No.300423 dt.30.3.12	72.65	
		Accrued interest	40.66	
4	Nalbari	Amount transferred by DC to ZP, Nalbari	239.41	Although the amount was released by DC, but same could not be distributed as the DC failed to bifurcate the fund at the time of transfer.
		Accrued interest	28.42	
<b>Total</b>			<b>874.87</b>	

It can be seen from the table above that total ₹874.87 lakh (Programme money: ₹751.24 lakh and Accrued Interest: ₹123.63 lakh) was blocked by three district authorities and ZP (Nalbari) without passing the pension to beneficiaries since August 2011 in respect of Kamrup district and March 2012 in respect of others. Thus, the unauthorised retention of funds by the district authorities deprived the pensioners of their pension in time.

### 2.5.5 Misappropriation of IGNOAPS fund

Maintenance of financial discipline is an integral part of Government working so as to ensure that public funds are not put to unnecessary risk. A series of misappropriations had taken place in Cachar ZP due to absence of proper financial control:

- ❖ The Commissioner, P&RD released ₹3.52 crore through Bank Draft dated 13 February 2013 to CEO, Cachar Zilla Parishad (Cachar ZP) for implementation of various schemes under NSAP out of which ₹2.82 crore related to IGNOAPS for 29,726 beneficiaries. However, on receipt of the Draft, the Cachar ZP authority deposited the same in the Savings Bank Account of Union Bank of India, Sonai Road Branch on 19 February 2013 which was being operated for Backward Regions Grant Fund (BRGF) instead of depositing it in the Bank Accounts meant for the respective schemes. Subsequently, between 22 February 2013 and 27 February 2013, Cachar ZP withdrew ₹2.82 crore by presenting six Bearer and 26 Self-cheques without assigning it against any implementing agencies (PRI/ULB). Cash Book<sup>9</sup> for IGNOAPS for that period disclosed that neither the authority had transferred the amounts to any of the 18 implementing agencies in the District for onward distribution to pensioners nor incurred any expenditure in any departmental schemes. This indicated that ZP authority had misappropriated IGNOAPS fund without passing the pension to beneficiaries. Details of amounts drawn from the BRGF bank account released for IGNOAPS are shown in the **Appendix-IX**.

<sup>9</sup> Xerox copy of the IGNOAP Cash Book as the original Cash Book was under judicial custody.

- ❖ Further, DC, Cachar transferred an amount of ₹4.52 crore to CEO, Cachar ZP on 24 May 2012 received from P&RDD, GoA against four allotments for implementation of various schemes under NSAP. Out of the total amount, ₹4.10 crore related to IGNOAPS. Details of NSAP funds received by CEO, Cachar ZP are shown in **Table-2.5** below:

**Table- 2.5 Details of NSAP funds received by CEO, Cachar ZP****(In ₹)**

Sl. No.	Order no & date	Total sanctioned amount	Scheme wise distribution of fund				Total
			IGNOAP	NFBS	Annapurna	AE	
1	CPRD/Bills/20/2010/174 dt.16.4.12	32,37,300	32,37,300	-	-	-	32,37,300
2	CPRD/Bills/20/2010/176 dt.16.4.12	32,37,300	32,37,300	-	-	-	32,37,300
3	CPRD/Bills/20/2010/178 dt.16.4.12	2,94,43,312	2,58,98,400	21,00,000	6,22,073	8,22,839	2,94,43,312
4	CPRD/Bills/20/2010/179 dt.16.4.12	92,66,005	86,32,800	1,00,000	5,33,205	-	92,66,005
<b>Total</b>		<b>4,51,83,917</b>	<b>4,10,05,800</b>	<b>22,00,000</b>	<b>11,55,278</b>	<b>8,22,839</b>	<b>4,51,83,917</b>

Source: Commissionerate sanction letter

Bank statements disclosed that amounts were deposited according to the allotment in the respective bank accounts. Subsequently, ZP authority withdrew ₹69.11 lakh (₹28.00 lakh relating to IGNOAPS) from the bank accounts by presenting 20 bearer and nine Self-cheques (**Appendix-X**). Withdrawn amounts were neither transferred to pensioners nor expended in any departmental schemes and entire amounts so drawn were misappropriated.

- ❖ Further, it was seen that an amount of ₹8.00 lakh was withdrawn on 11 November 2013 from HDFC Bank without recording any purpose of withdrawal. However, the amount was deposited in the same account on 04 December 2013 after 23 days of withdrawal. Authority failed to explain the reason of withdrawal and how the cheque dated 05 December 2013 was entertained by bank on 04 December 2013. Thus, ₹8.00 lakh was kept out of Government Account for 23 days which amounts to temporary misappropriation of fund.

A 'Show Cause Notice' was served against the then Jr. Assistant of the Cachar ZP by the Commissioner, P&RD on 02 July 2014 for embezzlement of an amount of ₹2.80 crore. However, audit analysis disclosed that a total ₹3.51 crore (₹2.82 crore + ₹0.69 crore) was embezzled and not ₹2.80 crore. Thus, due to laxity and non-compliance with financial discipline on the part of the ZP authority, ₹3.51 crore NSAP fund was misappropriated resulting in deprivation of NSAP beneficiaries from getting their intended pension and other financial assistance.

### **2.5.6 Cash Book not maintained**

According to Rule 95 of Assam Financial Rules, every receipt and disbursement should be recorded in the Cash Book. Scrutiny of the records in the test checked districts however, revealed the following anomalies:

- ❖ The EO-cum-BDO, Barbhag Development Block under Nalbari ZP received an amount of ₹455.47 lakh during the years 2008-09 to 2012-13 for disbursement of IGNOAPS. However, Block authority had not maintained any Cash Book for entire period during which NSAP funds were received from District Authority.
- ❖ The EO-cum-BDO, Balipara Development Block, Goraimari under Sonitpur ZP received an amount of ₹471.71 lakh for disbursement to 5,013 IGNOAPS beneficiaries between 02 March 2009 and 19 March 2013. Records disclosed that Block authority started to maintain Cash Book *w.e.f.* 20 March 2013 with an opening balance of ₹17,74,646. However, Cash Book prior to 20 March 2013 had not been maintained against the receipt of fund amounting to ₹471.71 lakh as well as expenditure made there against towards payment of pension to the beneficiaries by the Block authority.
- ❖ Chairman, Silchar MB did not maintain Cash Book for the period from 05 July 2013 to 31 March 2014 and failed to produce Cash Book for the period from 01 April 2009 to 21 February 2011.

### **2.5.7 Cheque issue Register not maintained**

Scrutiny of records disclosed that DC, Nagaon and CEO, Nagaon ZP released ₹108.93 lakh against 1,160 IGNOAPS beneficiaries to Circle Officer (CO), Hojai Revenue Circle for onward release of pension to the beneficiaries under the jurisdiction of Hojai MB between 05 March 2009 and 13 June 2012. Further, records *viz.* Cash Book, approved beneficiary lists, APRs and cheque receipt and issue register etc. revealed that the CO, Hojai Revenue Circle released ₹88.58 lakh in favour of IGNOAPS beneficiaries during the period from 22 August 2009 to 23 July 2012. However, in support of release of fund, CO, Hojai Revenue Circle failed to produce the Cheque issue register for the period from 01 April 2009 to 31 March 2013 and the Bank statement for the period from 01 April 2009 to 31 March 2013, in the absence of which, Audit could not verify whether the implementing authority actually passed on the pension to beneficiaries to that extent.

### **2.5.8 Unauthorised retention of funds under 'Civil Deposit'**

The Assam Treasury Rule 16 read with Supplementary Order 50 stipulates that money should not be drawn from Treasury unless it is required for immediate disbursement. The rule *ibid* also prohibits withdrawal of money just to avoid lapse of budget grant. Further, the Public Accounts Committee (PAC) of the State Assembly in its 73<sup>rd</sup> Report presented to the Assembly on 15 May 1998 observed that the State Government had assured the discontinuation of the irregular practice of depositing funds by transfer credit into "8443-Civil Deposit" since 1997-98.



Scrutiny of records of Commissioner, P&RD relating to funds received for implementation of NSAP revealed that the Commissioner drew an amount of ₹98.59 crore during 2008-09 under NSAP and deposited the same into '8443-Revenue Deposit' (RD) at the end of the financial year 2008-2009. The amount was subsequently withdrawn from the RDs during April 2009. The details of amounts deposited under RD and withdrawal there from are shown in the Table-2.6.

**Table-2.6: Details of NSAP fund kept under '8443- Revenue Deposit'**

(In ₹)

Sl. No.	Sanction no and date	FOC no and date	Amount	Bill no and date of deposit in RD	Challan no and date	Bill No and date of withdrawal
1	RDD 70/2009/9 dt.27.3.09	RDD 70/2009/12 dt.31.3.09	64,21,78,000	997 dt.31.03.09	8443/T/7013 dt.31.3.09	70 of 21.04.09
2	RDD 348/2008/20 dt.27.3.09	RDD 243/2008/21 dt.31.3.09	7,23,73,000	990 dt.27.03.09	8443/T/6600 dt.31.3.09	65 of 20.04.09
3	RDD 348/2008/4 dt.24.3.09	RDD 243/2008/22 dt.31.3.09	27,13,00,000	996 dt.31.03.09	8443/T/7010 dt.31.3.09	69 of 21.04.09
<b>Total</b>			<b>98,58,51,000</b>			

Sources: Sanction letter, FOC, TC etc. of Commissionerate

Thus, despite the assurance by the GoA for discontinuation of the practice, P&RD Department continued the irregular transaction of funds into "8443-Civil Deposit".

### 2.5.9 Suspected misappropriation of NSAP fund

The Joint Director, P&RD, issued instruction (October 2013) to CEO, Nalbari Zilla Parishad (ZP) for installation of NSAP hoarding in the district headquarters as well as in Blocks/GPs etc. under the jurisdiction of Nalbari District. Scrutiny disclosed that general orders regarding installation of hoardings at district headquarters offices were issued to all districts but specific directions to install Posters/Signboards (iron frame)/ flexes<sup>10</sup> in Blocks and GPs were communicated only to Nalbari District.

Accordingly, the Nalbari ZP invited (11 November 2013) tender for supply of 108 signboards and 120 flexes of different sizes. M/s Assam Commercial Agency, Barama Road, Nalbari was awarded the work being the lowest bidder and supply orders were issued on 20 November 2013 for supply of signboards/flexes of the specified sizes. Payment of ₹36.03 lakh was made to the supplier on the same day *i.e.* on 20 November 2013.

On scrutiny of records Audit observed the following:

- ❖ Notice Inviting Tender (NIT) was neither published in media nor circulated/displayed in any Notice Boards of prominent offices or even on the Notice Board of CEO's office itself.
- ❖ As per the NIT the last date of submission of the quotation was 18 November 2013. The quotations were to be opened on 18 November 2013 but as per the noting in the concerned file the comparative statement was prepared and lowest bidder was

<sup>10</sup> Fiber of the flax plant that is made into thread and woven into linen fabric used for banner etc.

selected on 16 November 2013 itself *i.e.* two days before the date of opening of the tenders.

- ❖ Quantity of Flexes/Signboards to be supplied/installed by the supplier and date within which it had to be completed was not mentioned in the formal work order issued on 20 November 2013.
- ❖ The formal supply order as well as the payment to the supplier was made on the same day *i.e.* on 20 November 2013.
- ❖ Neither Block authorities nor GP Secretaries could furnish any installation certificate or photographs in support of installation though it was ordered by the CEO to ensure that photographs of the installed signboards should be collected from the sites.

Thus, deficiencies in whole process of inviting tenders, preparing Comparative Statement, issuing work order and making payment to the supplier on the same day of issue of formal work order without ensuring actual installation of 108 iron framed signboards and supply of 120 flexes points towards suspected misappropriation of Government money to that extent.

## **2.6 Scheme Implementation**

### **2.6.1 Planning**

As per NSAP guidelines the functions of District Programme Co-ordinator (DPC) and Additional District Programme Co-ordinator (ADPC) shall be to prepare an Annual Action Plan (AAP) for implementation of all schemes under NSAP. This will include among other tasks, a calendar of activities for carrying out annual verification, social audit, awareness campaign and holding of Medical Health Camps.

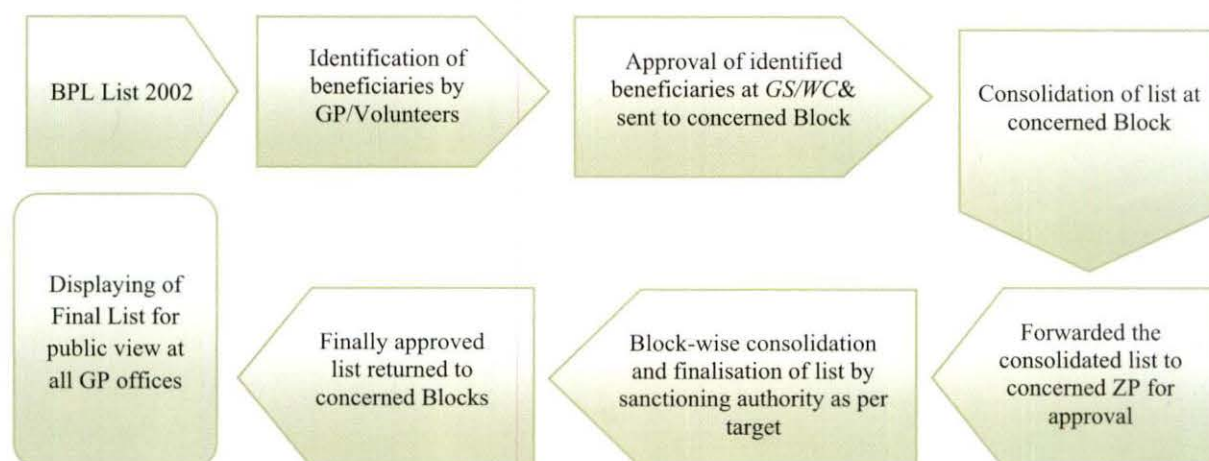
However, it was observed that none of the six selected districts had designated DPC and ADPC at District level and Programme Officer (PO) and Additional Programme Officer (APO) at Block levels for smooth running of the programme as envisaged in the guidelines. The regular Chief Executive Officer (CEO) of ZP and EO-*cum*-BDO of Development Blocks had been discharging the duties of DPC and PO respectively for implementation of NSAP. As such, during the period covered in audit, it was observed that none of the districts had prepared AAPs covering the criteria as envisaged in the guidelines *ibid*.

Deficiencies in the planning and implementing process have been discussed in the succeeding paras.

### **2.6.2 Identification of beneficiaries**

NSAP guidelines specified that States are required to prepare a BPL list as per the guidelines issued by the GoI from time to time. Accordingly, based on 2001 Census, the P&RDD, GoA prepared a BPL list in the year 2002 which was the only Government recognised list used for identification of BPL beneficiaries. Selection cycle of the IGNOAPS beneficiaries in the State is diagrammatically presented in **Figure 2.1**.

**Figure- 2.1: Diagrammatic representation of selection cycle of the IGNOAPS beneficiaries in the State**



It was observed that although the BPL list for State of Assam was available since 2002, implementing authorities did not consider that list till 2009-10 for selection of IGNOAPS beneficiaries. As such, all beneficiaries enlisted prior to 2009-10 had no BPL ID number and had been availing pension without BPL ID. Scrutiny of 2,611 application forms of selected beneficiaries in 21 units of the six test checked districts revealed the following:

- ❖ 675 applications were without any BPL ID while 389 applications had ID of other BPL card holders *i.e.* they were operating with fake IDs. Besides, 1,111 beneficiaries' names and addresses as ascertained from questionnaire did not match the entries in the BPL list of the P&RDD.
- ❖ Guidelines stipulate that 'Income Certificate' and 'Permanent Resident Certificate' (PRC) are essential (as per application format) to prove BPL status and permanent residence in any village/locality. It was observed that 216 beneficiaries had annual income of more than ₹15,000 *per annum*, the BPL annual income threshold for Assam. Those persons were therefore, ineligible for receiving benefits under the scheme.

Other deficiencies noticed in the identification of beneficiaries are as follows:

- ❖ While increasing the pension to beneficiaries of 80 years and above from April 2011, GoI directed all States to identify from existing IGNOAPS beneficiaries who are 80 years and above for disbursing the enhanced pension. Test-check of records revealed that none of the selected districts prepared any road map for selection of beneficiaries of 80 years and above and the matter was left entirely to GPs. On the other hand, in Nagaon District, selection for beneficiaries of 80 years and above was made by inviting fresh applications in violation of the guidelines and fixing a target of 865

IGNOAPS beneficiaries aged 80 years and above. As a result, only 108 (12.49 per cent) beneficiaries were selected from the existing list and balance 757 beneficiaries (87.51 per cent) were selected by inviting fresh applications. This led to exclusion of the most vulnerable category of old aged persons who were listed in the BPL beneficiaries' list, but were not able to respond to call for fresh applications.

- ❖ It was observed that Cachar district had as many as 29,662 IGNOAPS beneficiaries, *i.e.*, 8,114 excess beneficiaries above the target of 21,548. However, as Government had been releasing fund only against targeted 21,548 beneficiaries, the District Level Committee decided (October 2007) to distribute pension equally to all 29,662 beneficiaries from the sanctioned amounts by proportionately reducing due pension of regular pensioners. Thus, due pension *i.e.* rate of monthly pension was curtailed from the genuine beneficiaries in entire District since October 2007 till July 2012 to accommodate 8,114 excess unauthorised beneficiaries.
- ❖ As eligible widows were receiving pension under the Indira Gandhi National Widow Pension Scheme (IGNWPS), GoI excluded BPL widows from the ambit of the IGNOAPS with effect from October 2012. However, test-check of records of Chairman, Hojai Municipal Board and EO-cum-BDO, Jugijan Development Block in Nagaon district revealed that authorities included 212 (Hojai MB:117; Jugijan DB: 95) new beneficiaries against death cases and all those belonged to the category of BPL widows. Thus, due to non-adherence to Government directives, 212 widow beneficiaries were irregularly included in the IGNOAPS to fulfil the target resulting in deprivation of the benefits to actual IGNOAPS applicants to that extent.
- ❖ Test-check of records of the Silchar MB revealed that the Ward Commissioners deleted the names of the existing beneficiaries without proper verification by declaring them as traceless/dead. Subsequently, the beneficiaries again submitted applications to the Chairman, Silchar MB for inclusion of their names in their respective wards as they were previously drawing pension but their names were deleted without any justification/intimation. Further, it was also observed that four beneficiaries issued Legal Notices as their pension was stopped without assigning any reason. This indicates that Municipal authority had not taken due care to conduct annual verification and acted beyond the guidelines due to which such gross deviation from the plan occurred.

### **2.6.3 Disbursement of pension**

Timely and adequate disbursement of pension to the beneficiaries was the essence of the success of the scheme. Scrutiny of records revealed the following deficiencies:

#### **2.6.3.1 Lack of monitoring of pension payments**

At all levels of Government, *i.e.* State, District and Block level offices, no 'Pension Ledger' was found to have been maintained for watching the upto date payment of pension. Scrutiny of records disclosed that as and when fund was released to districts, only the number of

month(s) was communicated, but the specific month(s) for which the pension was released was not mentioned in the sanctioning letters. Moreover, out of six selected districts, five districts had neither printed nor provided any 'Pensioner's Pass Book' to beneficiaries since the inception of the scheme for watching the upto date payments (in Nagaon District Pensioner's Pass Book was issued partially although never updated). As a result, sanction for pension was not cleared uniformly in all selected districts as can be seen in the **Table 2.7**.

**Table-2.7: Details of district wise payment position of ACA/MMP**

Sl. No.	Name of district	Month upto which ACA/MMP paid	
		ACA	MMP
1	Kamrup, Metro	June 2011	November 2009
2	Kamrup, Rural	March 2012	April 2011
3	Jorhat	February 2013	December 2009
4	Sonitpur	December 2012	March 2010
5	Nagaon	October 2012	February 2010
6	Cachar	April 2012	November 2009
7	Nalbari	August 2012	N/A

Source: Data analysed from Government sanction letters

Thus, lack of proper monitoring mechanism put genuine pensioners into hardship as they were not regularly getting their dues while absence of basic records meant the GoA was not able to watch the upto date payments.

#### **2.6.3.2 Refund of cheques issued against death/untraced beneficiaries**

IGNOAPS guidelines envisage that Panchayat and Municipality shall report every case of the death of pensioner immediately after its occurrence to the Sanctioning Authority and the Sanctioning Authority shall ensure that payments are stopped thereafter. Further, the DPC and ADPC were responsible to monitor implementation of the programme to carry out periodic field inspection and annual verification and to prepare progress reports and utilisation certificate as per the demand of the State and Central Governments.

- ❖ Test-check of records relating to implementation of IGNOAPS by the DC, Kamrup (Metro) revealed that the DC released ₹286.61 lakh for IGNOAPS through account payee cheques to Guwahati Municipal Corporation (GMC) against 18,699 beneficiaries between June 2005 and November 2006. The amount pertained to the years 2003-04 and 2007-08. Out of 18,699 cheques, 17,737 cheques were distributed and balance 962 cheques valued at ₹16.01 lakh were returned to DC, Kamrup (Metro) in July 2010 *i.e.* after a lapse of more than four years. Details of ward wise position of cheque released, distributed and returned etc. are shown in the **Table 2.8**.

**Table-2.8: Position of undisbursed cheque under GMC**

(In ₹)

Sl. No.	Name of LAC/Ward No.	Pension for the year	Cheque received	Value of cheque	Total cheque value	Cheque distributed	Undisbursed cheque	Total
1	W. GUWAHATI(Ward Nos. 1,2 & 8 to 21)	2003-04	1,291	900	11,61,900	1,190	101	90,900
		2004-05	563		5,06,700	558	5	4,500
		2005-06	1,755		15,79,500	1,753	2	1,800
2	E. GUWAHATI (Ward Nos. 22 to 44)	2003-04	475	900	4,27,500	433	42	37,800
		2004-05	1,640		14,76,000	1,556	84	75,600
		2005-06	2,037		18,33,300	1,985	52	46,800
3	DISPUR(Ward Nos. 45 to 60)	2003-04	661	900	5,94,900	614	47	42,300
		2004-05	1,652		14,86,800	1,575	77	69,300
		2005-06	2,237		20,13,300	2,061	176	1,58,400
4	JALUKBARI(Ward Nos. 3 to 7)	2003-04	305	900	2,74,500	305	0	0
		2004-05	85		76,500	66	19	17,100
		2005-06	364		3,27,600	357	7	6,300
5	W. GUWAHATI	2007-08	1,391	3,000	41,73,000	1,292	99	2,97,000
	E. GUWAHATI		2,019		60,57,000	1,800	219	6,57,000
	DISPUR		2,224		66,72,000	2,192	32	96,000
<b>Total</b>			<b>18,699</b>		<b>2,86,60,500</b>	<b>17,737</b>	<b>962</b>	<b>16,00,800</b>

Source: Cash Book

This indicates that no annual verification was carried out by the Implementing Agency (GMC) and sanctioning authority had also no monitoring mechanism to verify details of pensioners before release of fund. In the absence of annual verification and lack of monitoring mechanism at any level, such a huge number of cheques were returned to sanctioning authorities after more than four years for want of beneficiaries. Further, neither the Department had taken any initiative to refund the scheme money to the Government nor issued the cheque to the other validated beneficiaries.

- ❖ Likewise, in Jorhat District, large number of undisbursed cheques amounting to ₹45.70 lakh issued either against the death cases or non-availability of whereabouts of the beneficiaries were returned by the various field offices (Blocks/TCs/MBs/ZPCs). This indicated that proper checks were not exercised to ensure availability of beneficiaries before cheques were prepared. As a result, funds were unnecessarily parked in banks for long periods. Further analysis disclosed that out of ₹45.70 lakh, ₹20.82 lakh refund cheques were relating to death cases and balance ₹24.88 lakh refund cheques were relating to payments of gap period pertaining to the years 2003-04. Details of cheques so returned are given in the **Appendix-XI**.

Thus, due to lack of proper monitoring and effective supervision on the part of the sanctioning authority, significant amounts of IGNOAPS funds were lying undisbursed for indefinite period unnecessarily.

### 2.6.3.3 Disbursement of pension in cash

Scheme guidelines stipulate that the benefit under IGNOAPS is disbursed as far as possible on a monthly basis and preferably on the first day of each month. Further, all benefits extended under the scheme are to be credited by the implementing authority either in the Bank or Post office account opened for the purpose except in those areas where banking or

Post Office facilities are not available or to those beneficiaries who are unable to collect pension due to their age, in which case, cash payment can be made through *Gaon Sabha*. Scrutiny of records, however, revealed that:

- ❖ Chairperson, Dhekiajuli MB received ₹20.36 lakh between 01 April 2009 and 28 November 2011 against 291 beneficiaries and disbursed the entire amount either through cash or by issuing bearer cheques in favour of the beneficiaries during the period from 01 April 2009 to 07 March 2012 in contravention of the provision of the scheme guidelines.
- ❖ In Teok TC, the TC authority received an amount of ₹10,650 from ZP authority for onward disbursement amongst IGNOAPS beneficiaries. The released amounts were deposited in the savings bank account of Teok TC on 09 July 2013, 11 July 2013 and 12 July 2013 and subsequently disbursed to the IGNOAPS beneficiaries in cash on 10 October 2013.

Thus, withdrawal of pension without crediting the amount against the beneficiary's Bank/Post Office account had not only violated the guidelines but also raised doubts regarding disbursement of actual amount to beneficiary.

Other deficiencies noticed in the disbursement of pension are as follows:

- ❖ Guidelines stipulate that sanctioning authority will issue Sanction Order under his seal and signature in the prescribed format and that every beneficiary who has been selected for pension under NSAP shall be issued a 'Pensioner's Pass Book' (PPB) containing a copy of sanction order, particulars of pensioner, disbursement details and verification details. However, test-check of records disclosed that none of the districts except Nagaon had either printed such a PPB or issued the same to any beneficiary as envisaged in the guidelines *ibid*. Further, neither any directive nor any initiative had been taken to issue PPB at district levels. In Nagaon District, although District authority had printed PPB, they were neither as prescribed in the guidelines nor updated from time to time and most of the pass books were lying unused at Block level offices.
- ❖ Guidelines stipulated that GPs and Municipalities shall report every case of death of the pensioner immediately after its occurrence to concerned sanctioning authority. The sanctioning authority shall ensure that pension is stopped thereafter and new beneficiary selected to replace the deceased person. Records of various field offices in the selected districts revealed that ₹3.97 crore was paid as pension to 7,885 new beneficiaries for periods ranging from minimum of one to maximum of 39 months against cases where beneficiaries had died, before their names were approved. This invited risk of payment to ineligible beneficiaries. Details are shown in Appendix-XIII.
- ❖ NSAP guidelines stipulate that the Panchayats at village areas and Ward Committee in urban areas shall identify the beneficiaries as per recommendations of Gram Sabha/Ward Committee (GS/WC) and prepare a list of eligible beneficiaries after considering the recommendation of the GS/WC which will be approved by competent authority *i.e.* CEO

of concerned ZP. However, records of selected districts revealed that (i) 3,049 beneficiaries had been receiving pension amounting to ₹137.80 lakh without approval of sanctioning authorities, (ii) 1,382 beneficiaries had been receiving pension without approval of GS or WC wherein Department had incurred an expenditure of ₹72.46 lakh and (iii) 12,189 beneficiaries had been receiving pension pending approved beneficiary lists wherein department had incurred an expenditure of ₹218.15 lakh. The details are shown in **Appendix-XIII**.

Thus, due to laxity on the part of implementing authorities, a total of 14,344 IGNOAP beneficiaries (60-79 years: 13,585 + 80 years and above: 759) had been receiving pension irregularly for which Government had incurred ₹4.28 crore till February 2015.

#### **2.6.3.4 Use of Information Technology (IT)**

IGNOAPS guidelines stipulate the use of Information Technology (IT) enabling the authorities for prompt and efficient service delivery of NSAP with regards to time bound sanction, release and disbursement of pension within a specified and published time frame. Accordingly, Minister, Rural Development, GoI vide DO letter dated 10 September 2013 informed Chief Minister of Assam regarding digitisation and updating of beneficiaries details in three pension schemes (IGNOAPS, IGWPS and IGNDPS) and the deadline for completion of data digitisation including updating and authentication fixed on 15 September 2013. In this regard, GoI provided NSAP MIS to all concerned so that details of all beneficiaries including his/her photograph, beneficiary wise disbursement of pension, linking with BPL *etc.* could be captured.

Test check of records and information collected from various units revealed that even after lapse of more than one year, none of the selected districts could complete the works of digitisation and updating of beneficiaries details till September 2015.

Thus, due to delay in implementation and use of IT, Department was unable to provide prompt and efficient service delivery of NSAP with regard to time bound sanction, release and disbursement of pension within a specified time frame.

#### **2.7 Monitoring and Evaluation**

Para 1.4.4 (iv) of the NSAP guidelines stipulate that the State Government was required to constitute a State Level Committee for implementation, review and evaluation of the programme. It also stipulated to identify/create out of their own resources, District Programme Coordinator (DPC), Additional District Programme Coordinator (ADPC), Programme Officer (PO) and Assistant Programme Officer (APO) of suitable rank with supporting staff at District and Block level respectively for effective implementation of NSAP. The DPC was also responsible for efficient implementation of the schemes in the District and the PO and APO shall assist the Panchayats at intermediate level in discharging its functions in accordance with the provision of the programme and guidelines made there under. Further, every GP should nominate one to three 'Volunteers' for each habitation



preferably woman member of Self Help Group (SHG) who would help to identify and assist the eligible beneficiaries in getting their benefits. Apart from these, such volunteers would also inform the death cases and would help in annual verification of the beneficiaries, conduct of Social Audit and medical camp.

However, it was observed that no State Level Committee was constituted as per the provision of the guidelines. At District and Block levels in the six selected districts, no DPC, ADPC, PO or APO were designated for smooth functioning of the NSAP. Moreover, none of the GPs nominated such volunteer(s) for successful implementation of various schemes under NSAP. Further, in contravention of the guidelines, 'Grievances Redressal Cell' and 'NSAP Cell' were also not constituted at any level in the State.

Thus, due to non-constitution of various Committees as well as non-designation of officials of suitable rank at District and Block level as stipulated in the guidelines *ibid*, there were various lapses in implementation, review, evaluation, reporting and identification of beneficiaries to streamline the scheme.

## 2.8 Impact of IGNOAPS on beneficiaries

To assess the impact of IGNOAPS on the beneficiaries, door to door survey was carried out on 1,455 beneficiaries in 72 Gaon Panchayats and Seven ULBs to evaluate their satisfaction level based on different parameters. Details of coverage are shown in **Appendix-XIV**. During beneficiary survey, Audit interacted mainly on eleven parameters regarding impact of IGNOAPS. Following are the responses to the survey:

- ❖ Only 134 pensioners (9.21 *per cent*) were able to show valid age proof certificates (EPIC).
- ❖ 747 pensioners (51.34 *per cent*) were aware that their names had been enlisted in the BPL list whereas 708 pensioners (48.66 *per cent*) were found to be totally ignorant regarding BPL list.
- ❖ 1,417 (97.39 *per cent*) pensioners did not know about the various provisions of the IGNOAPS.
- ❖ 1,169 pensioners (80.34 *per cent*) were aware that they had applied for pension but 286 pensioners (19.66 *per cent*) stated that someone else (relatives, PRIs member etc.) had applied for pension on behalf of him/her.
- ❖ 100 *per cent* pensioners had expressed their concern that they never received their pension on first day of the month.
- ❖ Out of 1,455 pensioners, 339 pensioners (23.30 *per cent*) were able to obtain his/her pension by visiting Panchayats or Block offices once. The remaining 1,116 beneficiaries (76.70 *per cent*) were compelled to visit the concerned offices from twice to more than eight times to finalise their pension case.
- ❖ 192 pensioners (13.20 *per cent*) had to pay money from ₹10 to ₹100 to collect required documents (Age proof, Income and Residence certificates) from Doctors,

*Mouzadars* and *Gaonburahs* respectively. However, 1,262 pensioners (86.80 per cent) did not have to make any payment.

- ❖ 1,389 pensioners (95.46 per cent) had no idea about eligibility criteria of IGNOAPS.

Thus, the responses of beneficiaries indicated poor satisfaction level due to delay in payment of pension. The beneficiaries were also ignorant about the various provisions of the IGNOAPS.

## **2.9 Conclusion**

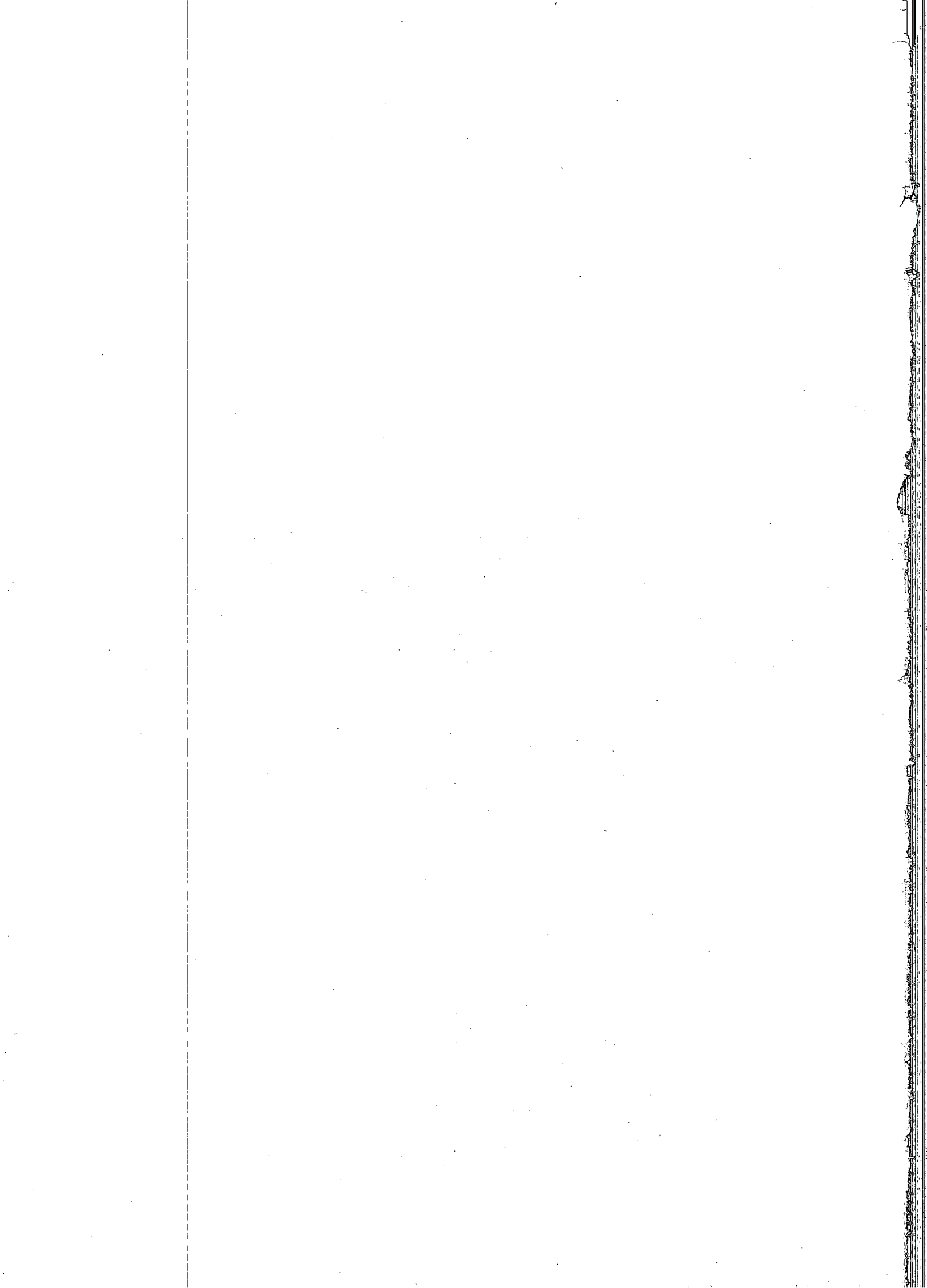
Although 7.51 lakh beneficiaries had been covered upto March 2014 under the IGNOAPS involving a total expenditure of ₹726.89 crore over the period of five years covered in audit, the State Government had not streamlined the process of identification of beneficiaries nor ensured discipline in the financial management of the scheme. There were delays in release of funds at every level in the delivery mechanism of the Government which resulted in significant amounts of Central Assistance remaining unutilised every year. Although the State Government was urged to provide at least a proportion equal to the Central Share, the GoA committed only ₹50 per beneficiary per month against the Central Share of ₹200 and ₹500 for different categories of pensioners but did not even release this inadequate amount of ₹50 per beneficiary in time and the delay in release of pension by the implementing agencies to the beneficiaries in the test-checked districts was minimum 12 days and maximum 481 days. Beneficiary database was not updated regularly resulting in pension of deceased pensioners being sanctioned for long periods even after their death. Financial mismanagement was noticed in many units resulting in misappropriation in Cachar ZP and there were similar risks in units where Cash Books, Cheques receipt/Issue Registers were not being maintained. Multiple Bank accounts were being operated by the implementing authorities and pension was being disbursed in cash in violation of the scheme guidelines. Non-maintenance of Pension Ledger further enhanced the risk of diversion of scheme funds as no watch was being exercised on pension payments. Monitoring Committees prescribed under the Scheme guidelines were either not constituted or remained non-functional. This resulted in lack of adequate feedback to the Government for improvement in the implementation of the scheme. There was lack of awareness among the beneficiaries as revealed by the survey conducted on the pensioners and there was general dissatisfaction on the timeliness of disbursement of pension.

## **2.10 Recommendations**

The PRIs/ULBs should consider implementing the following recommendations:

- ❖ Database of the beneficiaries should be updated and validated regularly against the approved BPL population to ensure that only genuine persons could avail the benefits of the scheme.

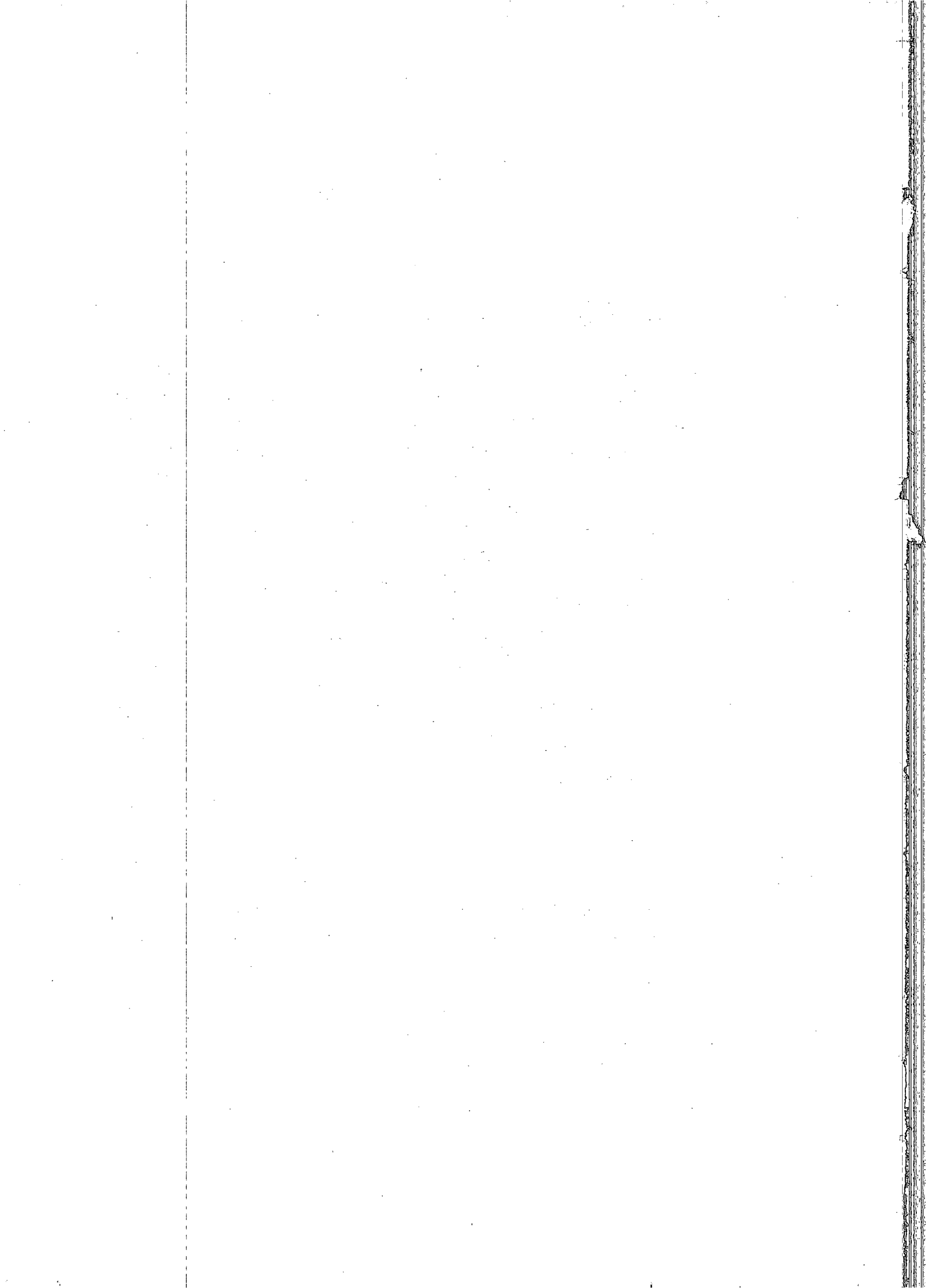
- ❖ Funds should be released timely at every level of the Government machinery and direct transfer of pension to beneficiary's accounts should be ensured. The State share of ₹50 per beneficiary, against the prescribed ₹200 to ₹500, being too low should be reviewed and appropriate measures taken to ensure that the old age people get enough funds to cover their basic expenses.
- ❖ Strict financial discipline should be ensured so that loopholes in the system are plugged effectively and fraud and misappropriation can be prevented.
- ❖ All mandatory Committees need to be constituted for efficient and effective implementation, monitoring and evaluation of IGNOAPS.
- ❖ Revisions/modifications, if any, in the list of existing beneficiaries should be done in a transparent manner.



# **CHAPTER II**

## **Section - B**

### **Compliance Audit of PRIs**



## Section – B

### COMPLIANCE AUDIT OF PRIs

#### 2.11 Unproductive expenditure in Bongaigaon and Nagaon Zilla Parishad

*Expenditure of ₹58.88 lakh turned out to be infructuous due to procurement of computers without ensuring availability of basic infrastructure like electricity required for operating the computers.*

In order to provide computers to all the PRIs in Assam, an agreement was executed (August 2010) between the Commissioner, Panchayat and Rural Development (P&RD), Assam and HCL Ltd. Guwahati for supply and installation of desktop computers along with accessories. Accordingly, HCL Ltd. supplied 353 computers with accessories valuing ₹143.34 lakh (353 × ₹40,604) to PRIs in Nagaon and Bongaigaon districts for which full payment was made to the supplier. One computer was meant for each Gaon Panchayat (GP), two computers for each Anchalik Panchayat (AP) and one computer for each Zilla Parishad (ZP). Details of purchase of computers and their distribution are shown below:

Sl. No.	District	No. of computers supplied				Date of supply	Total amount involved (@₹40,604/- per computer with accessories)	Payments made to the supplier (₹ in lakh)	Date of payment
		ZP	AP	GP	Total				
1	Bongaigaon	2	10	65	77	Oct 2010	₹3126508.00	31.27	Dec 2010 to July 2013
2	Nagaon	1	36	239	276	Oct 2010	₹11206704.00	112.07	Dec 2010 to Aug 2013
	<b>Total</b>	<b>3</b>	<b>46</b>	<b>304</b>	<b>353</b>			<b>143.34</b>	

Test check (November 2013 and January 2014) of records of Chief Executive Officer (CEO), Bongaigaon ZP and Nagaon ZP revealed that out of a total of 353 GPs, 56 GPs in Bongaigaon and 89 GPs in Nagaon were neither electrified nor was any generator set available in the GPs. Though, installation report was available with the respective ZP offices, the actual installation was doubtful in the absence of electricity in those GPs. Details of how these computers could be installed in the absence of power supply was neither specified in the installation report nor did the CEO ensure it before making full payment of ₹143.34 lakh to the supplier.

Further, information collected from 89 non-electrified GPs under Nagaon ZP revealed that:

- ❖ Computers in 11 GPs were lying idle in sealed condition;
- ❖ Computers in 15 GPs were damaged;
- ❖ One computer was reported to be stolen whereas conditions of five computers were not known;

- ❖ In 89 GPs, HCL neither installed any computers nor carried out any annual maintenance, though contract price was inclusive of 2.5 *per cent* maintenance cost;

In case of 56 non-electrified GPs in Bongaigaon, no information regarding status of computers was available.

Thus, procurement of computers without ensuring availability of basic infrastructure like electricity required for operating the computers rendered the expenditure of ₹58.88 lakh (145 sets of computers @ ₹40,604) unfruitful.

The matter was reported to the Government (December 2014); their reply had not been received (February 2015).

## **2.12 Undue financial benefit to lessees and loss of Government revenue due to non-registration of lease deed by PRIs**

*Undue financial benefit extended to lessees by PRIs by not enforcing the provision of the Assam Panchayat (Financial) Rules and Indian Stamp Act while leasing out markets, fisheries etc., resulted in loss of Government revenue of ₹75.28 lakh.*

As per Rule 47, sub-rules 11 and 16 of Assam Panchayat (Financial) Rules, 2002, the successful bidder within seven days of acceptance of the bid for settlement of markets, ferries, fisheries, ponds etc., shall deposit with the Panchayat concerned not less than 30 *per cent* of his quoted amount as security and accept a duly stamped lease. The Panchayat shall provide the form of lease and stamp paper at the concerned lessees cost. The Panchayat shall also take steps to register every lease. Further, as per the Indian Stamp (Assam Amendment) Ordinance, 2008, stamp duty at the rate of five *per cent* in case of women and six *per cent* in case of others of the value of the deed instrument is leviable on all deeds along with registration fee as detailed in **Appendix-XV**.

Test check of records of three<sup>11</sup> PRIs revealed that during 2010-11 to 2012-13 the PRIs invited tenders to lease out markets, fisheries etc. Accordingly, 47, 58 and 60 markets/fisheries were leased out during 2010-11, 2011-12 and 2012-13 respectively involving settlement value of ₹5.56 crore.

However, audit observed that the PRIs, while leasing out the markets, fisheries etc., took no action to enforce the above mentioned provisions of the Act and therefore, no deed for settlement of the markets, fisheries were registered thereby forfeiting receipt of applicable registration fee and stamp duty from the lessees. Thus, the PRIs extended undue financial benefit to the lessees besides causing loss of Government revenue of ₹75.28 lakh (Registration fees ₹41.93 lakh and cost of stamp paper ₹33.35 lakh) as detailed in the **Appendix-XV**.

The CEO, Sonitpur ZP accepted the audit observation and stated (November 2013) that steps would be taken for realisation of registration fee and stamp duty. The CEO, Dibrugarh ZP stated (January 2014) that the matter had been noted for future guidance. However, CEO

<sup>11</sup> Jorhat (July 2013), Dibrugarh (December 2013) and Sonitpur (November 2013)



Jorhat ZP stated (September 2013) that the matter would be re-examined. However, position of recovery of Government revenue was awaited.

The matter was reported to Government in December 2014; their reply had not been received (February 2015).

### 2.13 Unauthorised expenditure in Dibrugarh Zilla Parishad

*Unauthorised expenditure of ₹36.50 lakh by the Dibrugarh Zilla Parishad due to its failure to deduct 10 per cent Contractor's profit in the estimate for the works executed departmentally.*

As per Assam PWD (Roads/Buildings) Schedule of Rates (SOR), 2007-08 to 2011-12, all items of civil works include 10 per cent contractor's profit over the cost of material and wages of labourers. However, when works are executed departmentally, without engaging contractors, the contractor's profit element is to be deducted from the estimated cost.

Panchayat and Rural Development Department (P&RDD), GoA accorded sanction and released (between April 2012 and March 2013) ₹3.70 crore to Dibrugarh ZP for construction of 18 community halls and 10 other works under the grants of Fourth Assam State Finance Commission (FASFC) and 68 works under 13<sup>th</sup> Finance Commission Basic Grant. The estimates of the above works were prepared by the Junior Engineer of Dibrugarh ZP on the basis of Assam PWD (Roads/Buildings) SOR, 2010-11 and 2011-12. The works were executed departmentally under the supervision of the technical officials of the Department and an expenditure of ₹3.65 crore was incurred on them.

Test-check (September 2013) of the records of Dibrugarh ZP revealed that a total amount of ₹3.65 crore was utilised between 24-06-11 and 22-10-13 by the ZP as per the estimates without deducting 10 per cent contractor's profit amounting to ₹36.50 lakh as shown below:

#### Details of non-deduction of 10 per cent Contractor's profit in the estimate for the works executed departmentally

(₹ in lakh)

Sl. No.	Govt. Sanction no.	Date of Receipt by DZP	No. of work	Amount sanctioned by DZP	Estimated amount	Expenditure incurred	10% contractor's profit not deducted
1	FEA(SFC)26/2012/41 dt.02-03-12	9-04-12	5 no. Community hall	40.00	40.00	39.42	3.94
2	FEA(SFC)26/2012/144 dt.28-05-12	13-07-12	8 no. Community hall	64.00	64.00	63.19	6.32
3	FEA(SFC)26/2012/234 dt.15-10-12	15-10-12	5 no. Community hall	40.00	40.00	39.47	3.95
4	FEA(SFC)14/2012/18 dt.02-03-12	16-03-12	10 works	100.00	100.00	98.00	9.80
5	13 <sup>th</sup> FC General Basic grant	2010-11 to 2012-13	40 works	74.80	74.80	73.86	7.39
6	13 <sup>th</sup> FC General Basic grant	2010-11 to 2012-13	28 works	51.51	51.51	51.03	5.10
<b>Total</b>			<b>96 works</b>	<b>370.31</b>	<b>370.31</b>	<b>364.97</b>	<b>36.50</b>

Thus, non-deduction of 10 per cent contractor's profit element from the estimated value of works executed departmentally resulted in unauthorised expenditure of ₹36.50 lakh.

In reply to the query, CEO, Dibrugarh ZP accepted the observation and noted it for future guidance but was silent about action on the extra expenditure.

The matter was reported to Government in November 2014; their reply had not been received (February 2015).

#### **2.14 Loss of revenue in Nagaon Zilla Parishad**

*The Chief Executive Officer (CEO), Nagaon Zilla Parishad accepted tenders of bidder other than the highest bidder for settlement of markets/beels resulting in loss of revenue of ₹46.83 lakh.*

Sub-Rule 10 of the Rule 47 of Assam Panchayat (Financial) Rules, 2002 stipulates that the CEO of the ZP has to settle bid value in respect of leased out markets/beels<sup>12</sup> etc., through sealed tenders and the tenderer who offers highest bid value is to be selected. Acceptance of tender other than highest bid shall require the Government's prior and formal approval.

Para 3.1.1.1 of the Annual Technical Inspection Report (Government of Assam) for the period ending 31 March 2012 reported loss of revenue to the tune of ₹2.45 crore for accepting the tenders other than the highest bidder during 2006-07 to 2010-11. Subsequently, CEO, Nagaon ZP stated (December 2012) that necessary action had been initiated from 2012-2013 onwards to avoid recurrence of such irregularities in future.

Test check (February 2014) of records of the CEO, Nagaon ZP revealed that during 2012-13 the CEO again leased out markets/beels etc., to bidders other than the valid highest bidders in five cases. Sealed quotations from interested parties were invited for different markets/beels in April 2012. The comparative statements were prepared by the ZP and the tenders were selected/finalised (June 2012) by the General Standing Committee. The markets/beels etc were allotted (June 2012) to the bidders other than the highest bidders without obtaining Government's approval. The CEO stated (December 2014) that formal approval of the Government for accepting the tenders other than the highest bidders was sought for but Government's approval was pending. It was stated by the CEO that the highest bidders were rejected on the ground that the rate quoted by the bidder was exorbitant which may burden the public with higher tax. However, above justification was not tenable as rates of revenue to be collected from the respective shops/vendors for the year 2012-13 were already fixed by the Government in November 2011 and the bidders cannot legally charge higher rates of revenue from the public.

Thus, despite assurance given by the CEO same irregularities were repeated during 2012-13 resulting in loss of ₹46.83 lakh as detailed in **Appendix-XVI**.

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<sup>12</sup> Beel means a large water body.

The matter was reported to the Government (December 2014); their reply had not been received (February 2015).

### 2.15 Misappropriation of IAY fund in Barbhag Development Block

₹14,06,000 was misappropriated by the Block Development Officer showing fictitious entries in the Cash Book.

For the purpose of implementing the Indira AwasYojana (IAY) Scheme of the Government of India, the Block Development Officer (BDO), Barbhag Development Block operated Saving Bank Account No SB 121729 at Pragjyotish Gaonlia Bank, Nalbari, subsequently restructured and renamed (January 2006) as Assam GraminVikash Bank, Nalbari. IAY funds meant to be utilised in the various Gaon Panhayats (GP) are required to be transferred to the GP Secretaries for use in construction of IAY houses as per Scheme guidelines. Test check (February 2014) of records of the BDO/Executive Officer (EO), Barbhag Development Block/Anchalik Panchayat revealed the following:

- ❖ Two cheques bearing Nos 252249 dt. 29 March 2007 and 745851 dt. 30 March 2007 for ₹8,96,000 and ₹5,10,000 respectively were shown in the Cash Book as encashed on the respective dates of issue and cash was shown as withdrawn from the bank account.
- ❖ Out of ₹8,96,000, withdrawn against cheque No 252249 dt. 29 March 2007, ₹5,39,000 and ₹3,57,000 were shown in the Cash Book as disbursed to seven Gaon Panchayat<sup>13</sup> Secretaries. These amounts were disbursed in cash on 29 March 2007, being 1<sup>st</sup> and 2<sup>nd</sup> installments respectively of IAY scheme funds 2006-07.
- ❖ ₹5,10,000 withdrawn against cheque No 745851 dt. 30 March 2007 was shown in the Cash Book as cash payment made on 30 March 2007 for material bill related to construction of IAY houses.

Scrutiny of the bank scroll of the concerned bank account, however, revealed that the amount involved in both the cheques mentioned above was actually not withdrawn in cash as shown by the BDO in the Cash Book but instead it was utilised on the same day for purchase of Deposit at Call Receipts (DCRs) and subsequently encashed by the BDO as follows:

#### Details of purchase of DCR and subsequent encashment by the BDO, Barbhag

(in ₹)

Cheque no. & date	Amount	Date of transfer	DCR no. and date	Amount of DCR	Date of encashment of DCR by BDO
252249, dt.29/03/2007	8,96,000	29/03/2007	562951/149/07 dt.29/03/2007	5,39,000	10/04/2007
			562951/149/07 dt.29/03/2007	3,57,000	30/04/2007
745851, dt.30/03/2007	5,10,000	30/03/2007	562942/170/07 dt.30/03/2007	5,10,000	05/06/2007

<sup>13</sup> 91(1) Upper Barbhag GP (UBGP), 92(2) UBGP, 93(3) UBGP, 94(4) UBGP, 95(5) UBGP, 96(6) UBGP, 109(7) UBGP.

It was further observed that:

- ❖ As per Cash Book, there was neither any cash in hand or in the form of any other instrument on 29 March 2007 and 30 March 2007 nor was the encashment of DCRs recorded in any scheme related Cash Book on 10 April 2007, 30 April 2007 and 05 June 2007 (dates of encashment of DCRs);
- ❖ Verification of Cash Books of the concerned GP Secretaries also confirmed that disbursement of ₹8,96,000 being a total of first two instalments were not recorded in respective Cash Books. The GP Secretaries stated that they had never received any money in cash from the BDO;
- ❖ The Muster Roll (MR) bills and material bill for ₹5,10,000 (₹1,62,124 towards MR bills for construction of 42 IAY houses and ₹3,47,876 towards material bills for construction of another 59 houses) were shown paid in cash by the BDO vide voucher no. 60 to 86 dt. 30 March 2007, but the bills/vouchers could not be made available for verification.

On this being pointed out by Audit, the present BDO stated (February 2014) that the amount of call deposits were never accounted for and whereabouts of the amount was not known to him. Further, the BDO admitted (February 2014) that the payment shown in cash was fictitious because there was no cash balance in hand and no amount was paid out of any other scheme related fund. The sanction orders, beneficiary list, APRs in support of the payment were also not available.

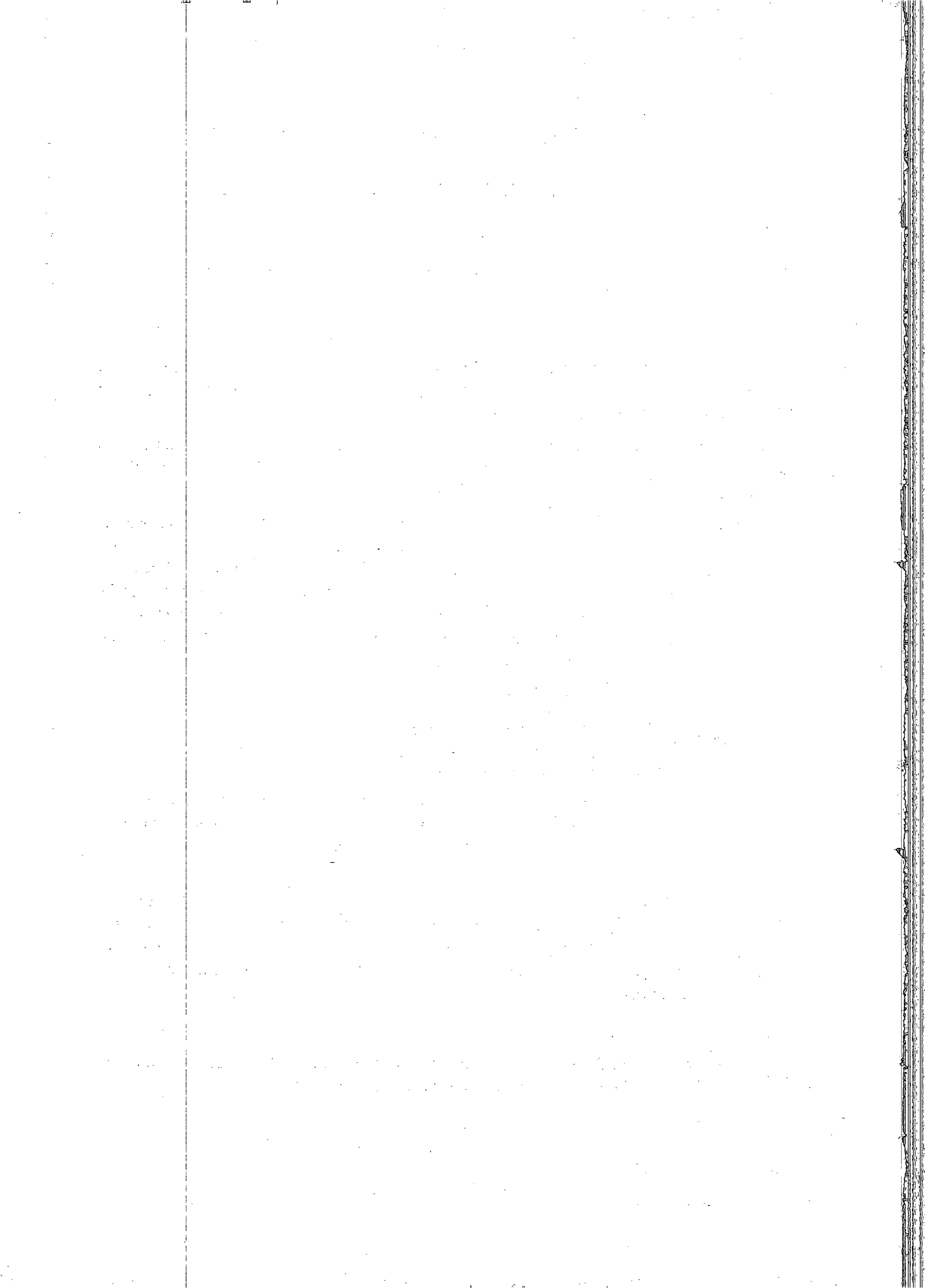
Thus, by showing fictitious entries in the Cash Book, the BDO had misappropriated ₹14.06 lakh of Government money besides depriving genuine IAY beneficiaries of housing meant for them.

The matter was reported (November 2014) to the Government; their reply had not been received (February 2015)

# **CHAPTER III**

## **Section-A**

### **An Overview of Urban Local Bodies**



## CHAPTER- III

### URBAN DEVELOPMENT DEPARTMENT

#### Section - A

#### An Overview of Urban Local Bodies (ULBs)

### 3.1 Introduction

The 74<sup>th</sup> Constitutional Amendment Act, 1992 marked a new era in the federal democratic set up of the country as it conferred Constitutional status to the municipalities and recognised them as Local Self Government Institutions (LSGIs).

In Assam, for urban areas, a Municipal Corporation (MC) for Guwahati, Municipal Boards (MBs) for comparatively larger urban areas and Town Committees (TCs) for transitional and relatively small urban areas have been functioning.

The amendment provides for devolution of powers and responsibilities with respect to preparation of plans and programmes for economic development and social justice. It also provides transferring of 18 subjects listed in XII<sup>th</sup> Schedule of the Constitution of India for Urban Local Bodies (ULBs). As a follow up, the State was required to entrust these ULBs with such powers, functions and responsibilities as to enable them to function as LSGIs. The Constitutional Amendments establish a system of uniform structure, conducting of regular election, regular flow of funds etc.

The administrations of urban local bodies are governed by the provisions of:

- Guwahati Municipal Corporation (GMC) Act, 1971,
- Assam Municipal (AM) Act, 1956 and
- Assam Municipal Accounts (AMA) Rule, 1961.

Article 243 of the Constitution of India provides that elections in Municipalities shall be held once in every five years. Elections in ULBs (excluding the Municipal Corporation (MC) for Guwahati) in the State were held in February 2015. Last elections for GMC in the State was held during June 2013.

There are 94 ULBs in the State as on 31 March 2014 consisting of one MC, 34 MBs and 59 TCs. ULBs falling under General Areas are governed according to the provisions of the AM Act, 1956 and areas falling within the Sixth Schedule Areas are governed by the rules framed by the respective Autonomous District Council (ADC). Recommendations of the Assam State Finance Commissions (ASFCs) did not cover the ADCs.

### 3.2 Size of ULBs

As on 31 March 2014, there were 94 ULBs in Assam. The position of ULBs in Assam in terms of number, area and average population is given in **Table 3.1**.

**Table- 3.1: Position of ULBs**

Level of LB	No.	Area per ULB (Sq. Km)	Average population
Municipal Corporation (MC)	1	216.79	9,63,429
Municipal Board (MB)	34	20.35	90,652
Town Committee (TC)	59	1.53	4,960

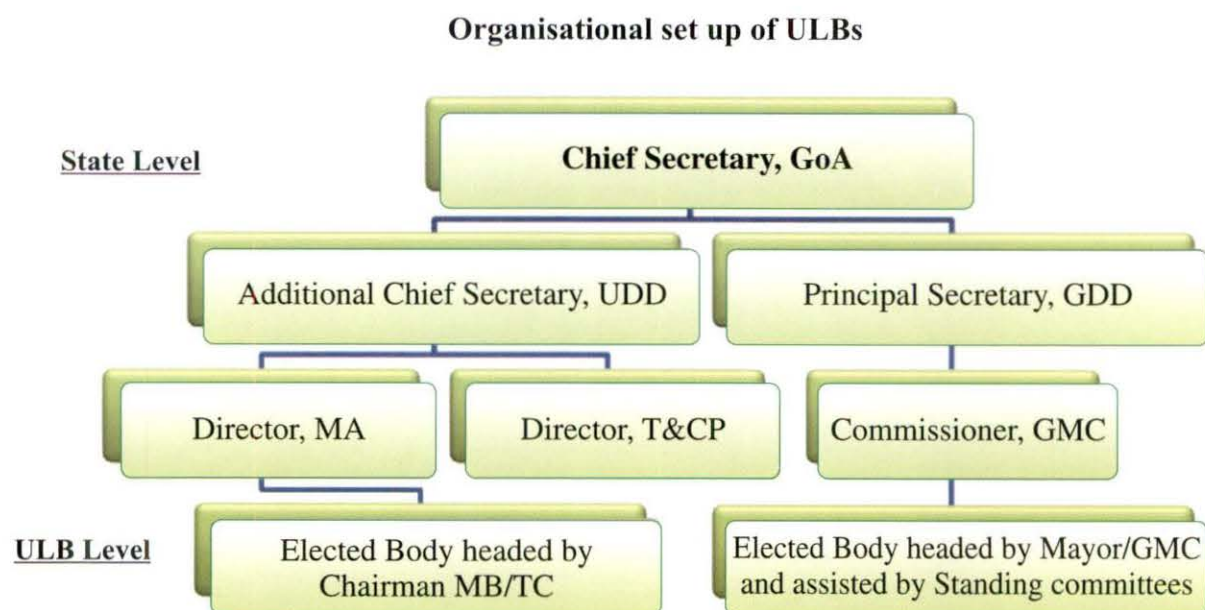
Source: Assam State Finance Commission's report submitted for 14<sup>th</sup> CFC

### 3.3 Organisational set-up in State Government and ULBs

The Additional Chief Secretary, Urban Development Department (UDD) is the administrative head of ULBs (MBs & TCs) and is assisted by the Director, Municipal Administration (MA) and Director, Town & Country Planning (T&CP). Commissioner and Secretary, UDD also allocates fund and exercises overall control and supervision of functions and implementation of schemes at the State level.

The Principal Secretary, Guwahati Development Department (GDD) is the administrative head of the Department and the GMC is headed by Commissioner, GMC.

Following organogram depicts the organisational set up of ULBs:



### 3.4 Functioning of ULBs

The MBs and TCs in Assam were functioning without an Executive Officer (EO) for running the day to day administration. Of late, the Municipal Act had ensured putting in place an EO for each and every MB and TC. However, as of September 2014, there was no EO in any of the MB/TC where elected body was functioning. In the absence of suitable administrative machinery in ULBs, the amount earmarked for ULBs under transferred subjects was being spent through line departments.



### 3.5 Staffing pattern of ULBs

The ULBs do not have any approved staffing pattern for them. As a result, staff strength of ULBs varies from unit to unit depending on the size and paying capacity of ULBs. UDD and GDD submitted study reports on staffing pattern of ULBs and GMC to FASFC in December 2011 and in February 2012 respectively. Staffing pattern of ULBs had been drafted by the Department but the approval from the Finance Department was awaited (February 2015).

Unless ULBs were properly manned, they would be unable to handle huge funds obtained from various sources and their accounting in a proper way.

Hence, a uniform staffing pattern for ULBs is essential keeping in view the enhanced workload entrusted to ULBs under different programmes, schemes and projects.

### 3.6 Standing Committees

In case of ULBs, AM Act, 1956 also does not provide for constitution of any standing committee. However, though Section 20 of GMC Act, 1971 provides for constitution of standing committee (for Guwahati Municipal Corporation), no provision was made in the Act regarding timeline for formation of the standing committee and its constituent members.

### 3.7 State Finance Commission Grants

Article 243-I of the Constitution had made it mandatory for the State Government to constitute a SFC within a year from the enactment of the Constitutional Amendment Act and thereafter on expiry of every five year to review the financial condition of the ULBs and to make recommendations to the Governor for devolution of funds to ULBs on the following aspects:

- The distribution of net proceeds of taxes, duties and fees between the State and the ULBs;
- Release of *Grants-in-aid* (GIA) to the ULBs from consolidated fund of the State;
- Measures needed to improve the financial conditions of the ULBs.

Accordingly, in respect of sharing of the net proceeds of State Taxes with Municipalities, a global approach of sharing the net proceeds of all State Taxes excluding Non-Tax revenue and share of Central Taxes is adopted. Details of quantum of devolution recommended by ASFC and fund released by the GoA to ULBs during the years 2008-09 to 2013-14 are indicated in **Table 3.2**.

**Table- 3.2: Devolution of Fund to ULBs**

Year	Net collection of the State Government	(₹ in crore)		
		Amount to be devolved ULBs including GMC	Actual released under SFC ULBs including GMC	Short released
(1)	(2)	(3)	(4)	(5)
2009-10	4986.72	254.19	96.15	158.04
2010-11	5929.84	268.27	151.67	116.60
2011-12	7638.23	83.65	83.65	0
2012-13	8250.21	91.27	91.26	0.01
2013-14	6545.09	322.77	133.11	189.66
<b>Total</b>	<b>33350.09</b>	<b>1020.15</b>	<b>555.84</b>	<b>464.31</b>

Source: The FASFC Report and information furnished by Director, Finance (Economic Affairs) Department, Assam.

It can be seen from above table that against devolution of ₹1020.15 crore, the GoA could release only ₹555.84 crore. Thus, due to short release of ₹464.31 crore the ULBs were unable to implement various welfare activities for the overall economic development.

### **3.8 Status of devolution of 3Fs**

Out of 18 subjects listed in the XII<sup>th</sup> Schedule, the following eight subjects are being implemented by the ULBs as their traditional functions:

- Water supply for domestic, industries and commercial purposes;
- Conservancy and Solid Waste management;
- Slum improvement and upgradation;
- Provision of urban amenities and facilities such as park, garden play grounds;
- Burials and burial grounds, cremations, cremation grounds and electric crematoriums;
- Cattle ponds;
- Public amenities including street lighting, parks, gardens, play grounds and
- Regulation of slaughter houses.

Subjects relating to urban planning including town planning, land use and construction of buildings, slum improvement and upgradation, roads and bridges, urban forestry, ecology and environment, vital statistics including registration of births and deaths, planning for economic and social development, urban poverty alleviation etc. were not transferred to the ULBs. The approach adopted in this regard so far is limited to constituting a committee only. The devolution of funds, functions and functionaries (3Fs) as listed in the XII<sup>th</sup> Schedule remain more or less on the paper till March 2014. In respect of Guwahati Municipal Corporation (GMC), out of 18 functions listed in the XII<sup>th</sup> Schedule, activities under four functions were transferred to GMC as of March, 2014. Remaining functions were lying with the line departments and other agencies working in parallel with GMC within the Municipal area. Thus, devolution of 3Fs to GMC in respect of the transferred subjects was far below the desired level.

Nevertheless, the GoA had created a Municipal window in the State Budget for devolution of fund and every year a substantial portion of budgetary outlays under plan and non-plan in the revenue account was earmarked for Municipalities against the transferred subjects. However, the earmarked amount was being spent through the functionaries of the line departments. Thus, the objective of creating the Municipal window in the State Budget was frustrated due to lack of effective action on the part of the Government to implement its own decisions on devolution of 3Fs to the ULBs.

### 3.9 Financial profile of ULBs

For execution of various developmental works, the ULBs arrange fund from its own sources as Tax and Non-Tax revenue, grants and assistance from Government and loans from public financial institutions or nationalised banks. The authority for reporting and use of fund in respect of MBs and TCs is Chairperson and authority in respect of GMC is the Commissioner. Detailed sources of fund and its custody are given in **Table 3.3**.

**Table- 3.3: Fund flow mechanism in ULBs**

Nature of Fund	MC, MBs, TCs	
	Source of fund	Custody of fund
Own receipts	Assesses and users	Bank
SFC	State Government	-do-
CFC	GoI	-do-
SSS	State Government	-do-

Source: Scheme guidelines

Details of fund flow arrangements in CFC Grants and CSS are given in the **Table 3.4**.

**Table- 3.4: Fund flow arrangements of CFC Grants and CSS to ULBs**

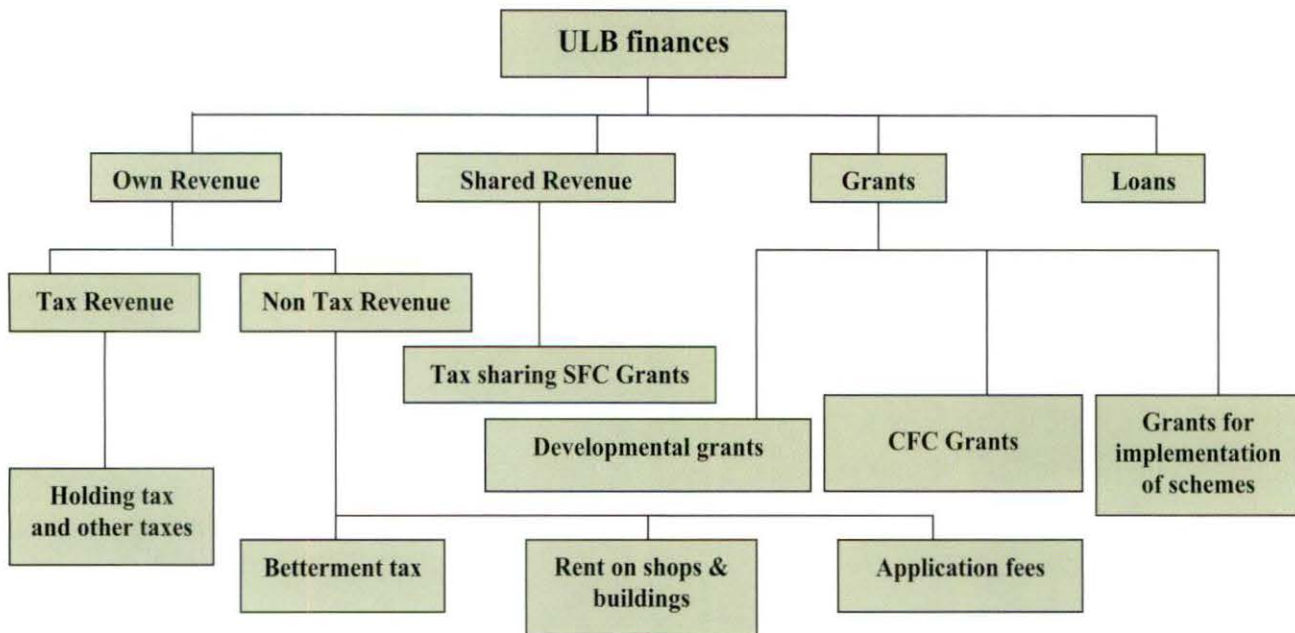
Sl. No.	Scheme	Fund flow
1	Swarna Jayanti Shahari Rozgar Yojana (SJSRY).	Central share is released to the UDD, which is the State Urban Development Agency (SUDA). State share provided in the Budget is released to the Director, Municipal Administration who disburses the funds (Central and State share) to the respective ULBs.
2	Jawaharlal Nehru National Urban Renewal Mission (JnNURM).	Central share is released to the SUDA. The State Share provided in the budget is also released to the SUDA which disburses the fund to GMC through Guwahati Metropolitan Development Authority (GMDA).
3	Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT).	Central share is released to the UDD through the State Government. State share provided in the Budget is also released to UDD which disburses the funds to the ULBs through Director, T&CP.
4	Basic Service to Urban Poors (BSUP).	Central share is released to UDD and GDD through State Government. State share provided in the Budget is also released to UDD/GDD which disburses the funds to implementing ULBs through Director, T&CP while GDD disburses the fund to GMC through GMDA.
5	CFC	GoI transfers the fund to the State which is released through budget allocation to the DC of the District. The DC after withdrawal of the fund from treasury disburses the same to municipalities under its jurisdiction.
6	BRGF	GoI transfers the fund to the State which is released through budget allocation to the ZPs which after withdrawal of the fund from treasury, disburses it to municipalities within the District.

Source: Scheme guidelines

#### 3.9.1 Sources of Revenue

The main sources of revenue for the ULBs are (a) Government Grants and (b) Own Revenue. Own revenue resources of ULBs comprises 'Tax' and 'Non-Tax' revenue realised by them. Property Tax is the major source of revenue. Government grants comprise fund released by the Central and State Governments based on recommendations of CFC, SFC and GoI's share for various CSS. Besides, ULBs also obtains loans from financial institutions for implementation of various schemes relating to Urban Development, Water Supply and Roads etc.

A flow chart of finances of an ULB is given below:



Under the provision of the Acts in force, all collections such as taxes on holdings, water tax, latrine tax etc., are the sources of tax revenue while building plan sanction fee, rent from shops and buildings, tolls and other fees and charges constituted the main source of non-tax revenue. The State Government also released GIA and loans to the ULBs to compensate their establishment expenses. ULBs also receive grants and assistance from State Government and Central Government for implementation of schemes and projects.

### 3.9.2 Resource trends and composition of ULBs

The trend of resources of ULBs for the period 2009-10 to 2013-14 is shown in **Table 3.5**.

**Table- 3.5: Time series data on ULBs resources**

Source	2009-10	2010-11	2011-12	2012-13	2013-14
Own Revenue	103.41	128.78	151.57	190.04	NA
SFC transfers	96.15	151.67	189.68	149.59	133.11
CFC transfers	24.35	12.04	31.97	44.28	Nil
Interest for delayed payment of CFC grants	0.84	-	0.11	0.20	0.12
State Sponsored Scheme (SSS)	33.31	20.54	16.13	-	8.22
GoI grants for CSS	88.83	33.27	24.09	33.41	25.57

Source: The FASFC Report and information furnished by DMA and Director, T&CP GoA

The above table shows that the CSS Grants have a decreasing trend in comparison to fund released in the year 2012-13. There was gradual decline in receipt of SFC grants from 2011-12 to 2013-14 which affected the implementation of various welfare activities by ULBs for the overall economic development. Moreover, no mechanism was adopted by the State Government to capture the own revenue resources of ULBs in 2013-14.

### 3.9.3 Resource trends and composition of GMC

The trend of resources of GMC for the period from 2009-10 to 2013-14 is shown in **Table 3.6**.

**Table- 3.6: Time series data on GMC resources**

(₹ in crore)

Source	2009-10	2010-11	2011-12	2012-13	2013-14
Own Revenue	36.43	42.08	48.09	58.03	50.61
SFC transfers	49.26	62.42	56.12	92.50	34.72
CFC transfers	6.95	3.92	8.07	12.77	Nil
Interest for delayed payment of CFC grants	0.18	Nil	0.01	Nil	Nil
SSS	9.44	19.96	4.95	2.64	16.86
GoI grants for CSS	33.25	0.76	0.38	6.97	8.08

Source: Information furnished by GMC, Assam

There was a steady trend of increasing own revenue mobilization by GMC from 2009-10 to 2012-13 but it declined in 2013-14. The receipt under SFC transfers had a fluctuating trend during 2009-2013. However, it declined sharply in 2013-14.

### 3.9.4 Allocation and release of funds

During 2011-12 to 2013-14 public investment in urban development through major CSS and corresponding State shares are shown in **Table 3.7**.

**Table- 3.7: Statement showing investment through major CSS and SSS**

(₹ in crore)

Sl. No.	Name of schemes	Nature of grants (Share)	2011-12			2012-13			2013-14		
			Budget provision	Allocation made	Fund released	Budget provision	Allocation made	Fund released	Budget provision	Allocation made	Fund released
1	SJSRY	Central	54.00	32.74	32.88	34.13	34.13	37.78	34.13	34.30	Nil
		State	3.00	3.00		6.00	4.43		6.00	3.79	Nil
2	IDSMT <sup>14</sup>	Central	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
		State	2.00	2.00	2.00	7.74	7.74	7.74	Nil	Nil	Nil
3	IHSDP <sup>15</sup>	Central	33.26	0.00	0.00	62.81	0.00	0.00	62.81	2.00	Nil
		State	4.44	4.44	1.02	6.98	0.68	Nil	6.98	0.00	0.00
4	UIDSSMT <sup>16</sup>	Central	85.22	31.50	24.08	65.89	16.70	13.23	82.67	82.67	11.81
		State	8.73	8.73	8.73	7.32	7.32	Nil	9.18	9.18	0.15
5	10 per cent Pool Fund	Central	Nil	Nil	Nil	Nil	Nil	Nil	27.00	13.76	13.76
		State	12.00	11.90	4.27	11.00	4.00	1.44	4.00	3.10	3.10
6	Night Shelter for Urban Scheme	Central	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
		State	0.75	0.75	0.48	1.00	0.76	0.56	0.46	0.46	0.22
7	C.M Special Programme for Development of Small Town	State	1.40	0.98	0.98	1.50	1.50	1.50	1.50	1.50	1.50
8	Basti sudhar	Central	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
		State	0.10	0.10	0.10	0.10	0.10	0.10	0.30	0.30	0.30

Source: Director, MA, Director, T&CP, Secretary, GDD, Assam

Though, information on scheme wise budget provision, allocation and release of fund was provided by the Department, there was no readily available data on how much amount was actually spent in a particular year on the above mentioned schemes. Hence, utilisation of the

<sup>14</sup> Integrated Development of Small and Medium Towns.

<sup>15</sup> Integrated Housing and Slum Development Programme.

<sup>16</sup> Urban Infrastructure Development Scheme for Small and Medium Towns

funds could not be verified. Thus, there is a need to establish the mechanism for proper accounting of these schemes for better accountability.

### 3.10 Short release of fund under CSS to ULBs

Details of the amount of CSS provided by GoI which accumulated with the share of the State Government to ULBs during 2013-14 are given in **Table 3.8**.

**Table 3.8: Status of funds for CS Schemes (2013-14).**

(₹ in crore)

Sl. No.	Name of scheme	Share of Grant	Budget allocation	Amount allocated	Amount Released to ULBs	Short release
1	IHSDP	Central Share	62.81	2.00	NIL	2.00
		State Share	6.98	NIL	NIL	NIL
2	UIDSSMT	Central Share	82.66	82.66	11.81	70.85
		State Share	9.18	9.18	0.15	9.03
3	10 per cent Pool Fund	Central Share	27.00	13.76	13.76	NIL
		State Share	4.00	3.10	3.10	NIL
4	Night Shelter for Urban Slum	Central Share	NA	NA	NA	NA
		State Share	0.46	0.46	0.22	0.24
<b>Total</b>			<b>193.09</b>	<b>111.16</b>	<b>29.04</b>	<b>82.12</b>

Source: Information furnished by the Director, T&CP

It can be seen from the above table that against the budget provision of ₹193.09 crore, the Director, T&CP received ₹111.16 crore and released ₹29.04 crore resulting a short release of ₹82.12 crore in 2013-14. The retention of funds adversely affected the work under the schemes resulting in denial of intended benefit to the beneficiaries.

### 3.11 Thirteenth Finance Commission (13<sup>th</sup> FC) Grants

The weights adopted by the 13<sup>th</sup> FC Commissioner for inter distribution of funds among the states were 50 per cent population, 10 per cent area and 20 per cent distance from highest per capita income, 15 per cent index of devolution and five per cent CPC grant utilisation index. Based on the above principles, the share of PRIs and ULBs for the periods 2010-15 in Assam including sixth Schedule areas amounted to ₹1892.90 crore. The amount so recommended had two components viz., General Basic Grants and Performance Grants. For all five years, states will be eligible to draw their Basic Grants subject to submission of UCs in time. However, Performance Grants will be eligible from the second year of the award period subject to fulfilment of certain conditions laid down in the 13<sup>th</sup> FC recommendations.

The position of grants released to ULBs during 2010-11 to 2013-14 by the GoI and further released by the State Government as per recommendation of the 13<sup>th</sup> FC is shown in **Table 3.9**:

**Table- 3.9: Award of 13<sup>th</sup> FC to ULBs**

₹ in crore)

Programme year	Scheme components	Fund received/released		Penal interest for late release of fund
		Received from GoI	Released to ULBs	
2010-11	General Performance Grant	NIL	NIL	0.3
	General Basic Grant	21.53	21.28	
2011-12	General Performance Grant	10.18	10.18	0.09
	General Basic Grant	27.25	27.25	
2012-13	General Performance Grant	20.03	3.65	0.33
	General Basic Grant	30.67	30.67	
2013-14	General Performance Grant	23.62	NIL	0.12
	General Basic Grant	34.59	NIL	
<b>TOTAL</b>		<b>167.87</b>	<b>93.03</b>	<b>0.84</b>

Source: Director, Finance (Economic Affairs) Department, GoA

As per guidelines issued by the GoI, grants of 13<sup>th</sup> FC are required to be transferred by State Government to the ULBs within five days of receipt from the Central Government in case of States having easily accessible banking infrastructure and ten days in case of States with inaccessible banking infrastructure failing which State Government was liable to transfer interest amount to ULBs at RBI bank rate for the number of days of delay.

It was observed that State Government released 13<sup>th</sup> FC grants to ULBs with an interest liability of ₹0.84 crore during 2010-14 due to tardy transfer of fund. Delay in release of funds hampered the timely implementation of the projects in the field because time factor played an important role in Assam in view of season specific limitations in execution of works.

### 3.12 Accountability framework

#### 3.12.1 Power of State Government over ULBs

The Constitution of India empowers States to legislate on Municipalities. Further, in exercise of relevant Acts and Rules, the State Government exercises its powers in relation to ULBs. Details of the powers of the State Government over the ULBs in decentralised set-up are given in **Table 3.10**.

**Table- 3.10: Power of State Government over ULBs**

Act/Rule/Authority (1)	Power exercised by Government (2)
Section 301 of AM Act and Section 426 of GMC Act	<b>Power to frame rules</b> The State Government may make rules for carrying out the aims and objectives of this Act.
Section 298 of AM Act and Section 425 of GMC Act	<b>Power to dissolve ULBs</b> Government may, by notification in Gazette, dissolve the ULBs, if the Government is of the opinion that the ULB exceeds or abuses its powers or is not competent to perform or make persistent default in the performance of the duties imposed on it under this Act or any other law, for the time being in force.
Section 296 of AM Act and Section 424 of GMC Act	<b>Powers to revoke or suspend resolution of ULBs</b> The State Government may by an order in writing suspend and prohibit an order or a resolution of an ULB, if the resolution is improper, cause or likely to cause injury or annoyance to the public or lead to a breach of peace.

The AM Act, 1956 and GMC Act, 1971, also contain the following provisions to enable the State Government to monitor and ensure proper functioning of the ULBs.

- Call for any Municipality to furnish information or report, plan, estimate, statement, accounts or statistics;
- Inspect any office or any record or any document of ULBs;
- Inspect the works and development schemes implemented by ULBs and
- Take action for default of head of the ULBs.

### **3.13 Vigilance mechanism**

#### **3.13.1 Ombudsman**

The Ombudsman conducts investigation and enquires into instances of maladministration, corruption, favoritism, nepotism, lack of integrity, excessive action, inaction, abuse of position etc, on the part of officials and elected representatives of ULBs. He can even register cases, *suo moto*, if the instances of the above kind come to his notice.

There was no provision in the AM Act and GMC Act regarding setting up of Ombudsman for ULBs. As a result, there was no scope for Ombudsman to conduct investigation and enquires into instances of maladministration, corruption, favouritism, nepotism, lack of integrity, excessive action, inaction, abuse of position etc.

#### **3.13.2 Social Audit**

The primary objective of social audit is to bring the activities of ULBs under close surveillance of people to enable them to access the records and documents of ULBs. Such immediate access to information would facilitate transparency and accountability in day-to-day functioning of ULBs. The State Finance Department issued guidelines (May 2009) for social audit which, *inter alia*, included the following:

- Use of Ward Committees as important vehicles for spread of awareness about social audit;
- Appointment of nodal officer at the level of Ward Committees who would register complaints and fix the date for social auditing;
- Wide publication of the date of social audit through local newspapers, hand bills, leaflets and notice boards etc; and
- Presentation by the representatives of ULBs of the relevant data on revenue and expenditure of their organizations including bills, vouchers, muster rolls, measurement books, copies of sanction orders and other books of accounts and papers necessary for the purpose of social auditing.

The State Government had not amended (December 2014) the relevant Municipal Act by including a statutory provision for social auditing.

#### **3.13.3 Lokayukta**

The Assam Lokayukta and Upa Lokayukta Act, 1985 (Assam Act XX of 1985) was introduced to improve the standard of Public Administration through investigation of complaint against ministers, legislators and public functionaries including those of ULBs. The institution was headed by Upa-Lokayukta (March 2001) as the post of Lokayukta had



been lying vacant for the last 19 years (since March 1995 till March 2014). The post of Upa-Lokayukta was filled up only in May 2014.

The State Government had taken various initiatives by publishing advertisement in local newspapers in Assam and launched a website ([www.assamlokyukta.gov.in](http://www.assamlokyukta.gov.in)) and has approved setting up of cells in all Districts and Sub divisional Headquarters to receive complaints to increase the awareness of the people regarding Lokayukta and Upa-Lokayukta Act. However, the Upa-Lokayukta had not received any complaints relating to ULBs during the year 2013-2014.

Thus, there was a need to increase awareness among the people about the existence and functioning of anticorruption mechanism to make it more effective and useful to the public.

### **3.14 Audit Mandate**

#### **3.14.1 Primary Auditor of ULBs**

Director of Audit, Local Fund (DALF), Assam established under Assam Local Funds (Accounts & Audit) Act, 1930 is the primary auditor of all the ULBs in the State. The Local Fund Audit organisation in the State of Assam under DALF had 20 circle offices each of which was headed by an Assistant Director to perform audit functions at the District level. There are 131 audit parties comprising of one Audit Officer and one or more Assistant Audit Officers.

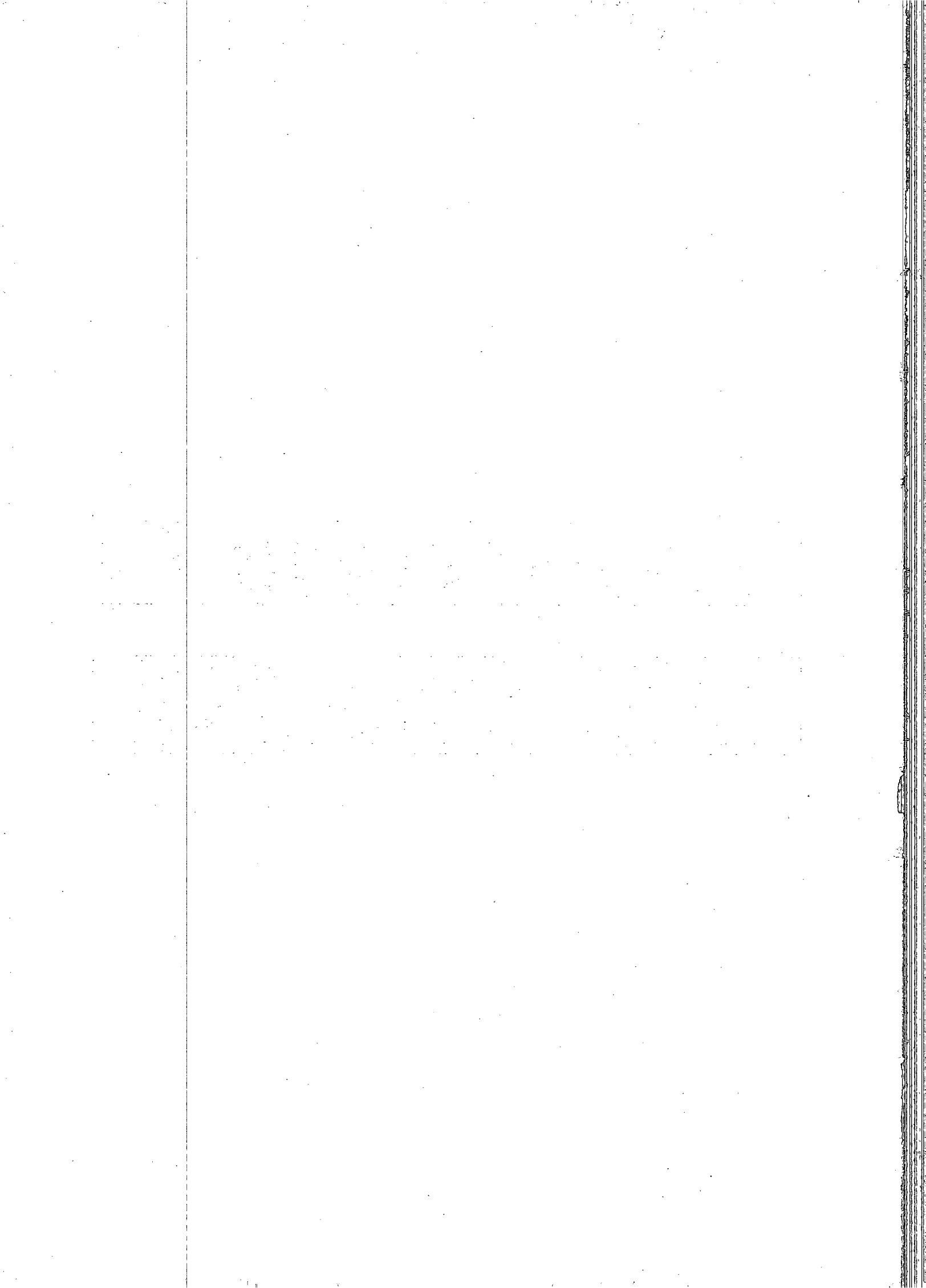
#### **3.14.2 Audit by CAG of India**

CAG of India conducts audit of substantially financed ULBs under Section 14(1) of CAG's (DPC) Act, 1971 and audit of specific grants to ULBs under Section 15 of the Act *ibid*. The audit of ULBs is also conducted by CAG under section 20 (1) of the Act as per Technical Guidance and Support (TGS) module as entrusted by the State Government in May 2011 pursuant to the 13<sup>th</sup> FC recommendations.

Audit of accounts of 33 ULBs (one MC, 15 MBs and 17 TCs) for the year 2013-14 were conducted during April 2013 to March 2014.

### **3.15 Conclusion**

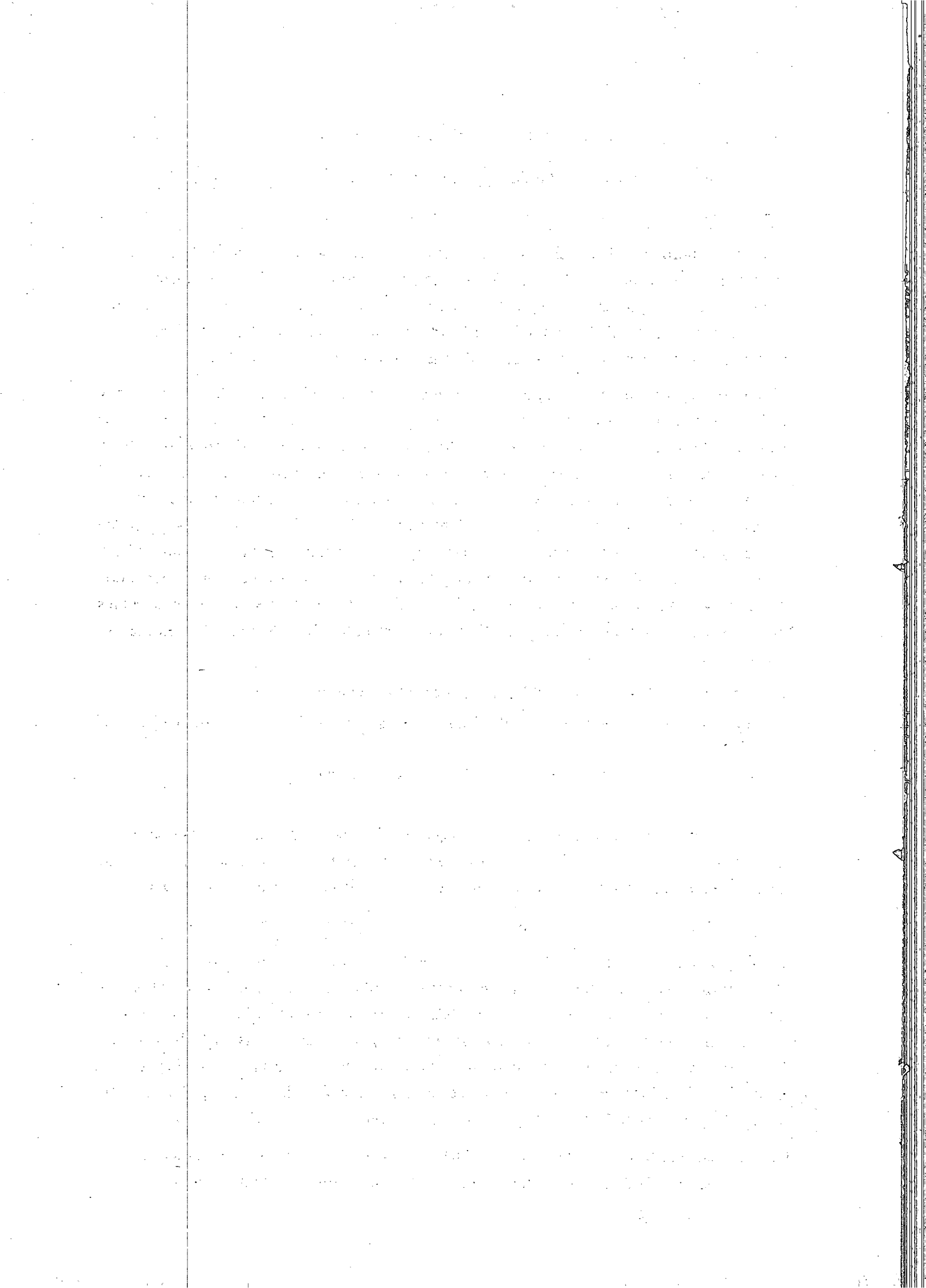
The ULBs were unable to implement various welfare activities for the overall economic development due to short release of GIA to ULBs. Devolution of 3Fs to GMC in respect of the transferred subjects was far below the desired level. No mechanism was adopted by the State Government to capture the own revenue resources of ULBs in 2013-14. There was a need to establish the mechanism for proper accounting of schemes for better accountability. There was a need to increase the awareness among the people about the existence and functioning of anti-corruption mechanism *e.g.* Lokayukta and Upa-Lokayukta to make it more effective and useful.



# **CHAPTER III**

## **Section-B**

### **Financial reporting of Urban Local Bodies**



## Section - B

### Financial Reporting of ULBs

#### 3.16 Legal framework

Financial reporting in the ULBs is a key element of accountability. The best practices in matters relating to drawal of funds, form of bills, incurring expenditure, maintenance of accounts, rendering of accounts by the ULBs are governed by the provision of the AM Act, AM (A) Rules, GMC Act, Assam Public Works Manual, other Departmental Manuals and standing orders and instructions issued by the State Government from time to time.

The present system of accounting of urban bodies suffers from various shortcomings relating to formats used, manner of reporting and more importantly the way budget is prepared. The National Municipal Accounts Manual (NMAM) prescribed by Ministry of Urban Development in consultation with CAG *inter-alia* provides formats for preparation of Annual Financial Statement of Income and Expenditure and Balance Sheet showing the status of assets and liabilities of the ULBs at the end of a financial year. The Amended Act inserted provision for maintenance of accounts, preparation of Financial Statement and Balance Sheet. In addition to this, the State Government and ULBs were required to accept implementation of an agenda of mandatory reforms as specified in JnNURM guidelines. However, accounts of ULBs were not maintained as per the formats prescribed by NMAM. The reforms for ULBs included:

- adoption of accrual-based double entry system of accounting in ULBs;
- application of e-governance using IT applications for various service provided by the ULBs;
- reform in property tax with GIS to enhance collection efficiency;
- levy of user charges etc.

Test check in audit revealed that the accounts of ULBs were maintained on cash basis and thereby actual financial position of ULBs and their assets and liabilities could not be ascertained. Further, the present mandatory reforms were also not introduced by the ULBs.

#### 3.16.1 Reporting arrangements

Findings of audit on accounts of ULBs conducted by the CAG were previously presented in the form of Annual Technical Inspection Reports (ATIRs). ATIRs containing audit findings on ULBs for the years ended 31 March 2005 to 2013 have been submitted to the State Government. On 19 December 2011, ATIR for the year ended 31 March 2010 was laid before the State Legislature for the first time. Subsequent three ATIRs *i.e.* ATIR for the year ended 31 March 2011, 2012 and 2013 were also been laid before the State Legislature on 04 April 2013, 19 July 2013 and 04 August 2014 respectively.

State Legislature has constituted (October 2012) a Local Fund Accounts Committee (LFAC) for the first time to discuss the Audit Report on LBs consisting of audit findings of ULBs.

ATIR for the year ended 31 March 2010 was discussed by the Committee. However, Action Taken Report (ATR) on the ATIRs submitted to Government was awaited (March 2014).

In May 2011, Section 53 of AM Act had been amended and new Section 53A had been inserted in the Act and entrustment of TGS and placement of ATIR on Municipalities before the State Legislature had been incorporated. No provision had been made in this Act for placement of Audit Report of DALF before the State Legislature. Section 138 of GMC Act had also been amended (August 2012) and provision had been made in sub Section (5) of the aforesaid Act for the placement of accounts of Guwahati Municipal Corporation along with Chartered Accountant's Audit Report before the State Legislature. However, neither provision of TGS nor any specific provisions for placement of ATIR before the State Legislature in respect of the Corporation have been made in the amended Act.

### **3.17 Financial reporting issues**

A sound internal control system significantly contributes to efficient and effective governance of the ULBs by the State Government. Some of the discrepancies relating to financial reporting noticed during test check are enumerated in the succeeding paragraphs.

#### **3.17.1 Non-preparation/un-realistic preparation of budget**

Eleven ULBs had prepared the budget without taking into account of the past trend of receipt and expenditure as detailed in **Appendix-XVII (A) and (B)**. Estimated receipts were unduly inflated ranging from ₹14.05 lakh to ₹14.58 crore and estimate of expenditure were based on such inflated receipts. However, funds were released by the Government in a routine manner, without taking into account the requirements of the people at grass root level. As a result, there were huge variance ranging from ₹8.67 lakh to ₹21.64 crore in estimated and actual expenditure.

#### **3.17.2 Budget formulation**

Budget is the most important tool for financial planning, accountability and control. As per Section 43(A) AMA 1956, a Municipal Board shall pass the annual budget estimate for the next financial year before the end of the presiding financial year and the annual budget of the Board passed in the meeting of the Board shall be approved by the Director, Municipal Administration (DMA) within 31<sup>st</sup> March of the presiding year. The position of submission budget by the MBs/TCs during last three years to DMA, Assam is shown in the **Table 3.11**.

**Table- 3.11: Details of budget submitted by the MBs/TCs**

Year	Total MBs/TCs in the State (no.)	Budget proposals submitted by the MBs/TCs (no.)	Budget proposals not submitted by the MBs/TCs (no.)
2011-12	93	39	54
2012-13	93	40	53
2013-14	93	61	32

*Source: Director, Municipal Administration Assam*

As seen from the above table, out of 93 MBs/TCs 54, 53 and 32 MBs/TCs had not submitted budget proposals during 2011-12, 2012-13 and 2013-14. Funds were released by the Government in a routine manner, thereby defeating the purpose of planning and without taking to account the requirement of the people at the grass root level.

### 3.17.3 Non-adjustment of advance paid to JE/Contractor

State financial rules stipulate that advances paid should be adjusted without any delay and DDO concerned should watch their adjustment. Though the Chairpersons of MBs and TCs are custodians of all Municipal accounts, it was noticed that in four ULBs an amount of ₹3.57 crore was given as advances to JEs/Contractors for implementation of schemes but the same was not adjusted till March 2014 as detailed in **Appendix – IV(B)**.

### 3.17.4 Non- deduction of IT/VAT

According to Income Tax (IT) Act and State Value Added Tax (VAT) Act, IT & VAT will be deducted from the payment of contractor/suppliers. Test check of records revealed that in nine ULBs (six MBs and three TCs) IT/VAT amounting to ₹46.15 lakh were not deducted as detailed in **Table 3.12**.

**Table 3.12: Non-deduction of IT/VAT**

		(₹ in lakh)
SL. NO	Name of ULBs	Amount
1.	Barpeta MB	1.44
2.	Barpeta Road MB	1.30
3.	Biswanath Chariali MB	3.47
4.	Dhekiajuli MB	14.13
5.	Hailakandi MB	2.99
6.	Lakhimpur MB	4.64
7.	Digboi TC	10.13
8.	Pathsala TC	6.96
9.	Sarbhog TC	1.09
<b>Total</b>		<b>46.15</b>

Due to non-deduction of taxes Government suffered a loss of revenue to that extent.

### 3.17.5 Short collection of Kist money

During test check of records it was noticed that there was short collection of *kist* money of ₹92.96 lakh in fourteen ULBs as shown in **Appendix- V (B)**. Thus, due to short collection of *kist* money, revenue could not be augmented to that extent.

### 3.17.6 Fiscal reform path in ULBs

The State Government had enacted the Assam Fiscal Responsibility and Budget Management (AFRBM) Act, 2005 to ensure best practices of financial management of the departments. But Principal Secretary, Finance, Assam observed that ULBs being the LGSIs in a federal structure of Indian Union as per 74<sup>th</sup> amendment of the Constitution of India, this AFRBM Act would not be applicable for ULBs and instructed (April 2011) the Finance (Economic

Affairs) Department to expedite the process of finalisation of separate AFRBM Act for ULBs for streamlining fiscal activities and bringing fiscal discipline of LSGIs.

Audit observed that State Legislative Assembly had passed (9 July 2011) the Local Self Government Fiscal Responsibility Act 2011, and the State Government notified the Act (September 2011) in the State Gazette. However, preparation and submission of medium term Fiscal Plan as envisaged in the Act was not carried out by any ULB. Thus, the purpose of the Act of ensuring fiscal stability and sustainability and greater transparency in fiscal operations was defeated.

### 3.18 Internal Audit

Internal Audit is an important instrument to examine and evaluate the level of compliance with rules and procedures as envisaged in the relevant Acts as well as in the Financial/Accounting Rules so as to provide independent assurance to management on the adequacy of the risk management and internal control frame work in the ULBs.

There was no provision for internal audit in relevant Municipal Acts and Rules and a system of internal audit did not exist in ULBs. The Director, Municipal Administration, Assam confirmed that the system of internal audit had not been introduced in the Municipalities in Assam.

Periodical inspection of records had never been carried out either at the Directorate or at ULBs level. This affected the sense of accountability to ensure proper compliance of rules and procedure as envisaged in the relevant Acts/Rules.

### 3.19 Audit of accounts of ULBs

#### 3.19.1 Audit coverage by Director of Audit, Local Fund (DALF)

DALF is the Primary Auditor to conduct the audit of ULBs of Assam. Based on information furnished by DALF (November 2014), the arrears in audit of ULBs during the period 2009-14 ranged between 28 and 85 *per cent*. The year-wise position of units to be audited and those actually audited are detailed in **Table 3.13**.

**Table- 3.13: Shortfall in covering the units planned for audit by DALF**

Year	No. of units planned for audit	No. of units audited	Shortfall	Percentage of shortfall
2009-10	61	9	52	85
2010-11	71	24	47	66
2011-12	54	34	20	37
2012-13	58	26	32	55
2013-14	57	41	16	28

Source: Information furnished by DALF, Assam

Apart from shortfall in the number of units audited against the number of units planned for audit, there was also arrear in issue of 43 audit reports during 2009-14 by DALF. The reasons for shortfall in audit coverage and arrear in issue of audit reports were attributed to



inconsistency of manpower as against the total number of auditable units and increasing volume of transaction owing to the introduction of various schemes and programmes by the Government. Besides, the Audit officials were also engaged in the General Election during 2014.

### 3.19.2 Presentation of annual consolidated Audit Report

As per para 101 (i) of Assam Audit Manual, DALF is required to send an Annual Audit Report to the Finance Department by 30 September each year incorporating major outstanding audit objections relating to ULBs which were pending settlement for further action by the Finance Department. DALF prepared its first consolidated Audit Report for the year 2010-12 and submitted to Finance Department which was also laid before the Legislature on 10 February 2014. Consolidated Audit Report for the years 2012-13 and 2013-14 was submitted to Finance Department on 7 December 2014 and the same was placed before the Legislature on 19 December 2014.

However, follow up action and Action Taken Report by Finance Department on the Annual Consolidated Audit Report of DALF is wanting, thereby weakening the accountability mechanism of ULBs in Government.

### 3.19.3 Response to Audit observations

Inspection Reports (IRs) were issued by Accountant General (Audit), Assam to audited ULB authorities with a copy of each to the State Government. ULB authorities were required to comply with the observations contained in the IRs and rectify the defects and omissions and report their compliance within three months from the date of issue of IRs. Important audit findings are processed for inclusion in the ATIR/Audit Report.

The details of outstanding paragraphs as of March 2013 are shown in **Table 3.14**.

**Table- 3.14: The details of outstanding IRs and paragraphs**

Year of issue	No. of Inspection Reports	No. of outstanding Paras	Money value (₹ in crore)
Up to 2009-10	49	610	102.64
2010-11	14	179	79.33
2011-12	11	135	49.32
2012-13	06	59	12.38
2013-14	42	484	148.78
<b>Total</b>	<b>122</b>	<b>1467</b>	<b>392.45</b>

Source: Progress Register

Thus, 1,467 paragraphs with monetary value of ₹392.45 crore were pending settlement (December 2014) for want of replies from concerned ULBs. Increasing trend of outstanding paragraph was indicative of non-compliance with audit observations which shows low level of accountability. The Administrative Heads of the Departments concerned also did not ensure that the concerned officers of the ULBs took prompt and timely action in furnishing replies to IRs and thereby weakening the accountability mechanism of ULBs in Government.

### **3.20 Administrative Reports**

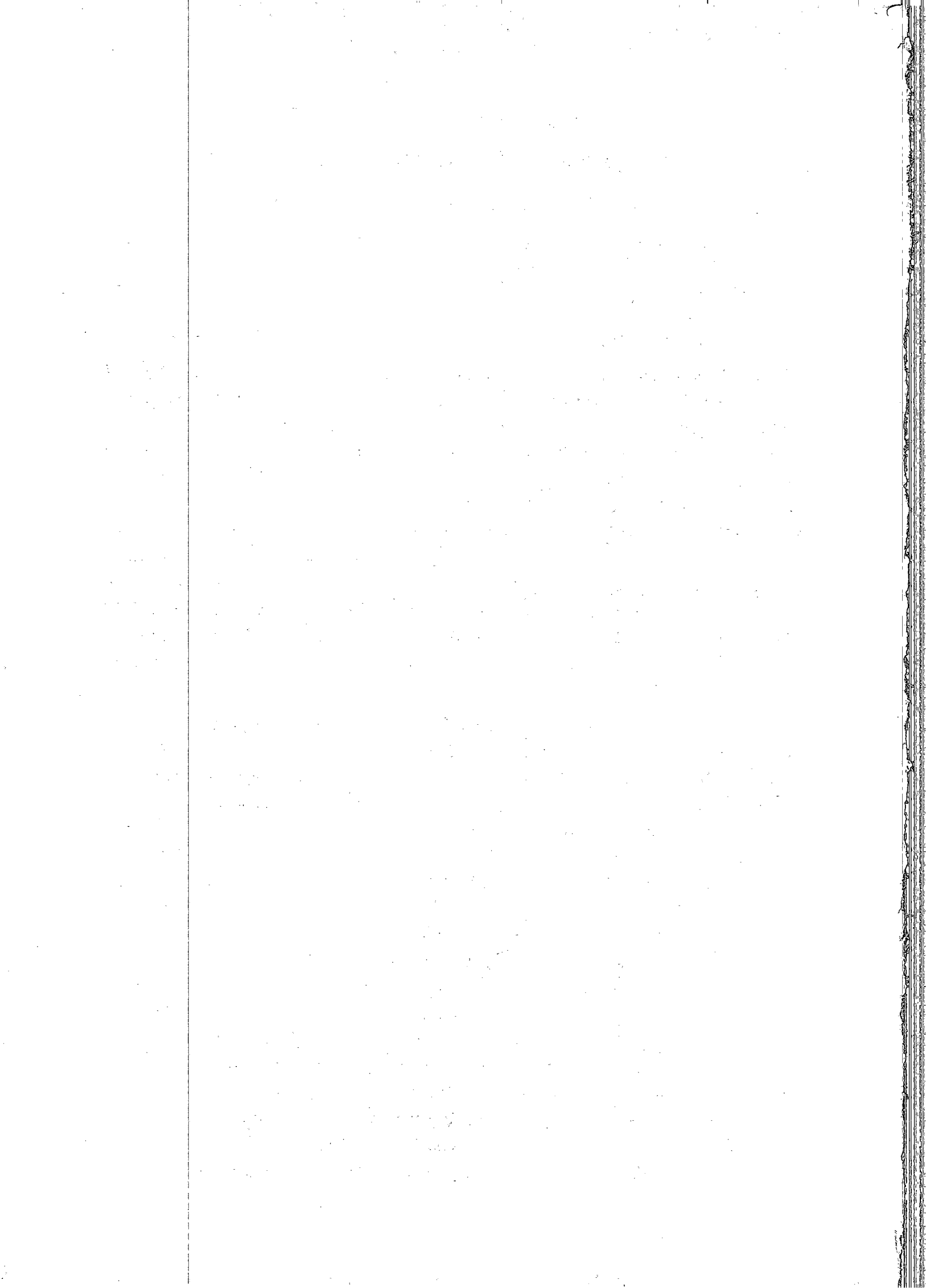
Annual Administrative Report of GMC for the preceding year together with a statement of receipts, disbursements and balance at credit of the Municipal Fund at the close of the year is required to be submitted to the Government under Section 136 of GMC Act. However, no information regarding submission of Administrative Report of GMC was made available to Audit.

### **3.21 Conclusion**

The accounts of ULBs were maintained on cash basis and thereby true and fair view of financial affairs of ULBs and their assets and liabilities were not disclosed. Expenditures were done either by preparing unrealistic budget or without preparing any budget. There were instances of non-deduction of IT/VAT, non-adjustment of advances and short realisation of *kist* money causing significant loss to the Government. No effective action had been taken by the Government to insist upon the ULBs to prepare Annual Accounts. Preparation and submission of medium term Fiscal Plan as envisaged in the Act was not carried out by any ULB defeating the purpose of the Act for ensuring fiscal stability and sustainability and greater transparency in fiscal operations. Internal Audit and periodical inspection of records had never been carried out which affected the sense of accountability and proper compliance with Rules and procedures as envisaged in the relevant Acts/Rules. There was inconsistency of manpower in DALF as against the total number of auditable units. The increasing trend of outstanding audit paragraphs were indicative of non-compliance with audit observations which showed low level of accountability.

# **CHAPTER IV**

## **Section - A** **Performance Audit of UIDSSMT & IHSDP**



## Chapter – IV

### URBAN DEVELOPMENT DEPARTMENT

#### Section – A

### PERFORMANCE AUDIT

#### Infrastructure development by ULBs through implementation of UIDSSMT and IHSDP

##### *Executive Summary*

On 3 December 2005, a flagship programme, 'Jawaharlal Nehru National Urban Renewal Mission (JnNURM)' was launched by Government of India (GoI) with the objective of integrated development of infrastructure services in identified cities which was being implemented in 63 mission-cities across the country. In Assam, Guwahati was the only mission city covered under JnNURM. To cater to the remaining cities and towns, two components were envisaged viz. Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT) and Integrated Housing and Slum Development Programme (IHSDP). The coverage under UIDSSMT and IHSDP was applicable to all cities/towns as per Census 2001 except cities/towns covered under JnNURM. As per Census 2001, there were 110 cities/towns in Assam, out of which in 41 cities, 30 UIDSSMT projects and 16 IHSDP Projects had been undertaken. The period of the Mission was planned initially for seven years from 2005-06 to 2012-13 and the period had been extended to March 2014 and once again to March 2015.

There were 94 Urban Local Bodies(ULBs) in Assam consisting of one Municipal Corporation (GMC), 34Municipal Boards (MBs), and 59 Town Committees(TCs). Out of these, 76 ULBs consisting of one MC, 33 MBs and 42 TCs were within the General Areas. The remaining 18 ULBs, one MB and 17 TCs fell within the jurisdiction of Sixth Schedule areas. Performance Audit (PA) of Infrastructure development by Urban Local Bodies (ULBs) through implementation of UIDSSMT and IHSDP revealed that out of total sanction of ₹293.50 crore (₹208.51 crore under UIDSSMT and ₹84.99 crore under IHSDP) for 46 projects (30 UIDSSMT Projects & 16 IHSDP Projects), only ₹153.23 crore (₹127.69 crore under UIDSSMT & ₹25.54 crore under IHSDP) was utilised (52 per cent) resulting in completion of only seven projects under UIDSSMT. Audit also noticed that physical progress of ongoing projects was slow which ranged from 20 per cent to 97 per cent even after lapse of original Mission period (March 2013) and first extended Mission period (March 2014) which was again extended till March 2015. Reasons for slow physical progress was due to revision of Detailed Project Reports (DPRs) as original DPRs were prepared without conducting proper survey and considering ground realities, delay in according approval to Comparative Statements and subsequent delay in awarding contracts, lack of adequate monitoring and supervision to solve bottlenecks cropped up during execution etc. Audit also noticed that ULBs failed to implement the Mandatory as well as Optional Reforms and as a result the

objective of urban service delivery and stakeholder participation in urban governance envisaged in scheme guidelines was not fully achieved.

Thus, integrated development of urban infrastructure by ULBs as intended could not be achieved through implementation of UIDSSMT and IHSDP in the State.

#### 4.1 Introduction

Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT) and Integrated Housing and Slum Development Programme (IHSDP) are the two sub-missions under the 'Jawaharlal Nehru National Urban Renewal Mission' (JnNURM). The coverage of UIDSSMT and IHSDP was applicable to all cities/towns as per Census 2001 except cities/towns covered under JnNURM. The period of the Mission was planned initially for seven years from 2005-06 to 2012-13 and the period had been extended twice *i.e.* once to March 2014 and then again to March 2015. In Assam, 30 projects under UIDSSMT and 16 projects under IHSDP had been sanctioned as detailed in **Appendix-XVIII**. Out of 110 eligible cities, the projects had been undertaken in only 41 cities and broadly only three types of projects *viz.* Storm Water Drainage Project (SWDP), Water Supply Project (WSP) and Housing Development Project (HDP) were actually taken up.

#### 4.2 Programme objectives

The objectives of both the programmes are as indicated in **Table 4.1**.

**Table- 4.1: Programme Objectives**

Name of the programme	Objectives
UIDSSMT	<ul style="list-style-type: none"> <li>❖ Improve infrastructure facilities and help create durable public assets and quality oriented services in cities and towns;</li> <li>❖ Enhance public-private partnership in infrastructure development; and</li> <li>❖ Promote planned integrated development of towns and cities.</li> </ul>
IHSDP	<ul style="list-style-type: none"> <li>❖ IHSDP aims at having an integrated approach in ameliorating the conditions of the urban slum-dwellers who do not possess adequate shelter and reside in dilapidated conditions. The basic objective of the scheme was to strive for holistic slum development with a healthy and enabling urban environment by providing adequate shelter and basic infrastructure facilities to the slum-dwellers.</li> </ul>

#### 4.3 Expected outcomes of the programme

On completion of the scheme period of nine years (2005-06 to 2013-14), it was expected that ULBs/Parastatals would achieve the following outcomes:

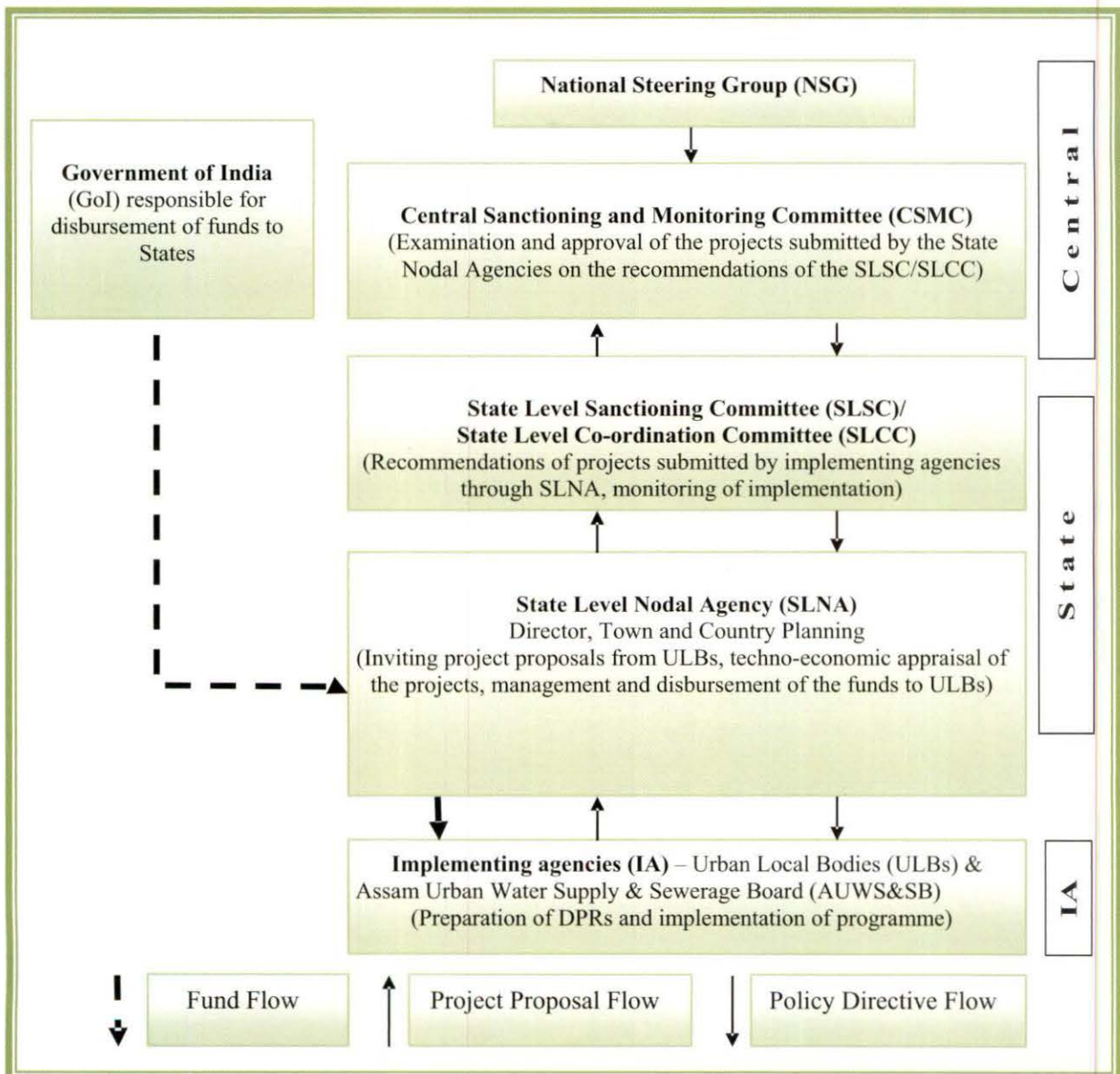
- ❖ Adoption of modern and transparent budgeting, accounting, financial management systems designed for all urban services and governance functions;
- ❖ Establishment and operation of city-wide framework for planning and governance;
- ❖ Access to basic level of urban services to all urban residents;

- ❖ Establishment of financially self-sustaining agencies for urban governance and service delivery through reforms to major revenue instruments;
- ❖ Provision of local services and governance in a manner that is transparent and accountable to citizens; and
- ❖ Introduction of e-Governance applications in core functions of ULBs/Parastatals to reduce cost and time of service delivery processes.

#### 4.4 Organisational set-up

The organisational set up, funds flow and policy directive flow is given in **Chart 4.1**.

**Chart- 4.1: Organisational set-up, funds flow chart and policy directive flow**



At Central level, the Ministry of Urban Development, GoI was responsible for implementation of the schemes 'UIDSSMT' and 'IHSDP' under the overall guidance and supervision of a National Steering Group (NSG) Chaired by the Minister of Urban Development.

At the State level, the Directorate of Town and Country Planning (T&C P) acts as State Level Nodal Agency (SLNA) for both the schemes under the administrative control of the Additional Chief Secretary to the Government of Assam (GoA), Urban Development Department (UDD). Both State Level Coordination Committee (SLCC) and State Level Sanctioning Committee (SLSC) which are under the control of the State's UDD recommend projects submitted by Implementing Agencies (IA) through SLNA and monitor implementation of the projects.

ULBs act as the IAs for all projects except Water Supply Projects (WSP) where Assam Urban Water Supply and Sewerage Board (AUWS & SB) act as the IA.

#### **4.5 Audit objective**

The audit objective of the PA was to assess whether:

- ❖ Planning was adequate; project plans were comprehensive and were based on detailed assessment of requirements based on surveys and feedback from stakeholders;
- ❖ Financial management control was adequately exercised;
- ❖ Projects were executed efficiently and economically and achieved their intended objectives;
- ❖ The reforms agenda was achieved;
- ❖ Development of infrastructure by ULBs was achieved; and
- ❖ There was a mechanism for adequate and effective monitoring and evaluation.

#### **4.6 Audit criteria**

The audit criteria for assessing the Infrastructure development by ULBs through implementation of UIDSSMT and IHSDP were sourced from the following:

- ❖ Guidelines of the schemes;
- ❖ Budgetary allocations and availability of funds for implementation of the scheme;
- ❖ DPRs of selected project, Memorandum of Agreements (MoAs), City Development Plans (CDPs) related with the projects;
- ❖ Standards and benchmarks of Performance fixed by Government for implementation of the scheme, and
- ❖ Instructions/circulars/orders issued by Ministry of Urban Development (MoUD), Ministry of Housing and Urban Poverty Alleviation (MoHUPA), Ministry of Finance (MoF), Government of Assam (GoA).

#### **4.7 Scope and methodology of Audit**

The PA covering the period from 2009-10 to 2013-14 was conducted during May-October 2014. The PA commenced with an Entry Conference on 26 May 2014 with the Joint Secretary, UDD, Director, T&CP and other officials of the GoA wherein audit objectives,



criteria, methodology etc. were discussed. The field audit involved collection of data from Secretariat, Directorate and concerned ULBs etc. and subsequent detailed scrutiny of proposals for projects, appraisal, sanctions of projects, allocation, release and disbursement of funds etc. The projects under UIDSSMT and IHSDP were selected for detailed study by using Probability Proportional to Size Without Replacement (PPSWOR) method. Accordingly, ten<sup>17</sup> UIDSSMT projects and five<sup>18</sup> IHSD Projects were selected for detailed scrutiny. The field audit also involved surveys of beneficiaries/users besides physical verification of the selected projects and efficacy of monitoring and evaluation mechanism. The report was forwarded (October 2014) to the GoA. Exit conference was held on 19 January 2015 with the Secretary, UDD, Director, T&CP and other officials wherein the audit findings were discussed. The Government replies to various audit observations have been suitably incorporated in the Report.

#### **4.8 Acknowledgement**

The office of the Accountant General (Audit), Assam acknowledges the co-operation and assistance extended by UDD, GoA, Director T&CP, Assam, and concerned ULBs during the course of conducting this audit.

#### *Audit findings*

#### **4.9 Planning**

##### **4.9.1 Preparation and submission of City Development Plan (CDP)**

Planning Commission, GoI instructed (2006-07) the State Governments to prepare CDPs for comprehensive development of Cities/Towns for 25 years, sign Memorandums of Agreements (MoAs) as per agreed and clear milestones for reforms, prepare Detailed Project Reports (DPRs) and make commitments for counterpart funding from State Government/ULBs and beneficiaries. The actual release of funds to the State Governments would be on sanction of duly appraised projects as per JnNURM guidelines.

GoA designated (January 2006) the Directorate of Town and Country Planning, Assam as the SLNA for implementation of UIDSSMT and IHSDP. However, neither the SLNA nor the selected ULBs implementing UIDSSMT and IHSDP prepared CDPs and Perspective Plans (PPs). In the absence of comprehensive CDPs and PPs, overall planning was inadequate and project plans were not comprehensive.

##### **4.9.2 Preparation and submission of DPRs**

DPRs were prepared by the ULBs for implementing the projects sanctioned under UIDSSMT and IHSDP. However, DPRs in respect of five projects *viz.* three projects under UIDSSMT [(two Storm Water Drainage Projects (SWDP), one Water Supply Project (WSP)] and two IHSD Projects out of 13 (eight under UIDSSMT and five IHSDP) selected projects had to be

<sup>17</sup> Lakhapur (Cachar) WSP, Lakhapur (Cachar) SWDP, Lanka SWDP, Hojai WSP, Hojai SWDP, Titabor SWDP, Digboi SWDP, Barpeta Road SWDP, Basugaon SWDP and Dhubri SWDP

<sup>18</sup> Lanka IHSDP, Nagaon IHSDP, Tinsukia IHSDP, Nalbari IHSDP and Dhubri IHSDP

revised/modified. Reasons for revision/modification of DPRs which were noticed in audit and impact of such revision/modification of DPRs are shown in **Table 4.2**.

**Table-4.2: Details of revision/modification of DPRs and its impact.**

Sl. No.	Name of Project	Reasons for revision/modification of DPR	Impact of revision/modification
1	Hojai WSP	<p>(i) The Assam Urban Water Supply and Sanitation Board (AUWS&amp;SB) suggested change of water intake source from river water to ground water as river water intake point was insurgency prone and flood affected.</p> <p>(ii) Decision to use a combination of DI and AC pipes in place of DI pipes so that project cost could be kept within the sanctioned amount.</p>	<p>Modification of DPR led to irregular execution of the project as the modified DPR had not been approved (August 2014)</p> <p>Implementation of the project was delayed and quality of pipes was also compromised as AC pipes were inferior to DI pipes.</p>
2	Digboi SWDP	<p>(i) Proper hydraulic design of drains was not incorporated in the original DPR as pointed out by Central Public Health and Environmental Engineering Organisation (CPHEEO).</p> <p>(ii) The whole town was resurveyed as some of the drains incorporated in the original DPR had already been constructed.</p>	<p>Implementation of the project was delayed by 59 months from the stipulated date (September 2011) and intended benefits on completion of schemes also could not be achieved.</p>
3	Barpeta Road SWDP	<p>(i) Plan showing existing drainage system of the town, resolution from ULB certifying that project form the integral part of planned development of the town and details of Operation and Maintenance (O &amp;M), project phasing etc. were not provided in the DPR as commented by the T&amp;CP, GoI, Ministry of Urban Development.</p> <p>(ii) Proper distribution network was not incorporated in the original DPR.</p>	<p>Accordance of Administrative Approval was delayed (15 months from the date of accordance of financial sanction by GoI) with consequent delay in execution of works. The project remained incomplete even after lapse of stipulated date of completion.</p>
4	Lanka IHSDP	<p>(i) Adoption of individual unit approach in place of cluster approach of houses envisaged in original DPR due to non-availability of municipality land.</p> <p>(ii) Adoption of sheltered roof instead of brick wall and cement concrete floor for up-gradation as incorporated in original DPR.</p>	<p>Implementation of the project was delayed by 54 months from the stipulated date (February 2010). New construction work was not started as revised DPR was approved only on 27 January 2014 and Plan and estimates as per revised DPR were under preparation.</p>
5.	Tinsukia IHSDP	<p>(i) Originally the project was proposed in a low-lying built up area of dilapidated buildings without making provision of site development in the DPR.</p> <p>(ii) Some beneficiaries were dissatisfied with the size of the rooms and demanded plastering of inside walls etc. and refused to take possession of eight completed units.</p>	<p>Execution of project works was delayed by 58 months from the stipulated date (October 2009). Thus, the beneficiaries were deprived from the intended benefits.</p>

Thus, DPRs were prepared without conducting the basic surveys including the existing drainage system, considering land availability, ground realities and assessing requirements of beneficiaries leading to their revision/modification which led to delay in execution/non-execution of projects thereby depriving the beneficiaries/areas of the intended benefits of the schemes.

In reply, Government accepted (January 2015) that there was revision of DPRs in some cases.

#### 4.10 Financial Management

##### 4.10.1 Release of funds by GoI and the State Government to SLNA

As per Guidelines (Para 7.3) issued by the GoI, second instalment of central share (balance 50 per cent of the project cost) would be released on submission of utilisation certificate to the GoI for 70 per cent of 1<sup>st</sup> instalment of funds released (50 per cent of project cost released earlier) on account of both Central and State Share.

The position of funds released by GoI and GoA during 2006-14 towards execution of projects sanctioned under UIDSSMT and IHSDP are given in **Table 4.3**.

**Table-4.3: Details of funds released by GoI and GoA during 2006-14 towards execution of projects sanctioned under UIDSSMT and IHSDP.**

(₹ in crore)

Name of component	Number of projects	Approved project cost	Funds released to SLNA (GoI share)	Funds released to SLNA (GoA share)	Total (4 + 5)	Per cent of release against approved cost
(1)	(2)	(3)	(4)	(5)	(6)	(7)
UIDSSMT	30	208.51	151.00	19.60	170.60	81.82
IHSDP	16	84.99	38.82	11.30	50.12	58.97
<b>Total</b>	<b>46</b>	<b>293.50</b>	<b>189.82</b>	<b>30.90</b>	<b>220.72</b>	<b>75.20</b>

NB: Proportionate share of funding between GoI and GoA is 90:10

Out of 46 projects (30 UIDSSMT projects and 16 IHSD projects), GoI released 2<sup>nd</sup> instalment against 24 projects (21 UIDSSMT projects and three IHSD projects). Violating the Clause 7.3 of the scheme guidelines, the SLNA and ULBs did not submit the UCs due to which GoI did not release the 2<sup>nd</sup> and final instalments resulting in non-completion of 22 projects (nine UIDSSMT projects and 13 IHSD projects) as of August 2014.

##### 4.10.2 Receipt and disbursement of funds by SLNA

The position of funds received and disbursed by SLNA for implementation of UIDSSMT and IHSDP during 2006-14 is shown in the **Table 4.4** and **4.5** respectively.

**Table-4.4: Details of funds received and utilised under UIDSSMT during 2006-14 by the SLNA**

(₹ in crore)

Year	Opening Balance (OB)	Fund received			Total funds available	Funds released to IAs	Closing Balance (CB)	% of closing balance to total funds available
		CS	SS	Total				
2006-07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2007-08	0.00	13.64	1.47	15.11	15.11	15.08	0.03	0.20
2008-09	0.03	22.39	0.26	22.65	22.68	21.40	1.28	5.64
2009-10	1.28	64.18	5.50	69.68	70.96	50.41	20.55	28.96
2010-11	20.55	0.00	3.50	3.50	24.05	23.08	0.97	4.03
2011-12	0.97	24.09	8.72	32.81	33.78	32.76	1.02	3.02
2012-13	1.02	16.70	0.00	16.70	17.72	16.71	1.01	5.70
2013-14	1.01	10.00	0.15	10.15	11.16	3.54	7.62	68.28
<b>Total</b>	-	<b>151.00</b>	<b>19.60</b>	<b>170.60</b>	<b>195.46</b>	<b>162.98</b>	-	<b>16.62</b>

Source: Departmental records

**Table-4.5: Details of funds received and utilised under IHSDP during 2006-14 by the SLNA.**

(₹ in crore)

Year	OB	Funds received by SLNA				Funds released to IAs			CB	% of closing balance to total funds available
		CS	SS	Total funds received	Total funds available	CS	SS	Total		
2006-07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2007-08	0.00	14.71	0.60	15.31	15.31	2.54	0.00	2.54	12.77	83.41
2008-09	12.77	1.54	0.78	2.32	15.09	9.75	0.03	9.78	5.31	35.19
2009-10	5.31	11.99	2.20	14.19	19.50	3.96	0.57	4.53	14.97	76.77
2010-11	14.97	6.87	2.50	9.37	24.34	11.99	1.95	13.94	10.40	42.73
2011-12	10.40	1.71	4.44	6.15	16.55	6.87	1.20	8.07	8.48	51.24
2012-13	8.48	0.00	0.78	0.78	9.26	0.00	1.66	1.66	7.60	82.07
2013-14	7.60	2.00	0.00	2.00	9.60	0.00	5.89	5.89	3.71	38.65
<b>Total</b>	-	<b>38.82</b>	<b>11.3</b>	<b>50.12</b>	<b>109.65</b>	<b>35.11</b>	<b>11.30</b>	<b>46.41</b>	-	<b>57.67</b>

Source: Departmental records

Thus, 0.20 to 68.28 per cent and 35.19 to 83.41 per cent remained undisbursed in respect of UIDSSMT and IHSDP respectively to the IAs due to late receipt of funds by SLNA. This has affected the implementation of the schemes. In reply, Government stated that due to non-receipt of UCs from the ULBs, SLNA had not released the balance funds. The undisbursed funds was lying (March 2014) in current account of SLNA. Further, due to keeping funds in current account instead of savings account, SLNA suffered loss of interest of ₹0.79 crore (₹0.01 crore under UIDSSMT and ₹0.78 crore under IHSDP) during the period 2007-08 to 2013-14.

#### 4.10.3 Receipt and utilisation of funds by ULBs

The SLNA released ₹162.98 crore under UIDSSMT and ₹46.41 crore under IHSDP during 2006-14 against which the ULBs reported expenditure of ₹127.69 crore and ₹25.54 crore respectively leaving a balance of ₹35.29 crore under UIDSSMT and ₹20.87 crore under IHSDP with the ULBs. Thus, financial progress (March 2014) in respect of UIDSSMT and

IHSDP was 78.35 per cent and 55.03 per cent respectively despite availability of funds. The physical progress was very slow due to failure on the part of the ULBs to utilise funds and lack of proper monitoring by SLNA.

In reply, Government stated that officers from the district offices of Town and Country Planning and technical staff of the Directorate were monitoring the execution of the projects. Reply was not tenable as low utilisation of funds by ULBs which led to slow physical progress was not explained.

#### 4.10.4 Delay in release of funds

Specific time for release of funds to IAs after drawing the same by the SLNA were not prescribed in the guideline and GoI's sanction letters. However, penalty was to be imposed if funds were not released immediately.

GoA released funds to SLNA after lapse of 44 to 710 days and 57 to 926 days from the date of receipt of funds from GoI in respect of UIDSSMT and IHSDP respectively. SLNA released funds to ULBs after lapse of 15 to 1,634 days and 50 to 1,645 days in respect of infrastructure development scheme and housing development programme respectively from the date of receipt of funds from GoA.

SLNA retained GoI share for five to 1,615 days and GoA share for 36 to 1,308 days after drawing the funds in respect of UIDSSMT. Similarly, in respect of IHSDP, SLNA retained GoI's share for two to 543 days and GoA's share for 77 to 1,645 days after drawing the funds. Delay in release of funds by GoA as well as SLNA adversely affected implementation of both the schemes as detailed in the subsequent paragraphs.

In reply, Government stated that funds had not been released by the SLNA due to non-receipt of UCs from the ULBs. The reply points towards lack of proper monitoring by SLNA to obtain pending UCs from the ULBs.

#### 4.10.5 Retention of funds by GoA

SLNA could not draw (August 2014) ₹303.13 lakh sanctioned by GoA against three projects due to non-release of funds by the GoA as shown in **Table 4.6**.

**Table-4.6: Details of retention of funds by GoA.**

				(₹ in lakh)
Sl. No.	Name of Project	Date of sanction by GoI	Date of sanction by GoA	Amount sanctioned but not released by GoA
1	Lakhipur (Goalpara) SWDP	25.07.2013	29.03.2014	132.09
2	Nalbari IHSDP	29.03.2013	04.07.2013	100.80
3	Palashbari IHSDP	29.03.2013	15.07.2013	70.24
<b>Total</b>				<b>303.13</b>

Source: Departmental records

Thus, retention of GoI's funds by GoA even after sanction, hampered progress of implementation of projects and resulted in inordinate delay in completion of projects.

#### 4.10.6 Position of submission of UCs

UCs are to be submitted by the IAs through the District offices to the Directorate of T&CP which are then submitted to the Administrative Department for onward transmission to GoI. The position of submission of UCs against the receipt of funds under UIDSSMT and IHSDP during the entire Mission period by the ULBs are shown in the **Table 4.7**.

**Table- 4.7: Statement showing total funds received and UCs furnished by ULBs and SLNA**

(₹ in crore)

Scheme	No. of project	Funds received	UCs submitted by ULB		UCs submitted by SLNA	
			No. of Project	Amount	No. of Projects	Amount
UIDSSMT	30	151.00	25	93.76	8	28.73
IHSDP	16	38.82	11	26.75	5	5.33
<b>Total</b>	<b>46</b>	<b>189.82</b>	<b>36</b>	<b>120.51</b>	<b>13</b>	<b>34.06</b>

Source: Departmental records

Thus, UCs for ₹57.24 crore (₹151.00 crore – ₹93.76 crore) under UIDSSMT and ₹12.07 crore (₹38.82 crore – ₹26.75 crore) under IHSDP had not been submitted (August 2014) to SLNA by the ULBs (IAs). Further, out of UCs submitted for ₹120.51 crore against 36 projects (25 projects under UIDSSMT and 11 projects under IHSDP) by the ULBs, UCs for ₹34.06 crore (₹28.73 crore under UIDSSMT against 8 projects and ₹5.33 crore under IHSDP against 5 projects) only were furnished to GoI. Due to non-submission of UCs, 2<sup>nd</sup> instalment of Central share of ₹34.76 crore against nine projects under UIDSSMT and ₹31.40 crore against 13 projects under IHSDP were not released by the GoI. The expenditure incurred out of the funds for which UCs were not furnished (₹69.31 crore) could therefore, not be verified and certified in Audit.

Thus, due to failure on the part of ULBs and SLNA to submit UCs as well as lack of effective monitoring by SLNA to obtain UCs from ULBs for onward submission to GoI, ₹66.16 crore being 2<sup>nd</sup> instalment of Central share was pending for release by GoI.

In reply, Government stated that due to non-receipt of UCs for 70 per cent utilisation of 1<sup>st</sup> instalment released to ULBs as stipulated in clause 7.3 of the scheme guidelines, SLNA had not submitted UCs to GoI. The reply was not tenable because it was noticed that nine<sup>19</sup> ULBs had submitted UCs for more than 70 per cent of the 1<sup>st</sup> instalment of the funds received but the same was not submitted by SLNA to GoI.

#### 4.11 Project implementation

##### 4.11.1 Physical progress of the projects sanctioned under UIDSSMT

Under UIDSSMT, total 30 projects were sanctioned out of which 29 projects were taken up for execution. Barpeta SWDP was not started (August 2014) due to non-approval of revised DPR. However, till March 2014 only seven out of 29 executed projects were completed as

<sup>19</sup> Lakhipur (Cachar), Hailakandi, Hamren, Lakhipur (Goalpara), Howrahghat, Basugaon, Maibong, Udalguri and Dergaon

detailed in **Appendix-XIX**. Physical progress of the ongoing projects ranged from 23.47 per cent to 98 per cent. Delay in completion of projects was attributed to land acquisition problem, not obtaining NOC from authorities like Railway and Border Road Task Force (BRTF) etc., delay in approval of Comparative Statement (CS), Court case, revision of DPR, non-receipt of 2<sup>nd</sup> instalment due to non-submission of UC and revision of plan and estimates due to price escalation etc. Hence, 22 out of 30 projects remained incomplete (August 2014).

In reply, Government stated that 11 projects had been completed out of 30 UIDSSMT Projects and Barpeta SWD Projects had been started and the physical progress of 12 per cent was achieved. However, records in support of completion of four projects (completion of seven projects had been verified in audit) and commencement of Barpeta SWD Project were not furnished and the reply itself indicates that physical progress of UIDSSMT projects were far from satisfactory.

#### 4.11.2 Status of physical progress of selected projects under UIDSSMT

It was noticed that two projects viz. Hojai SWDP and Basugaon SWDP had been completed with delay of 42 and 33 months respectively. The position of physical progress of the remaining 8 selected projects under UIDSSMT is shown in **Table 4.8**.

**Table-4.8: Statement showing physical progress of selected projects under UIDSSMT**

							(₹ in lakh)
Sl. No.	Name of Project	Project cost	Funds released to IA	Date of sanction	Stipulated date of completion	Physical progress (in per cent)	Delay in execution/ completion till August 2014 (in months)
1	Lakhipur (Cachar) WSP	815.88	449.24	13.11.2007	12.02.2011	80	42
2	Lakhipur (Cachar) SWDP	632.10	610.88	13.11.2007	27.02.2011	55.18	41
3	Lanka SWDP	399.11	399.11	13.11.2007	21.01.2011	95	43
4	Hojai WSP	1055.55	1071.39	15.02.2007	16.08.2009	85	60
5	Titabor SWDP	828.85	841.29	15.02.2007	27.07.2009	70.32	61
6	Digboi SWDP	1074.97	1045.76	10.12.2008	15.09.2011	82	59
7	Barpeta Road SWDP	328.57	328.57	13.11.2007	08.02.2012	56.86	30
8	Dhubri SWDP	710.17	399.83	10.12.2008	15.02.2012	23.47	27
<b>Total</b>		<b>5845.20</b>	<b>5146.07</b>	-	-	-	-

Source: Information received from Director, Town & Country Planning

The status of implementation of selected projects under UIDSSMT and its implication is elaborated in **Appendix-XX**.

It is evident from the above that eight out of 10 selected UIDSSMT projects were incomplete even after lapse of 27 to 61 months from the stipulated date of completion. Reasons for non-completion were delay in according Administrative Approval (AA), delay in finalisation of tendering process, revision/modification of DPRs, failure to solve land disputes and other disputes relating to site of projects, non-submission of UCs etc. Due to non-completion of the

projects, the very objective of the Scheme *i.e.* development of infrastructure by ULBs was not achieved fully depriving the beneficiaries of its intended benefits.

In reply, Government stated (January 2015) that due to non-receipt of 2<sup>nd</sup> instalment in due course of time and due to lack of proper training of ULB staff, projects could not be completed within stipulated time. However, no action was initiated by SLNA to train the ULB staff properly for implementation of the projects.

#### 4.11.3 Physical progress of projects sanctioned under IHSDP

Under IHSDP, total 16 projects were sanctioned and taken up for execution. However, no projects were completed till March 2014 even after lapse of nine to 59 months from the stipulated date of completion with physical progress of the projects ranging from 20 to 66 *per cent* as detailed in **Appendix-XXI**. Non-completion of IHSD projects were due to non-submission of UCs by ULBs, land acquisition problem, internal conflicts in ULBs, revision of DPR, delay in according AA etc. for which 2<sup>nd</sup> instalment by GoI was not released. Further, construction works of 3,450 out of 8,668 Dwelling Units (DUs) sanctioned under seven IHSDPs were cancelled as per GoI's instruction for non-commencement of works. Thus, the progress of work was unsatisfactory even during the extended Mission period (March 2015).

In reply, Government stated (January 2015) that ULBs were the implementing agencies for the projects. The reply is not tenable as SLNA being the nodal agency for implementation of the projects was responsible for monitoring and smooth completion of the projects.

#### 4.11.4 Physical progress of selected projects under IHSDP

The physical progress of the five selected projects under IHSDP is shown in the **Table 4.9**

**Table-4.9: Physical progress of selected projects under IHSDP**

(₹ in lakh)

Sl.No.	Name of Project	Project cost	Funds released to IA	Date of commencement	Stipulated date of completion	Per cent of physical progress	Delay in completion (in months)
1.	Lanka IHSDP	265.50	144.58	06.10.07	15.02.10	45	54
2	Nagaon IHSDP	1438.43	796.89	11.02.09	01.09.12	40	23
3	Tinsukia IHSDP	452.20	245.86	06.10.07	05.10.09	55	58
4	Nalbari IHSDP	294.00	168.00	27.04.07	26.10.09	65	58
5	Dhubri IHSDP	546.46	312.26	27.02.07	28.02.10	48	54
	<b>Total</b>	<b>2996.59</b>	<b>1667.59</b>				

Source: Information received from Director, Town & Country Planning

Status of implementation of selected projects are elaborated in **Appendix-XXII**.

It is evident from the above that all the five selected IHSD projects were incomplete even after lapse of 23 to 58 months from the stipulated date of completion and the physical progress ranged between 40 and 65 *per cent*. Reasons for non-completion were revision/modification of DPRs, delay in finalisation of tendering process, delay in awarding



of works to contractors and delay in commencement of work by the contractors, delay in release of funds by GoA and non-release of central share due to non-submission of UCs by the SLNA. Due to non-completion of the projects, the very objective of the scheme *i.e.* providing adequate shelter and basic infrastructure facilities to the slum-dwellers could not be achieved.

#### 4.12 Other irregularities

##### 4.12.1 Extra avoidable expenditure

As per approved DPR, 1,865 RM<sup>20</sup> of 250 milli metre (mm) diameter (dia) and 1,055 RM of 300 mm dia DIS<sup>21</sup> (K-7) pipes were required for execution of Lakhipur WSP. However, the Chairman, Lakhipur MB had procured 3,021 RM of 250 mm dia and 2,899 RM of 300 mm dia DIS (K-7) pipes as detailed in **Table 4.10**.

**Table-4.10: Statement showing details of pipes purchased in excess of requirement (in ₹)**

Sl. No.	Material	Requirement as per estimate			Quantity procured (RM)			Excess (RM)	Expenditure incurred
		Quantity	Rate per RM	Amount	Qty (RM)	Rate per RM	Amount		
1	250 mm dia DIS (K7)	1,865	1,994	37,18,810	3,021	2,114	63,86,394	1,156	24,43,784
2	300 mm dia DIS (K7)	1,055	2,571	27,12,405	2,899	2,705	78,41,795	1,844	49,88,020
<b>TOTAL</b>		<b>2,920</b>	<b>-</b>	<b>64,31,215</b>	<b>5,920</b>	<b>-</b>	<b>142,28,189</b>	<b>3,000</b>	<b>74,31,804</b>

Source: Departmental records

The pipes were lying un-used at the site till February 2015. As such, it is evident that the Chairman, Lakhipur MB, Cachar procured 3,000 RM of 250 mm dia and 300 mm dia DIS (K-7) pipes in excess of actual requirement valued at ₹74.32 lakh which resulted in extra avoidable expenditure to that extent.

##### 4.12.2 Unauthorised expenditure

The Managing Director, AUWS&SB Guwahati accorded financial sanction (May 2010) of ₹72.07 lakh for payment against proforma bill for the cost of Asbestos Cement (AC) pressure pipes transferred from Sibsagar WSP to Lakhipur WSS. Accordingly, payment of ₹72.07 lakh was made to Managing Director against the supply of AC Pressure Pipe (August 2010) with an additional expenditure of ₹7.33 lakh for transportation.

Test check of records revealed that the distribution pipe network of Lakhipur WSP was approximately 33.574 km long with 100 mm to 450 mm dia DIS pipes (Class K-7) as per DPR with no provision of AC pressure pipe. The procurement of 15,852 RM AC pressure pipes was made by MD, AUWS&SB to utilise the idle stock lying at Sibsagar WSP in violation of approved DPR. It is pertinent to mention that DIS pipes are much stronger than

<sup>20</sup> RM= Running Meter.

<sup>21</sup> DIS (K-7) = Ductile Iron Spun, K-7 indicates specification of DIS pipe.

AC pressure pipe and use of AC pressure pipe instead of DIS pipe would affect the durability of the project<sup>22</sup>.

Similarly, 819.69 RM of MS pipes of different diameters valued at ₹24.53 lakh were procured by Managing Director, AUWS&SB for use in Lakhipur Town WSS under UIDSSMT which was not incorporated in the approved DPR. The MS pipe so procured may affect the quality of water as MS pipes are made of mild steel which is prone to rusting.

Thus, expenditure of ₹103.93 lakh (₹79.40 lakh on AC pipes + ₹24.53 lakh on MS pipes) on items not provided in the approved DPR was unauthorised and execution of the project was irregular. Approval to use of MS pipes not provided in the original DPR was not obtained till January 2015.

#### **4.12.3 Irregular expenditure**

(i) As per originally approved DPR of Hojai WSP which is near Kapili river at Hojai Sub-division of Nagaon District, intake point of water was from Kapili river. Approved DPR also envisaged use of only DI Pipes for distribution network. MD, AUWS&SB submitted (August 2009) a modified DPR of Hojai WSP to the UDD by proposing change in the source of water from river water to ground water in view of flood and insurgency problem in the river intake area and a combination of DI and AC pipes was introduced in place of DI pipes due to price escalation of DI pipes for keeping the project cost intact. However, approval to the modified DPR by Government was not on record. The law and order problem should have been considered while preparing the DPR as insurgency problem already existed in Hojai Sub-division of Nagaon District during that period. Non-consideration of insurgency problems and flood in the original DPR led to modification of the DPR for changing the source of water from river water to ground water.

Further, MD, AUWS&SB issued (February 2009) supply orders for supply of AC pipes for distribution network of Hojai Water Supply Scheme in place of DI pipes which was provided in the originally approved DPR.

Consequent upon issue of supply order for AC pipes by MD, AUWS&SB, Chairman, Hojai MB requested (March 2009) MD, AUWS&SB to use only DI pipes as provided in the approved DPR instead of AC pipes in view of the fact that AC pipes used in the existing water supply scheme got damaged and therefore, there would be public resentment if AC pipes were used in the scheme. In response to the request made by the Chairman, Hojai MB, MD, AUWS&SB informed that due to price escalation of construction material and labour on the project sanctioned in 2007-08 the probable expenditure on supply and laying of DI pipes stood at ₹12.54 crore which exceeded the entire project cost (₹10.56 crore). As such, it was decided to use a combination of DI and AC pipes in the distribution network so as to keep the project cost within the sanctioned amount.

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<sup>22</sup> AC pressure pipes are formed of Asbestos Cement whereas DI pipes are formed of ductile iron which is naturally more durable than AC pipes.

Thus, use of a combination of AC and DI pipes without obtaining approval of the competent authority was irregular. Further, execution of the entire project as per modified DPR without approval of the Department as well as project sanctioning authority the expenditure of ₹7.40 crore incurred on the project till June 2014 was irregular.

(ii) Test check of records of selected ULBs revealed that eight ULBs (six implementing UIDSSMT and two implementing IHSDP) incurred expenditure of a total amount of ₹98.98 lakh (₹85.08 lakh under UIDSSMT and ₹13.90 lakh under IHSDP) as consultancy cost in connection with the preparation of DPR. The said consultancy cost was paid to M/s Associated Builders as detailed in **Appendix-XXIII**. However, the work of preparation of DPRs was awarded to the said firm without inviting any tender and ignoring the General Financial Rules. Thus, the total amount of ₹98.98 lakh (including VAT ₹0.89 lakh, IT ₹2.95 lakh and Service Tax ₹0.88 lakh) paid to the consultancy firm for preparation of DPRs was irregular and in absence of any NIT competitiveness and efficiency in execution of the work (preparation of DPR) was not ensured. This is more so in view of the fact that DPRs of five selected projects out of 13 projects had to be revised/modified due to improper project formulation and preparation of design and estimates which were not based on ground realities as elaborated in para 4.9.2 above.

(iii) Checking of Cash Book and Bank Pass book of UIDSSMT maintained by Basugaon SWDP revealed that ₹10.09 lakh was booked (₹3.00 lakh on 06.08.14; ₹3.00 lakh on 07.08.14; ₹3.00 lakh on 08.08.14 and ₹1.09 lakh on 11.08.14) as expenditure on account of contingency in the Cash Book of UIDSSMT whereas the project was completed in March 2014. The amount was withdrawn through self-cheques. The updated bank statement revealed that the said self-cheques were not encashed from the bank till date of audit (July 2014). Reason and intention behind booking of said expenditure was not furnished to Audit. As such, booking an amount of ₹10.09 lakh as contingency expenditure after completion of project in the Cash Book was irregular.

#### **4.12.4 Non deduction of Labour Cess (LC)**

As per Section 3 of the Building and Other Construction Workers Welfare Cess Act, 1996 and Building and Other Construction Workers Welfare Cess Rules, 1998, it is mandatory to levy and collect cess at source @ one per cent of the cost of construction incurred by an employer who should remit the same by way of account payee cheque in favour of the Assam Building and Other Construction Workers Welfare Board within 30 days.

Test-check of records of selected projects revealed that Labour Cess (LC) amounting to ₹28.16 lakh was not deducted from the bills paid to the contractors as shown in **Table 4.11**.

**Table-4.11: Non-deduction of LC**

		(₹ in lakh)
Sl. No.	Name of Project	Non-deduction of labour cess
1	Titabor SWDP	4.84
2	Hojai WSP	5.01
3	Hojai SWDP.	7.06
4	Lakhipur WSP	1.03
5	Lakhipur SWDP	1.74
6	Basugaon SWDP	7.17
7	Nalbari IHSDP	1.31
<b>TOTAL</b>		<b>28.16</b>

Non-deduction of LC amounting to ₹28.16 lakh by seven ULBs had deprived the workers of the intended welfare to that extent.

In reply, Government stated (January 2015) that ULBs would be instructed to deduct LC.

#### 4.12.5 Short deduction of VAT

GoA vide Notification dated 31 October 2009 revised the rate of VAT on works contract to five per cent.

Test-check of records of selected ULBs revealed that VAT amounting to ₹15.84 lakh was short deducted by six ULBs as shown in the **Table 4.12**. The recovery was made by ignoring the rate effective from 31 October 2009 resulting in loss of Government revenue to that extent.

**Table-4.12: Details of short deduction of VAT**

		(₹ in lakh)
Sl.No.	Name of Project	Short deduction of VAT
1	Borpeta Road SWDP	1.30
2	Nalbari IHSDP	1.26
3	Titabor SWDP	0.97
4	Hojai WSP	4.96
5	Lakhipur WSP	1.90
6	Basugaon SWDP	5.45
<b>TOTAL</b>		<b>15.84</b>

Short-deduction of VAT amounting to ₹15.84 lakh resulted in undue financial aid to contractors and loss to Government revenue.

#### 4.12.6 Unadjusted advances

As per Rule 328 of Assam Public Works Department (APWD) Manual, advances to contractor are prohibited and every endeavour should be made to maintain a system under which no payments are made except for work actually done.

However, scrutiny of Cash Book, running bills and MBs revealed that advance amounting to ₹1.20 crore was paid to two contractors during the period from 26 September 2011 to 12 June 2012 before execution of works of Nagaon IHSD project. Out of the said amount, an amount of ₹1.14 crore was adjusted and ₹0.06 crore remained unadjusted against one contractor till date of audit (August 2014).

Similarly, a total amount of ₹11.00 lakh was paid as advance to three contractors by Chairman, Tinsukia MB during the period between 21.1.2010 and 5.8.2011 in connection with implementation of IHSD project. Out of the said amount, ₹8.00 lakh was adjusted against two contractors leaving a balance of ₹3.00 lakh unadjusted against M/s Arzee Associates, Tinsukia till date of audit (July 2014).

Thus, undue advantage was given to the contractors in the form of huge amount of advances before execution of works in violation of codal provision of APWD Manual cited above. This is more so in view of the fact that progress of works was very slow and contractors failed to complete the awarded works even after lapse of several months from the stipulated date of completion as per formal work order.

In reply, Government stated (January 2015) that the concerned ULBs had adjusted the amounts from the subsequent bills of the contractor but details of adjustment and documentary evidence were not furnished.

#### **4.12.7 Non-deduction of Security Deposit (SD) from contractor's bill**

As per Rule 292 of APWD Manual, security should in all cases be taken for the due fulfilment of a contract. This security includes a deposit of cash (in the form of Earnest Money etc.) and a deduction of 10 *per cent* from the payment to be made on account of work done. Such deduction was to be held by Nagaon MB free of interest by way of SD. SD shall be collected from the running bills of the contractors. The SD would be retained for six months after completion of works unless after a part of the work had been completed, further work was postponed owing to cause outside the contractor's control in which case the Nagaon MB shall refund corresponding proportionate part of the security deposit six months after completion of the part of the work.

Test check of records relating to Nagaon IHSD project revealed that although earnest money (two *per cent*) was deposited by the contractors, eight *per cent* SD was not deducted from the running bills of the contractors paid till January 2015. Total amount of SD not deducted from the contractors bills worked out to ₹16.48 lakh.

Thus, contractors were given undue advantage by not deducting SD from the running bills. Further, by not deducting SD from the running bills, the ULB violated the tender agreement and undertook the risk of non-completion of work in the event of abandoning of the allotted works by the contractors. This is more relevant in view of the fact that progress of work was very slow and contractors failed to complete the awarded works even after lapse of twenty three months from the stipulated date of completion as per formal work order.

In reply, Government stated (January 2015) that ULBs would be instructed to deduct SD in future.

#### **4.12.8 Irregular release of SD**

Rule 22.1.3 of Central Public Works Department Manual states that refund of SD should be made after completing the liability period of the work for which a completion certificate is issued by the authority.

Scrutiny of records relating to Lakhipur SWDP revealed that SD of ₹11.13 lakh was deducted, from the bills in respect of Drain Nos. 1, 2, 31, 32 and 33 (Group-A) and SD of ₹12.64 lakh in respect of Drain Nos. 3 and 4 (Group- B and C) was released to two contractors by stating that the above works were completed one year back.

Further scrutiny revealed that the work orders were issued to the Contractors Group-wise and not drain-wise and therefore, refund of SD was also to be processed accordingly. Refunding SD drain wise when the group work was not completed resulted in undue financial benefit to those contractors.

The Department stated (June 2014) that SD money deducted from the bill was drain wise, which were completed satisfactorily and SD amount against the completed drain was released. The reply is not tenable as tender agreements bind the contractor to complete the entire work Group-wise and not drain-wise. Since all the drains of the Groups (A, B & C)<sup>23</sup> were not completed, release of SD money against the completed drains was irregular.

Thus, it is observed that the action of the authority by releasing SD Money deducted from the contractors' bill for individual drains by ignoring the completion of other drains in those groups was not only irregular but also affected the completion of the project.

#### **4.12.9 Non collection of Beneficiary Contribution**

Guidelines of IHSDP state that dwelling units are not to be provided free of cost and contribution @ 12 per cent from the beneficiary of General Category and @ 10 per cent from the SC/ST/OBC<sup>24</sup>/PH and other weaker sections was to be collected from the selected beneficiaries.

Scrutiny of records revealed that as provision for beneficiary contribution was not included in the DPRs of Tinsukia and Dhubri IHSD Project, land as a commodity was considered as beneficiary's share in the DPRs. However, it was observed that as construction of houses was carried out in cluster approach, land provided for construction was municipal land instead of individual land.

Thus, as municipal land was finally utilised for construction of DUs in place of beneficiary's land (310 DUs under Tinsukia IHSDP and 39 DUs under Dhubri IHSDP completed and handed over to the beneficiaries) beneficiary contribution should have been collected which was not done in violation of Scheme guidelines.

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<sup>23</sup> Entire project was divided into three groups i.e., Group A, B & C each group comprising of several drains.

<sup>24</sup> OBC- Other Backward Classes

In reply, Government stated (January 2015) that beneficiary contribution had been collected as labour from the beneficiaries. However, there was no evidence of beneficiaries used as labourers for construction of DUs.

#### 4.12.10 Non-reporting of interest earned on savings bank accounts

Eight ULBs (four ULBs under UIDSSMT and four ULBs under IHSDP) earned interest of ₹2.29 crore upto March 2014 on the savings bank accounts maintained against the projects as shown in Table 4.13.

**Table-4.13: Statement showing interest accrued on saving bank account of different projects**

(₹ in lakh)

Sl. No.	Name of ULB	Name of project	Interest accrued
1	Tinsukia MB	IHSDP	38.81
2	Nagaon MB	IHSDP	83.80
3	Nalbari MB	IHSDP	12.93
4	Dhubri MB	IHSDP	16.28
5	Barpeta Road MB	UIDSSMT	10.32
6	Titabor TC	UIDSSMT	24.40
7	Hojai MB	UIDSSMT	21.54
8	Digboi TC	UIDSSMT	20.50
<b>Total</b>			<b>228.58</b>

The ULBs did not submit any report on interest earnings out of funds received from SLNA towards Central and State Share. Hence, financial transactions in ULBs were not done in a transparent manner and fact of earning of interest remained unnoticed by SLNAs and GoI.

In reply, Government stated (January 2015) that ULBs were reporting the interest accrued through Quarterly Progress Report (QPR) in respect of UIDSSMT Projects. The reply is not tenable as neither ULBs reported interest accrued through QPRs nor position of interest accrued by ULBs was available with SLNA.

#### 4.12.11 Non-creation of Revolving funds (RF)

As per Scheme Guidelines, the grant from GoI and State Government will flow to the nodal agency designated by State Government. The nodal agency will disburse Central assistance to ULBs or parastatal agencies as the case may be, as soft loan or grant-cum-loan or grant. However, in case of sanction of loan or grant-cum-loan, the same may be sanctioned in such a manner that 25 per cent of Central and State grant put together is recovered and ploughed into Revolving funds (RF) to leverage market funds for financing further investment in infrastructure projects. At the end of the scheme period, the RF may be transferred to a State Urban Infrastructure Fund.

As per information furnished by the SLNA, RF out of the funds sanctioned and released under the schemes was not created which would impact future investments in infrastructure projects.

#### 4.12.12 Idle stock of pipes and fittings

As per Rule 37.5 of CPWD Work Manual 2010, procurement of any material should be made after proper assessment of immediate actual requirement to maintain economy, efficiency and effectiveness.

Scrutiny of site accounts for the month of May 2014 in respect of Lakhipur (Cachar) Town WSP revealed that pipes and fittings worth ₹66.37 lakh were lying unissued since December 2010 *i.e.* more than four years after their procurement (May 2010 to November 2014). The details of pipes and fittings of various types and sizes lying un-issued are shown in **Appendix-XXIV**.



**Stock of AC pipes at Purnagram**



**Stock of AC pipes at Treatment Plant (TP) Site.**

This indicates that the procurement was made without assessing the immediate actual requirement in violation of the codal provision and as such the authority had not only blocked the Government money of ₹66.37 lakh but also suffered loss of ₹11.55 lakh in the form of interest if the said amount was deposited in Bank for the period from December 2010 to May 2014.

#### 4.12.13 Excess execution of works

The Directorate of Town and Country Planning, Assam instructed (July 2009) that implementation of the schemes/provisions under various centrally sponsored schemes *viz.* UIDSSMT/IHSDP etc. should be strictly as per approved DPR and no deviation in any form was permitted without prior approval of the Government of India.

Scrutiny of records in selected projects revealed that in four Municipal Boards, works were executed in excess over the estimated quantity involving an expenditure of ₹1.03 crore in respect of seven items of work under four IHSDP/UIDSSMT projects as shown in **Table 4.14**.



**Table-4.14: Statement showing excess execution of work in different projects**  
(₹ in lakh)

Sl. No.	Name of MB	Name of work	Nos. of items	Quantity to be executed as per DPR	Actual quantity executed	Quantity executed in excess of estimate	Amount involved	Excess execution (per cent)
1	Digboi	Digboi SWDP	1	65,102.88 sqm	97,075.03 sqm	31972.15 sqm	36.56	49.11
2	Hojai	Hojai SWDP	1	5,449.00 mtr	6,079.55 mtr	630.55 mtr	60.41	11.57
3	Lanka	Lanka IHSDP (DU)	3	9,489.46 sqm	10,325.415 sqm	835.955 sqm	2.14	8.81
		Lanka IHSDP (Garbage Bin)	1	144.44 sqm	158.55 sqm	14.11 sqm	0.04	9.77
4	Dhubri	Dhubri IHSDP	1	4,523.43 sqm	5,248.51 sqm	725.08 sqm	3.45	16.03
<b>Total</b>							<b>102.60</b>	

The aforesaid position indicates that execution of the project did not conform to estimations of the technically approved DPR which led to excess expenditure (ranging from 8.81 to 49.11 per cent) than estimated amounts. No approval was obtained from the Department or the project sanctioning authority for the deviations made from the approved DPR in contravention of the July 2009 Directorate order.

In reply, Government stated (January 2015) that excess execution of works in respect of UIDSSMT was approved by the Directorate, T&CP, Assam. The reply is not tenable as no prior approval was obtained from GoI for the excess works executed. Even documentary evidence of according approval to excess works by the Directorate, T&CP, Assam was also not made available.

#### **4.12.14 Drains not connected with natural outlet**

i) Scrutiny of design maps, running bills and joint physical verification of Digboi SWDP revealed that construction of eight out of the 19 drains were completed and rest 11 drains were nearing completion (97 to 98 per cent completed) as detailed in **Appendix-XXV**. Most of the drains (except Cremation Ground drain and New Tank Firm drain) ended in low lying field away from natural outlet. An expenditure of ₹919.63 lakh was incurred on construction of such drains.

In view of above, there was every possibility of water logging in the low lying field areas where the drains ended. Thus, the drainage system constructed failed to fulfil the very objective of carrying storm water to natural outlet to prevent water logging in the upstream areas as shown in the following pictures.



Padma Nath Gohain Baruah ( P.N.G.B.) -Part-II drain at Digboi Town which ended in low lying field area (Dt.28.07.14)

ii) Scrutiny of design maps, running bills and joint physical verification of Barpeta Road SWDP revealed that in case of Manas Road (left side) drain at Ward No.9 of Barpeta Town, construction of which had been completed, ended in a low lying area with existing *kachcha* drain without being connected to natural outlet like river or stream. Further, some encroachers had built houses (shops) alongside the *kachcha* drain. An expenditure of ₹31.05 lakh was incurred on construction of the drain.

Thus, there was every possibility of the *kachcha* (earthen) drain being blocked by erosion of soil caused by rains and activities of encroachers thereby blocking flow of water.

From the above it was evident that due to defective project formulation and lack of proper survey, the Manas Road (Left Side) drain ended without being connected to natural outlet. This would naturally hamper free flow of storm water through the drain thereby rendering the project unfruitful.

In reply, Government stated (January 2015) that concerned ULBs were instructed to connect the drains to natural outlets from the interest fund<sup>25</sup> of the respective projects. Reply was not tenable as it indicated approval of projects with defective planning.

#### 4.13 Joint physical verification

(i) Joint physical verification of upgraded DUs of Tinsukia IHSD Project revealed that for up gradation of DUs iron post, iron roof truss and Galvanised Coated Iron (GCI) sheets were provided. However, in most of the DUs, beneficiaries were not residing in those houses because their walls and floors were not constructed. In case of five out of the six DUs physically verified, either the beneficiaries had utilised the upgraded DUs for other purposes such as for storing goods or they were lying unused.

Thus, in most of the cases funds utilised for up gradation of DUs did not fulfil the purpose of providing shelter to the beneficiaries due to improper selection and assessment of needs of beneficiaries.

<sup>25</sup> Interest accrued on the funds received against implementation of the respective projects.



**DU constructed under Tinsukia IHSDP and allotted to beneficiaries but not utilised for dwelling**

In reply, Government accepted (January 2015) the fact and admitted that due to restriction of funds, the walls, floor etc. could not be constructed in respect of up gradation of houses.

(ii) IHSDP provided for construction of drains (along with roads) in slum areas. However, in the approved DPR, slum pockets and location of drains there against were not shown. Joint physical verification of Dhubri IHSDP revealed that drains measuring 521.30 mtrs. were constructed at a total cost of ₹14.01 lakh in Ward Nos. 10, 13, 14 and 16 where no slum dwellers were found to be residing in and around the drains. Thus, construction of drains measuring 521.30 mtrs. at a total cost of ₹14.01 lakh failed to fulfil the objective of the project *i.e.* up gradation of slum areas.



**Drain constructed under Dhubri IHSDP at places where no slum dwellers reside**

#### 4.14 Survey

Director T&CP, received (September 2009 and March 2010) ₹18.91 lakh under Urban Statistics Human Resource (HR) and Assessment (USHA) Scheme for conduct of slum survey, household survey and livelihood survey in cities/towns having more than one lakh population. Out of the received funds, an amount of ₹18.81 lakh (except ₹9,315.00 released to Guwahati) was transferred (March 2010 and October 2010) to DCs of six towns *viz.*, Silchar, Jorhat, Dibrugarh, Nagaon, Tinsukia and Tezpur after a lapse of more than one year from the dates of release by GoI in July 2009 and March 2010.

As per sanction order of GoI and GoA, the survey should be completed within three-four months from the date of release of funds and hence, survey was to be completed by June 2010. However, neither any information on progress of work was submitted by the concerned DCs nor any information had been collected by SLNA.

It is evident from above that the amount of ₹18.91 lakh received for conducting slum survey, household survey and livelihood survey remained unutilised and hence the purpose of conducting survey for Urban Statistics Human Resource and Assessment remained unfulfilled and was lagging behind on the vital statistical data on people living in slum areas.

#### 4.15 Agenda of Reforms

##### 4.15.1 Memorandum of Agreement (MoA)

As per Scheme Guidelines implementation of all mandatory and at least two optional reforms in each of the schemes by cities/towns will be a condition precedent to access Central Grant under the scheme. For this, the State Governments and the ULBs were required to execute a Memorandum of Agreement (MoA) with the GoI indicating their commitment to implement the identified reforms under 74<sup>th</sup> Constitution Amendment Act (CAA). MoA would also spell out specific milestones to be achieved for each item of reform. In Assam, though two MoAs were signed between GoI and State Government in March 2007 for implementation of UIDSSMT and IHSDP, actual implementation had not yet taken place as elaborated in the succeeding para.

##### 4.15.2 Implementation of Reforms in the State

Status of implementation of reforms in the State as spelt out in 74<sup>th</sup> CAA of the Constitution are shown as in **Table 4.15**.

**Table- 4.15: Status of implementation of agenda of reforms**

Level at which implemented	Category	Nature of reforms	Status as on August 2014
ULB	Mandatory	Adoption of modern, accrual-based double entry system of accounting in Urban Local Bodies / Parastatals.	Not implemented
		Introduction of system of e-governance using IT applications like, GIS and MIS <sup>26</sup> for various services provided by ULBs / Parastatals.	Not implemented
		Reform of property tax with GIS, so that it becomes a major source of revenue for Urban Local Bodies (ULBs) and arrangements for its effective implementation so that collection efficiency reaches at least 85 per cent within next seven years.	Not implemented. Collection efficiency of property tax of ULBs was around 50 per cent only.
		Levy of reasonable user charges by ULBs/Parastatals with the objective that full	Not implemented

<sup>26</sup> GIS: Geographical Information System, MIS: Management Information System

		cost of operation and maintenance or recurring cost was collected within next seven years. However, cities/towns in North East and other special category States may recover at least 50% of operation & maintenance charges initially. These cities/towns should graduate to full O&M cost recovery in a phased manner.	
		Internal earmarking within local body, budgets for basic services to the urban poor.	Not implemented
		Provision of basic services to urban poor including security of tenure at affordable prices, improved housing, water supply, sanitation and ensuring delivery of other already existing universal services of the government for education, health and social security.	Not implemented
State Level	Mandatory	Implementation of decentralisation measures as envisaged in 74 <sup>th</sup> Constitution Amendment Act. States should ensure meaningful association/engagement of ULBs in planning function of parastatals as well as delivery of services to the citizens.	Partially implemented. The State Govt. had amended the Assam Municipal Act, 1956 vide Govt. Notification No. LGL.135/2003/44 dated 24.05.2011 for transfer of funds, function and functionaries as provided under 12 <sup>th</sup> Schedule of the Constitution Twelve out of eighteen functions under 12th Schedule had been transferred to the ULBs.
		Rationalisation of Stamp Duty to bring it down to no more than five <i>per cent</i> within the Mission period.	Implemented. The Indian Stamp (Assam) Amendment Act, 2013 which is the Assam Act No IX of 2013 had been published in the Assam Gazette no. LGL.2/2008/30 on 13 May 2013. The Act states that 2% of the market value of the property for such conveyance made in favour of women solely or jointly with others and 3% for others.
		Enactment of Community Participation Law.	Implemented

		Assigning or associating elected ULBs into “city planning function” over a period of five years; transferring all special agencies that deliver civic services in urban areas and creating accountability platforms for all urban civic service providers in transition.	Implemented
Both State and ULB	Optional	Repeal of Urban Land Ceiling and Regulation Act.	Implemented
		Amendment of Rent Control Laws balancing the interests of landlords and tenants.	Not implemented
		Enactment of Public Disclosure Law to ensure preparation of medium-term fiscal plan of ULBs and release of quarterly performance information to all stakeholders.	Implemented
		Revision of Building Bye Laws to Streamline the approval process.	Not implemented
		Simplification of legal and procedural frameworks for conversion of agricultural land for non-agricultural purposes.	Not implemented
		Introduction of Property Title Certification System in ULBs.	Not implemented
		Earmarking of at least 20-25 per cent of developed land in all housing projects (both public and private agencies) for EWS/LIG <sup>27</sup> category.	Not implemented.
		Introduction of computerised process of Registration of land and property.	Not implemented
		Revision of Building Byelaws to make rainwater harvesting mandatory.	Not implemented
		Byelaws on Re-use of Recycled Water.	Not implemented
		Administrative Reforms.	Not implemented
		Structural Reforms	Not implemented
Encouraging Public Private Partnership	Not implemented		

It is evident from above that while very little achievement had been made in respect of implementation of State Level Reforms, no achievement had been made in respect of implementation of ULB level Reforms. Only MoAs were executed between the ULBs and the State Government so as to get the funds sanctioned from GoI and GoA. Implementation of State Level Reforms were also far from satisfactory as in most cases only Laws/Acts had been enacted/amended and actual implementation had not taken place. Due to lack of initiative by the State as well as ULB authorities to implement Reforms Agenda within the Mission period, the main objective of the reforms to provide an enabling environment for the growth of the cities by enhancing effective urban service delivery and civic infrastructure through improvements in urban management, land management, financial management and stakeholder participation in local governance had not been achieved.

In reply, Government stated (January 2015) that ULB level mandatory reforms and e-Governance, revision of Building Byelaws, earmarking of developed land, simplification of legal and procedural framework, Administrative Reforms etc. were under process.

<sup>27</sup> EWS: Economically Weaker Section, LIG: Lower Income Group

## **4.16 Monitoring**

### **4.16.1 Monitoring at the Central Level**

As per Scheme Guidelines, MoUD/MoHUPA would periodically monitor the scheme through designated officers of the Ministries for each State/UT. However, it was noticed from the information furnished to Audit by SLNA that no designated officers from MoUD/MoHUPA had been nominated for monitoring the implementation of schemes under UIDSSMT and IHSDP.

### **4.16.2 Submission of 'Quarterly Progress Reports (QPR)' to GoI**

As per Scheme Guidelines, SLNA would send QPR to MoUD/MoHUPA and submit a completion report after completion of the project. As per information furnished to Audit, against 20 QPRs due for submission to MoUD, GoI during the period covered by audit, 15 QPRs were submitted by SLNA on financial and physical progress of UIDSSMT projects.

Similarly, against 20 QPRs due for submission to MoHUPA, GoI during the period covered by audit, 10 QPRs were submitted by SLNA on financial and physical progress of IHSD projects. However, copies of QPRs submitted to GoI could not be made available to Audit.

In reply, Government stated (January 2015) that QPRs were not furnished by ULBs to SLNA. This implies that SLNA failed to monitor furnishing of QPRs by ULBs for onward submission to GoI.

### **4.16.3 Monitoring by SLSC/SLCC**

As per Scheme Guidelines, SLSC/SLCC would ensure quarterly monitoring of various projects recommended/sanctioned through its various meetings. As per information furnished to Audit, eight SLSC meetings were held during the period covered by Audit against twenty meetings due for monitoring of progress of UIDSSMT projects. However, minutes of only six SLSC meetings were made available to Audit. Similarly, only four SLCC meetings were held against twenty SLCC meetings due for monitoring of progress of IHSD projects during the period covered by Audit. Although issues relating to execution of projects were discussed in SLCC and SLSC meetings, action taken report on the minutes of the meetings were not on record.

### **4.16.4 Monitoring by SLNA**

Five Review Committee meetings were held between November 2007 and June 2013 on the progress of UIDSSMT and IHSD projects under the Chairmanship of Secretary, UDD and Director, T&CP. Minutes of the discussions which were drawn in the review meetings held for UIDSSMT & IHSDP did not disclose specific bottleneck in executing the projects under IHSDP in majority of the cases. Though, ULBs were directed to initiate action for getting Government land, initiatives to be taken at SLNA/GoA were not suggested/resolved. Even Action Taken Report was not prepared at SLNA level for discussion in subsequent Review Committee meetings.

#### 4.16.5 Monitoring by an independent and third party agency

MoUD had evolved a State level mechanism for third party Monitoring and Review by Independent Review and Monitoring Agencies (IRMAs) appointed by SLNA. Similarly, Ministry of Housing and Urban Poverty Alleviation (MoHUPA) had also evolved such mechanism to appoint Third Party Inspection and Monitoring Agencies (TPIMAs) for review and monitoring of implementation of IHSDP.

Independent Review and Monitoring Agency (IRMA) had not so far been appointed by SLNA for UIDSSMT projects. However, MoHUPA, GoI appointed (February 2010) M/s Water and Power Consultancy Services (WAPCOS) Ltd. Gurgaon, as the “Third Party Inspection and Monitoring Agency (TPIMA)” to inspect and monitor IHSD projects in Assam. As per the terms of reference, the TPIMA was to carry out the Desk Review and third party inspections of the projects mentioned in the package and submit report to the Mission Directorate and the concerned State level nodal agency in the prescribed formats/deliverables. The available records revealed that M/s WAPCOS Ltd. submitted reports on 13<sup>28</sup> out of 16 IHSD projects to SLNA on 19 March 2012. However, specific bottlenecks in execution of the projects were not mentioned in the said reports except financial and physical progress of the projects. In the action taken reports, SLNA instructed the concerned ULB authorities to follow the suggestions made by M/s WAPCOS Ltd. Similarly, implementation of web-enabled Programme Monitoring and Evaluation System (PMES) had not been started (August 2014) by SLNA. Further, action taken at the implementation level (by ULBs) on TPIMA reports was not found initiated. In the absence of appointment of IRMA, independent inspection and monitoring of UIDSSMT projects was not conducted.

Due to lack of proper and adequate monitoring, bottlenecks in execution of projects remained unresolved leading to slow physical and financial progress and most of the projects remained incomplete.

In reply, Government stated (January 2015) that IRMA had been appointed for monitoring of UIDSSMT projects. However, neither copy of relevant order for appointing IRMA nor monitoring report of IRMA was furnished.

#### 4.17 Conclusion

Integrated and balanced Sectoral development as per requirements was not ensured under the programme due to non-preparation of CDPs and PP. Benefits of the projects under UIDSSMT and IHSDP in the State could not be fully extended to targeted beneficiaries/areas as most of the projects remained incomplete and funds under the programme were not utilised efficiently and effectively for deriving actual benefit from the investment made resulting in huge gap in delivery of services in the form of providing shelter to urban poor and storm water drainage system in urban areas. Effective urban service delivery and civic

<sup>28</sup> Mangaldoi MB, Dhing TC, Nagaon MB, Tinsukia MB, Nalbari MB, Badarpur TC, Bokajan TC, Lanka TC, Golaghat MB, Palasbari TC, Tihu TC, Sartherbari MB, Kamrup TC

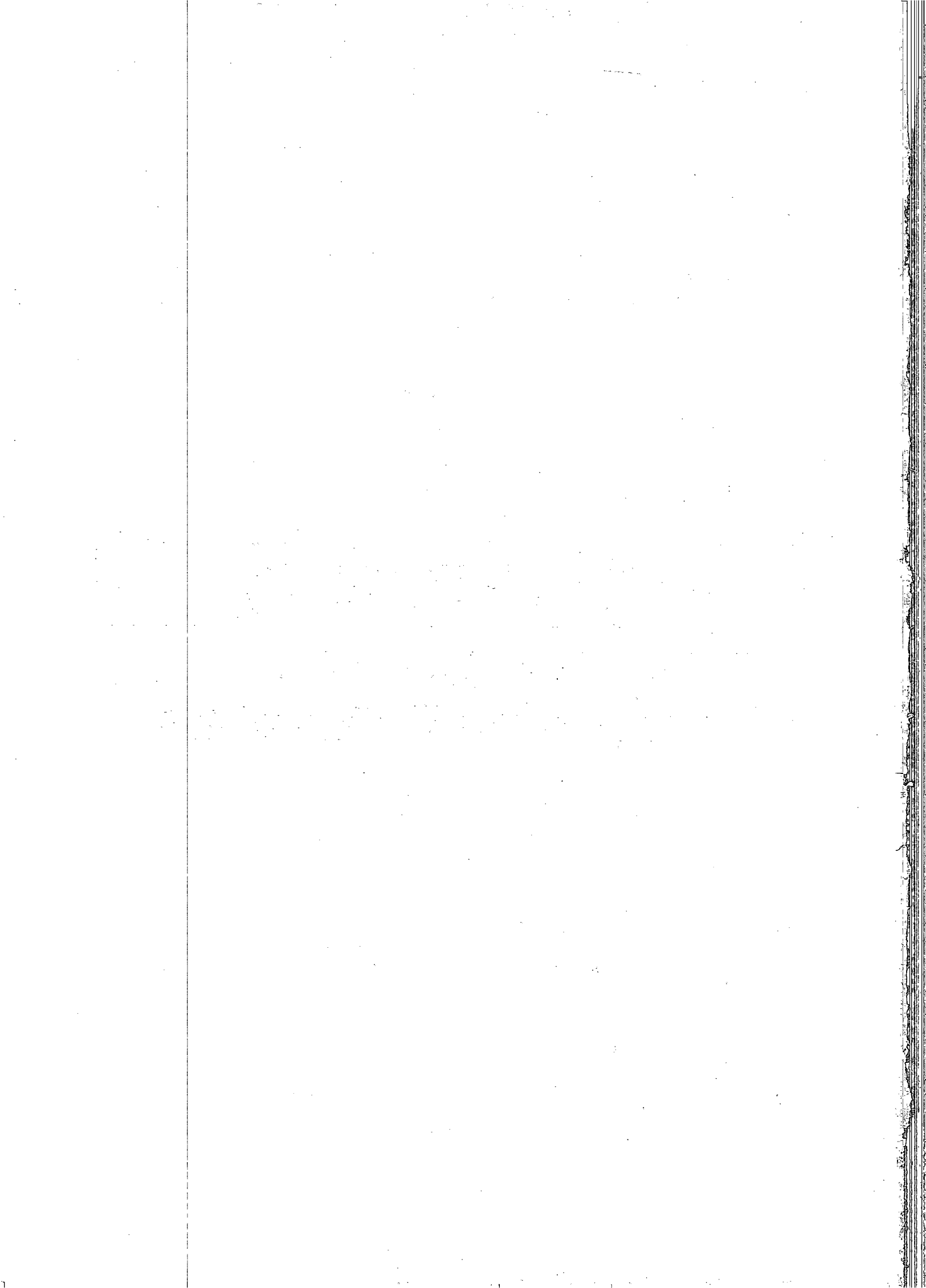


infrastructure through improvements in urban management, land management, financial management and stakeholder participation in local governance was not ensured in the ULBs due to non-implementation of Reforms Agenda. Monitoring of the projects by GoI and independent agency was not done satisfactorily in the State. Even adequate monitoring by SLNA and ULBs was lacking in the State. Measures were not adopted by any agency for evaluating the end result of projects undertaken in the State. Thus, integrated development of infrastructure by the ULBs through implementation of UIDSSMT and IHSDP could not be achieved in the State.

#### 4.18 Recommendations

The ULBs may consider implementing the following recommendations:

- ❖ Initiative by the State as well as ULB authorities should be taken to implement Reforms Agenda to ensure effective urban service delivery and civic infrastructure through improvements in urban management, land management, financial management and stakeholder participation in local governance;
- ❖ Effective and adequate monitoring and evaluation of project works by GoI, Independent Regulatory and Monitoring Agency (IRMA) and Third Party Inspection and Monitoring Agency (TPIMA) should be done to assess the impact of implementation of projects;
- ❖ Effective and prompt utilisation of funds by implementing agencies (ULBs) so that pending UCs are submitted without further delay and pending central grants (2<sup>nd</sup> installment of central share) do not lapse. Delay in release of funds should be avoided and prompt realisation of advances given to contractors should be in place to ensure better financial management. Initiative should be taken to create Revolving funds so as to promote investment in infrastructure projects;
- ❖ Sorting out of all the problem areas unearthed during implementation stages of projects urgently for completion of all the projects without further delay for delivering services to the targeted beneficiaries is necessary. Mechanism for disincentives should be in place to discourage/prevent the practice of faulty/defective preparation of DPRs by Implementing Agencies.



# **CHAPTER IV**

## **Section - B** **Compliance Audit of Urban Local Bodies**

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes that this is crucial for ensuring transparency and accountability in the organization's operations.

2. The second part of the document outlines the various methods and tools used to collect and analyze data. It highlights the need for consistent and reliable data collection processes to support effective decision-making.

3. The third part of the document focuses on the role of technology in modern data management. It discusses how advanced software solutions can streamline data collection, storage, and analysis, leading to more efficient and accurate results.

4. The fourth part of the document addresses the challenges associated with data management, such as data quality, security, and privacy. It provides strategies to mitigate these risks and ensure that data is used responsibly and ethically.

5. The fifth part of the document discusses the importance of data governance and the role of leadership in establishing a strong data culture. It emphasizes that clear policies and standards are essential for successful data management.

6. The sixth part of the document explores the future of data management, including emerging trends like artificial intelligence and big data. It suggests that organizations should stay updated on these developments to maintain a competitive edge.

7. The seventh part of the document provides a summary of the key points discussed and offers practical recommendations for implementing effective data management practices. It encourages organizations to adopt a proactive and data-driven approach.

8. The eighth part of the document concludes by reiterating the significance of data in driving organizational success. It states that with the right strategies and tools, organizations can harness the power of data to achieve their goals and improve their performance.

9. The ninth part of the document includes a list of references and resources for further reading. It provides links to relevant articles, books, and industry reports that offer additional insights into data management.

10. The tenth part of the document is a call to action, urging organizations to take immediate steps to improve their data management practices. It emphasizes that the benefits of effective data management are realized through consistent and ongoing effort.

11. The eleventh part of the document provides contact information for the author and the organization. It invites readers to reach out for more information or to share their own experiences with data management.

## Section – B

### COMPLIANCE AUDIT OF ULBs

#### 4.19 Undue Financial Benefit to the contractor in Dhekiajuli Municipal Board

*Dhekiajuli Municipal Board (MB) failed to impose penalty as per agreement for delay in completion of the project “Construction of Multi-utility Building for Rehabilitation of Vendors and Hawkers” at Dhekiajuli thereby resulting in undue financial benefit of ₹48.94 lakh to the contractor.*

Government of India (GoI) sanctioned (March 2007) ₹489.39 lakh for “Construction of Multi-utility Building for Rehabilitation of Vendors and Hawkers” at Dhekiajuli under 10 per cent Central Pool Fund with Central share for the project being ₹440.45 lakh and the State’s share being ₹48.94 lakh. Urban Development Department (UDD), Government of Assam (GoA) accorded (November 2008) Administrative Approval (AA) of ₹489.39 lakh for the above project. The Technical Sanction (TS) was accorded (November 2008) by Director, Town and Country Planning, Assam, based on the detailed plan and estimate checked and counter signed by Chief Engineer, Public Works Department (Building), Assam, Guwahati. GoI released ₹439.98 lakh between March 2007 and April 2013 and the GoA released ₹48.94 lakh between April 2010 and September 2010 against the project.

Test check (May 2013) of records of the Chairperson, Dhekiajuli Municipal Board (MB) and subsequent collection (October 2014) of information from Dhekiajuli MB revealed that the Board awarded (February 2009) the work to a contractor at his tendered value of ₹479.60 lakh after executing an agreement to complete the work within nine months (November 2009) from the date of issue of work order. As per clause 2 of the agreement, the contractor was liable to pay compensation amount equal to one per cent or such smaller amount as the Chairman may decide on the estimated cost of the whole work for every day that the due quantity of works remain incomplete, provided always that the entire amount of compensation to be paid under the provisions of the clause shall not exceed 10 per cent of the estimated cost of the work, as shown in the tender.

Audit observed that the work was commenced by the contractor on 13 November 2009 (*i.e.* nine months after the issue of formal work order due to non-clearance of site) and completed (24 January 2013) after 38 months at a total cost of ₹480.46 lakh. Thus, delay in completion of the project attracted a compensation of ₹48.94 lakh<sup>29</sup> against the contractor as per term of the agreement.

<sup>29</sup>

Date of Commencement of work	: 13-11-2009
Time provided as per agreement (nine months)	: 31-08-2010
Actual date of completion of work	: 24-01-2013
Delay in completion of work	: 876 days
Penalty as per agreement: ₹479.60 lakh×1%×876 days =	: ₹4201.29 lakh
Limited to maximum 10 per cent of the estimated cost <i>i.e.</i> ,	: ₹48.94 lakh

However, it was seen that the entire amount of ₹479.60 lakh was paid to the contractor without invoking compensation for delay as stipulated in the agreement. In reply the Executive officer of the Board stated (October 2014) that, neither the contractor had applied for nor was any extension of time allowed to him.

Thus, failure of the Dhekiajuli MB to impose penalty as per agreement for delay in completion of the project resulted in undue financial benefit to the contractor to the tune of ₹48.94 lakh.

The Executive Officer (EO), Dhekiajuli MB while admitting the audit objection stated (October 2014) that penalty was not imposed on the contractor due to ignorance.

The matter was reported (November 2014) to the Government; their reply had not been received (February 2015).

#### **4.20 Extra expenditure in Sapatgram Town Committee**

*Due to allowance of 10 per cent Contractor's profit in the estimate for the works executed departmentally, the Sapatgram Town Committee incurred an extra expenditure of ₹23.67 lakh.*

As per Assam PWD (Roads/Buildings) Schedule of Rates (SOR), 2007-08 to 2010-11 all items of civil works include 10 per cent contractor's profit over the cost of material and wages of labourers. However, when works are executed departmentally, without engaging contractors, the contractor's profit element is to be deducted from the estimated cost.

Government of Assam, Municipal Administration Department, accorded sanction and released (between June 2009 and December 2013) ₹2.37 crore to Sapatgram Town Committee (TC) for 56 works under 11 different schemes as detailed in the **Appendix-XXVI**. The estimates of the above works were prepared by the Junior Engineer of Sapatgram TC and approved by the Chairman, Sapatgram TC. The estimates were prepared on the basis of Assam PWD (Roads/Buildings) SOR 2007-08 to 2010-11. The works were executed departmentally under the supervision of the technical officials of the Department and an expenditure of ₹2.37 crore was incurred on them.

Test-check (September 2013) of the records of Sapatgram TC and subsequent collection (October 2014) of information revealed that a total amount of ₹2.37 crore was utilised between June 2009 and December 2013 by the Sapatgram TC as per the estimates without deducting 10 per cent contractor's profit amounting to ₹23.67 lakh.

Thus, non-deduction 10 per cent contractor's profit element from the estimated value of works executed departmentally resulted in an extra expenditure of ₹23.67 lakh.

The Chairman, Sapatgram TC accepted the observation and noted it for future guidance but was silent about action on the extra expenditure.

The matter was reported to Government in November 2014; their reply had not been received (February 2015).

**4.21 Suspected misappropriation and diversion of fund in Mahur Town Committee**

*The Chairman, Mahur Town Committee (TC) withdrew ₹17.10 lakh through self-cheques without any evidence of utilisation resulting in suspected misappropriation of Government money. The Chairman also unauthorisedly spent ₹7.95 lakh (payment of salary to staff ₹4.92 lakh and self-loan ₹3.03 lakh).*

Assam Financial Rules (AFR) provide that Drawing and Disbursing Officer (DDO) is personally responsible for accounting of all moneys received and disbursed and for the safe custody of cash. Besides, it provides that every payment must be supported by a claim and supporting vouchers/acknowledgement and all monetary transactions should also be routed through Cash Book which should be closed daily under the signature of the DDO.

Director, Municipal Administration released (August 2012 and March 2013) ₹44.68 lakh (₹21.34 lakh for the year 2011-12 and ₹23.34 lakh for the year 2012-13) to the Chairman, Mahur Town Committee (TC) for implementation of various components<sup>30</sup> under Swarna Jayanti Sahari Rojgar Yojana (SJSRY) with the condition that the amount was to be utilised immediately and Utilisation Certificates submitted along with list of scheme indicating the amounts involved against each scheme with pictorial evidence.

Test check (September 2013) of records of the Chairman, Mahur TC who was also the DDO, revealed that out of ₹44.68 lakh released by the Director, Municipal Administration, the Chairman spent ₹19.63 lakh towards implementation of various schemes under SJSRY and ₹4.92 lakh towards payment of salary of staff. It was further observed that out of the remaining ₹20.13 lakh, ₹3.03 lakh was taken as loan by the then Chairman and the balance funds of ₹17.10 lakh was withdrawn (between September 2012 and February 2013) from the bank by presenting self-cheques without any recorded reason. Further, Utilisation Certificate with list of schemes indicating the amounts involved against each scheme with pictorial evidence, as stipulated in the release order was also not available. As the Chairman was the DDO as well as the approving authority of the TC, there was no internal check thereby facilitating the unauthorised withdrawal of money meant for SJSRY scheme. Basic records such as Cheque issue Register, component wise expenditure were also not maintained in the TC.

The Executive Officer (EO), Mahur TC confirmed to Audit (November 2014) that the then Chairman withdrew funds through self-cheques without authorisation by the TC. Further, no record of utilisation of fund for ₹17.10 lakh was available in his office. It was also confirmed (November 2014) by the EO that ₹4.92 lakh spent towards payment of salary and ₹3.03 lakh paid to the Chairman on account of loan had not been recouped (November 2014).

<sup>30</sup>

Sl. No.	Year of release	UWEP	USEP	UWSP	T&CS	STEPUP	UCDN	A & OE	IEC	Total
1	2011-12	5.00	4.00	3.60	0.24	5.00	3.50	-	-	21.34
2	2012-13	3.00	4.00	3.60	0.24	7.50	3.50	1	0.50	23.34
<b>Total</b>										<b>44.68</b>

Thus, withdrawal of ₹17.10 lakh by the Chairman without any recorded reason and absence of evidence of utilisation pointed towards suspected misappropriation of Government money. Further, benefit of ₹25.05 lakh<sup>31</sup> was also denied to the intended beneficiaries of the SJSRY scheme to that extent.

The matter was reported (November 2014) to the Government; their reply had not been received (February 2015).

#### **4.22 Undue financial benefit to lessees and loss of Government revenue due to non-registration of lease deed by ULBs**

*Failure of ULBs to enforce the provision of the Assam Municipal Act and Indian Stamp Act while leasing out markets, fisheries, bus stand etc., resulted in undue financial benefit to lessees and loss of Government revenue to the tune of ₹84.68 lakh.*

Section 147 and 148 of Assam Municipal Act 1956 provide that every Municipal Board may grant a lease according to rules under these sections for a period not exceeding three years for the collection of rents, tolls and fees in municipal markets, fisheries, bus stands etc., at rates prescribed by the Board. Section 29 of the Indian Stamp Act, 1899 stipulates that the expense of providing the proper stamp shall be borne by a lessee or intended lessee. Assam Gazette Notification No. LGL.2/2008/5 dated 7<sup>th</sup> June 2008 stipulates that stamp duty @ five per cent in case of women and six per cent in case of others of the value of the deed instrument is leviable on all deeds along with applicable registration fee.

Test check of records of eight<sup>32</sup> ULBs revealed that during 2010-11 to 2012-13 the ULBs invited tenders to lease out markets, fisheries, bus stands etc. Clause nine of the Notice Inviting Tender stipulated that once the tender is accepted the tenderer must abide by all the conditions of the agreement signing a registered deed as fixed by the Municipality at his cost. Stamp duty required for the registering the deed was applicable as per the concerned Act.

Test check of records revealed that the ULBs, while leasing out the markets/fisheries etc., took no action to enforce the above mentioned provision of the Act and none of the deed for settlement of the markets, fisheries, bus stands etc., were registered paying applicable registration fee and stamp duty. Thus, the ULBs extended undue financial benefit to the lessees besides causing loss of Government revenue of ₹84.68 lakh (Registration fees ₹47.99 lakh and cost of stamp paper ₹36.69 lakh) as detailed in the **Appendix-XXVII**. The loss of ₹84.68 lakh could have been avoided had the Chairperson of the respective MBs followed the Assam Municipal Act 1956 for levying Stamp duty and Registration fee while leasing out markets.

<sup>31</sup> Misappropriation	: ₹17.10 lakh
Payment of salary	: ₹04.92 lakh
Loan taken by the Chairman	: ₹03.03 lakh
Total	: ₹25.05 lakh

<sup>32</sup> Barpeta MB, Biswanath Chariali MB, Dhekiajuli MB, Mangaldoi MB, Tezpur MB, Pathshala TC, Sapatgram TC and Sorbhog TC



Accepting the audit observation the Chairman/Chairperson of the respective MBs/TCs stated that the matter had been noted for future guidance.

The matter was reported to Government in December 2014; their reply had not been received (February 2015).

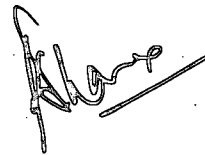


(C H KHARSHING)  
Accountant General (Audit), Assam

GUWAHATI

THE 8 JUNE 2015

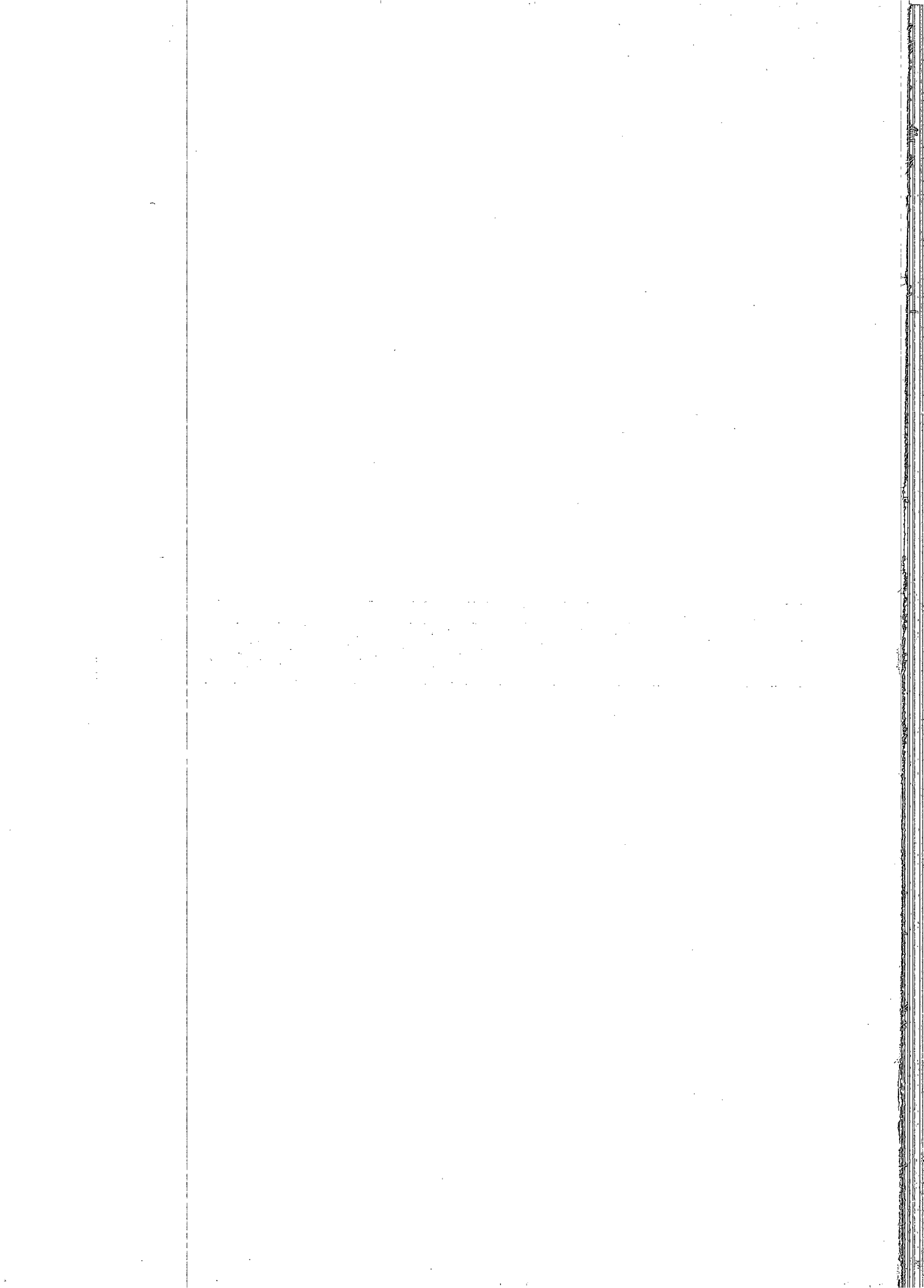
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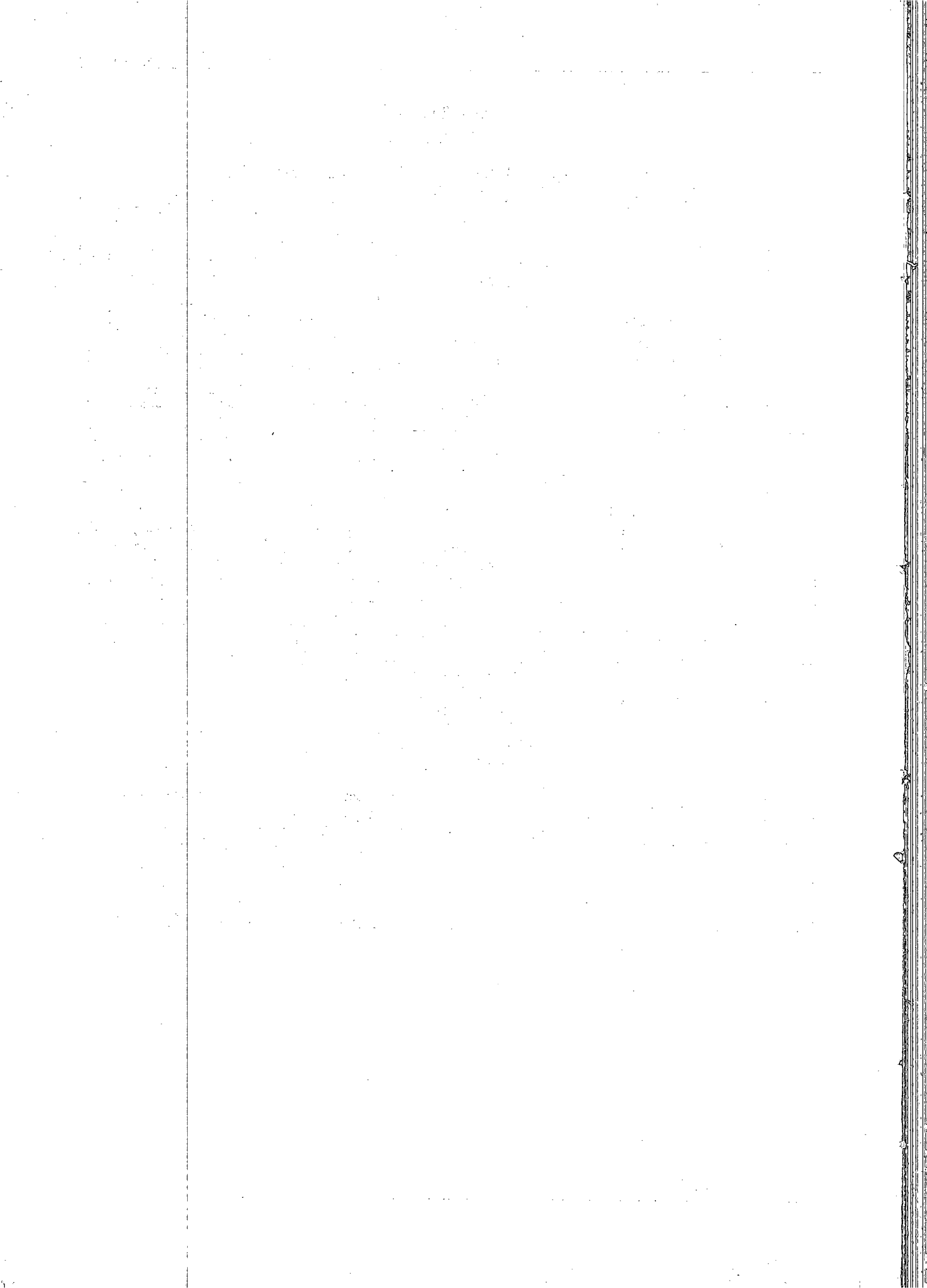
(SHASHI KANT SHARMA)  
Comptroller and Auditor General of India

NEW DELHI

THE 11 JUNE 2015



# APPENDICES



**Appendix - I**  
**(Para ref: 1.6)**

**Roles and Responsibilities of Standing Committees of PRIs**

Sl. No.	Category of PRI	Political Executive	Name of Standing Committee	Responsibilities
1.	GP	President is the Chairman of each of the three committees	i) Development Committee	Functions relating to agricultural production, animal husbandry and rural industries and poverty alleviation programmes.
			ii) Social Justice Committee	(a) Promotion of educational, economic, social, cultural and other interests of Scheduled castes and Scheduled Tribes and Backward Classes; (b) protection of such castes and classes from social injustice and any form of exploitations; (c) welfare of women and children.
			iii) Social Welfare Committee	Functions in respect of education, public health, public works and other functions of the GP.
2.	AP	President is the Chairman of each committees	i) General Standing Committee	Establishment matters, communication, buildings, rural housing, relief against natural calamities, water supply and all miscellaneous residuary matters.
			ii) Finance, Audit and Planning Committee	Finance of the AP, training, budget scrutinizing proposals for increase of revenue, examination of receipts and expenditure statement, consideration of all proposals affecting the finance of the AP and general supervision of the revenue and expenditure of the AP and Planning and consolidating the AP Plans, Co-operation, small saving schemes and any other function relating to the development of AP areas.
		Vice President is the Chairman	iii) Social Justice Committee	Same as in case of GP
3.	ZP	President is the Chairman of each committees	i) General Standing Committee	Same as in case of AP
			ii) Finance, Audit and Planning Committee	Same as in case of AP
		Chairman is elected amongst the elected members of each committee.	iii) Social Justice Committee	Same as in case of AP
			iv) Planning and Development Committee	Activities relating to (a) education, adult literacy and cultural activities as the ZP may assign to it; (b) Health Service, Hospital, Water Supply, Family, Welfare and other allied matters; (c) agricultural production, animal husbandry co-operation, contour ["bunding"] and reclamation; (d) village and cottage industries; (e) promotion of industrial development of the district.

**Appendix - II**  
**(Para ref: 1.15.1)**

**Power of State Government over PRIs**

Act/Rule/Authority (1)	Power exercised by Government (2)
Section 141 of AP Act,	<b>Power to frame rules</b> The State Government may make rules for carrying out the aims and objectives of this Act.
Section 125 of AP Act,	<b>Power to dissolve PRIs</b> Government may, by notification in Gazette, dissolve the PRIs, if the Government is of the opinion that the LB exceeds or abuses its powers or is not competent to perform or make persistent default in the performance of the duties imposed on it under this Act or any other law, for the time being in force.
Section 124 of AP Act,	<b>Powers to revoke or suspend resolution of PRIs</b> The ZP is empowered to suspend and prohibit an order or resolution of GP, if the ZP is of the opinion that the resolution is improper, cause or likely to cause injury or annoyance to the public or lead to a breach of peace.
Section 123 of AP Act	<b>Power to restrict or withdraw functions from Panchayats</b> A Government may, by notification in the official gazette amend or add any activity, programme or scheme vested in the Panchayat.
Section 121 (1) of AP Act	<b>Power to conduct enquiry</b> The Government may, at any time for reasons to be recorded, cause an enquiry to be made by any of its officers in regard to any GP, AP or ZP on matter concerning it or on any matters with respect to which the sanctions, approval, consent or orders of the Government is required under this Act.
Section 140 of AP Act read with Rule 4 and 8 of AP (A) Rules	<b>Powers of appointment, cadre control, transfer etc.</b> The employees of the PRIs are Government Servants. The Government shall regulate the classification, method of recruitment, conditions of service, pay and allowances, discipline and conduct of Secretaries of the GPs. The State Government may post from time to time additional staff of Grade I, Grade II, Grade III and Grade IV to ZP or AP or GP as it deemed necessary.
Section 122 of AP Act	<b>Power to issue guidelines</b> The State Government is empowered to issue directions to any Panchayat in matters relating to State and National Policies and such direction shall be binding on the Panchayat. The State Government may call for any record or register or other document in possession or under the control of any Panchayat.

**Appendix-III**  
**(Para ref: 1.19.1)**

**Improper maintenance of records**

(In ₹)

Sl No	Name of PRIs/ ULBs	Name of Scheme/Pro gramme	As on	Balance as per Bank Pass Book	Balance as per Cash Book	Difference
1.	Sonitpur ZP	Own Fund	03.07.10	330989.00	230989.00	100000.00
			01.08.12	89000.00	89800.00	800.00
			07.02.13	184707.00	384707.00	200000.00
			09.04.10 to 20.08.10	3877490.00	Not accounted for in Cash Book	3877490.00
2.	Dibrugarh ZP	4 <sup>th</sup> ASFC	31.03.13	45782910.00	25198034.00	20584876.00
		DDP	31.03.13	3676386.00	3951706.00	275320.00
3.	Kamrup ZP	DDP(Rural)	30.03.13	18850325.00	7556850.00	11293475.00
		DDP(Metro)	25.03.13	68538204.00	24894204.00	43644000.00
		13 <sup>th</sup> FC	31.03.13	113393145.00	Not maintained	113393145.00
			25.03.13	5400901.00	5597184.00	805833.00
			29.03.13	12387376.00	24502891.00	12115515.00
			26.03.13	12059362.00	8457267.00	3602095.00
			31.03.13	10009863.00	10000000.00	9863.00
		Own Fund (Rural)	30.03.12	7185232.00	5621851.00	1563381.00
			31.03.13	51127.00	26289.00	24838.00
		Own Fund (Metro)	31.03.12	1575406.00	1824065.00	249290.00
			31.03.13	652320.00	670832.00	18512.00
		12 <sup>th</sup> FC	03.02.13	10351616.00	6726484.00	3625132.00
		4 <sup>th</sup> ASFC	31.03.13	56004527.00	52588388.00	3416139.00
			13.03.13	13837185.00	13765552.00	71633.00
RGSY (Rural)	29.03.13	4761979.00	2512001.00	2249978.00		
4.	Kothakuthi GP	MGNREGS	31.03.10	1771549.00	1352749.00	419800.00
			31.03.11	1327368.00	676588.00	650780.00
			31.03.12	548376.00	6666.00	541710.00
			31.03.13	338054.00	7030.00	331024.00

**Appendix IV (A)**

**(Para ref: 1.19.4)**

**Statement showing non-adjustment of advances (PRIs)**

(₹ in lakh)

Name of PRIs	Name of Fund from which advances made	Period of advance	Nature of Advance	To whom paid Unadjusted upto	Amount of Advance	Unadjusted upto
Dibrugarh ZP	4th ASFC, 12th & 13th FC, DDP	2010-11 to 2012-13	Execution of different schemes	JEs/ZPC	185.24	Mar-13
Bongaigaon ZP	BRGF	25-10-2011	Preparation of (five) years Perspective Plan	Kerala Development Society, Delhi	2.5	Nov-13
Kamrup ZP	Own fund	03-05-11 to 20-10-12	Salary and festival advance	President and other staff	6.4	Feb-14
Nalbari ZP	Not mentioned in IR	2011-12 & 2012-13	Creation of Web Portal	SOFTHING Solution	1.06	Feb-14
Morongi AP	Not mentioned in IR	12/ 2008 and 01/2013	Not mentioned in IR	Officers and Staff	1.41	Jan-14
Rangjuli AP	Not mentioned in IR	10/05/12 to 02/01/13	Salary and Carrying Charge for Rice	Officials and Driver	0.17	Dec-13
Titabor AP	Not mentioned in IR	09/2011 to 10/2012	Salary Advances	Casual Labourers	0.21	Aug-13
Lakhimpur AP	Twelfth FC	16/09/08 to 02/03/11	Execution of various schemes	Junior Engineer	8.96	Mar-14

**Appendix IV (B)**

**(Para ref: 3.17.3)**

**Statement showing non-adjustment of advances (ULBs)**

(₹ in lakh)

Name of ULBs	Name of Fund from which advances made	Period of advance	Nature of Advance	To whom paid Unadjusted upto	Amount of Advance	Unadjusted upto
Morigaon MB	3 <sup>rd</sup> SFC and 4 <sup>th</sup> SFC	2010-11 to 2012-13	Execution of different schemes	Officials/JEs	155.18	Apr-13
Makum TC	Not specified	Not specified	For various purposes.	Officials & contractors / supplier	12.14	September-13
Maibong TC	SJSRY	24-05-10 to 07-02-11	Execution of different schemes	Officials/contractors	17.3	September-11
GMC	BSUP	23-12-08 to 14-10-10	Integrated development of Basic Services to Urban Poor (BSUP)	M/S Nyimi Enterprises and designer guild	128.71	March-14
GMC	Not mentioned in IR	4/2010 to 4/2011	For various purposes.	Officers and Staff	43.77	Feb-14
<b>TOTAL</b>					<b>357.1</b>	



**Appendix V (A)****A -Short collection of Kist money in PRIs**  
(Para ref: 1.19.6) (₹In lakh)

Sl.No.	Name of PRI	Amount
1.	Bongaigaon ZP	29.94
2.	Dibrugarh ZP	16.71
3.	Goalpara ZP	16.18
4.	Jorhat ZP	9.18
5.	Kamrup ZP	12.29
6.	Nagaon ZP	32.45
7.	Nalbari ZP	2.62
8.	Sonitpur ZP	28.84
9.	Balipara AP	4.78
10.	Chayani Borduar AP	3.93
11.	Bongaon AP	0.38
12.	Dangtol AP	6.72
13.	Jorhat AP	2.47
14.	Lakhimpur AP	0.55
15.	Lala AP	0.79
16.	Matia AP	6.47
17.	Morongi AP	0.77
18.	Ranjuli AP	0.53
19.	Titabor AP	0.45
20.	Tapatary AP	1.77
<b>Total</b>		<b>177.82</b>

**Appendix V (B)****B- Short collection of Kist money in ULBs**  
(Para ref: 3.17.5) (₹In lakh)

Sl.No.	Name of ULB	Amount
1.	Barpeta MB	22.83
2.	Dhekiajuli MB	8.28
3.	Dhing MB	2.78
4.	Dibrugarh MB	7.76
5.	Lakhipur MB	0.92
6.	Nagaon MB	9.68
7.	Silchar MB	8.67
8.	Tezpur MB	9.53
9.	Bihpuria TC	0.70
10.	Dakuakhana TC	4.75
11.	Sapatgram TC	3.09
12.	Maibong TC	3.95
13.	Sorbhog TC	4.41
14.	Tangla TC	5.61
<b>Total</b>		<b>92.96</b>

**Appendix-VI**  
**(Para ref: 1.19.7)**

**Non furnishing of Utilisation Certificate (UCs)**

(₹ in lakh)

Sl.No.	Name of PRIs	Amount
1.	Jorhat Zilla Parishad	9.40
2.	Dibrugarh Zilla Parishad (NSAP Scheme)	147.87
3.	Dibrugarh Zilla Parishad (TFC Grant)	65.95
4.	Dibrugarh Zilla Parishad (DDP)	65.50
5.	Nagaon Zilla Parishad (IGNOAPS)	114.36
6.	Kamrup Zilla Parishad (DDP)	544.70
<b>Total</b>		<b>947.78</b>

**Appendix - VII**  
**(Para ref: 1.21.1)**

**Internal Control System at the level of LBs**

Provision	Authority	Application to LBs	Gist of the provision
Accounts	Section 28, 60 and 97 of AP Act read Rule 8 of AP (F) Rule, 2002. Section 134 to 137 of GMC Act, 1971	PRIs & ULBs	The Panchayat and Municipalities shall maintain such books of accounts and other books in relation to its Accounts.
Budget	Section 27, 59 and 96 of AP Act. Section 43A of AM Act Section 119 of GMC Act	PRIs & ULBs	Budget proposals shall be prepared by the respective standing committees taking into account the estimated receipts and disbursement of the following year submitted to Government for approval.
Reporting of loss due to fraud, theft or negligence	Rule 37 (iv), AP (F) Rules 2002	PRIs	To be reported by an officer authorized to inspect the documents of PRIs.
	Rule 8 (2) of AMA, Rules 1961	ULBs	To be reported by the Chairman or the Executive Officer to the DALF and the DC of the District.
External audit	Section 29, 61 & 98 of AP Act and Rule 37 (ii) of AP (F) Rules, 2002.	PRIs	The State Government may prescribe an authority to conduct audit of accounts of PRIs.
	Section 301 (2) (iv) of AM Act and Section 138 of GMC Act	ULBs	DALF shall be auditor of Municipalities and Municipal Corporation.
Inspections	Section 112 of AP Act and Rule 37 of A (F) Rules, 2002	PRIs	Government or any officer empowered by the Government may inspect any works which are being carried out by GP or AP or ZP.
Execution of works	Rule 36 and 38 of AP (F) Rules' 2002	PRIs	Procedure for execution of public works. Fixing of rates in preparation of estimates, powers of various authorities to give Technical Sanction, Invitation of tenders.
Asset Register	Rule 19 of AP (F) Rules 2002	PRIs	To be maintained in the format prescribed under the rule.
	Rule 118 of AMA Rules 1961	ULBs	A register of land to be maintained.
Office Procedure Manual	NA	PRIs & ULBs	Not prescribed under APA, 1994, AP (F) Rules and Municipal Acts and Rules
Internal Audit	Rule 18 of AP (A) rules 2002	PRIs	Departmental internal auditors to conduct internal audit of PRIs.
	NA	ULBs	Not prescribed under relevant Municipal Acts and Rules

## Appendix-VIII

[Para reference: 2.3.2]

Details of units covered under Performance Audit on IGNOAP scheme for the years 2009-14

Sl. No.	Stratum	District/ZP	Name of the D/Block	Name of GP	Name of ULBs		
1	1. Upper Assam	1. Sonitpur	1. Bihaguri	1. Bandarmari 2. Puthimari 3. Borgaon	1. Dhekiajuli MB		
			2. Borchola	1. BorbhagiaBelsiri 2. NatunSirajuli 3. Sirajuli			
			3. Chaiduar	1. Balijan 2. Karibil 3. Kalayanpur 4. Satrang			
			4. Balipara	1. Ghoramari 2. Samdhara 3. Balipara 4. Balipukhuri 5. Rangajan			
		2. Jorhat	1. Ujani Majuli	1. Sri Ram 2. Cherpia 3. RatanpurGayan	1. Teok TC		
			2. Madhya Jorhat	1. GohainFachuwal 2. Pub-Holungapara 3. RajoiBadulipukhuri			
		2	2. Lower Assam	3. Kamrup (Metro & Rural)	1. Hajo	1. Soniadi 2. Barni 3. SahidSatyanath	1. Palashbari MB
					2. Bongaon	1. Uttar-Pub Bongaon 2. DakhinBongaon 3. Uttar DakhinBongaon	
					3. Rangia	1. Jayantipur 2. Baidyagarh 3. Bisennella 4. BishnupurBalisatra	
					4. Rampur	1. Rajapukhuri B. Rangamati 2. GuimaraSimana 3. Nahira	
4. Nalbari	1. Barigog Banbhag			1. Dihjaria 2. Pub-Banbhag 3. Alliya	1. Nalbari MB		
	2. Barbhag			1. Uppar BarbhagNo-1 2. Upper Barbhag No-5 3. Upper Barbhag No-6			
5. Nagaon	1. Jugijan			1. Pub DhaniramPathar 2. Kandulimari 3. Dimarupar	1. Hojai MB 2. Roha TC		
	2. Batadraba			1. Upper Dumdumia 2. Bilatia 3. Bhomuraguri 4. Batadraba			
	3. Dolongghat			1. Kakamari 2. Raidongia 3. Aibhetia			
	4. Kathiatoli			1. Tetelisora 2. Garjaipam 3. Chang Chaki 4. Kandali 5. Dev Narikali			
	5. Rupahihat			1. Gereki 2. Futaljar 3. Hatipara 4. Jewmari			
3	3. Barak Valley			6. Cachar	1. Katigorah	1. Harinagar 2. Tarinipur 3. Gobindapur	1. Silchar MB
					2. Kalaine	1. Jalalpur 2. Sewthi 3. Khelma	
					3. Narsingpur	1. Panibora 2. Puthikhal 3. Nandigram 4. Sheoratal	
					4. Barjelanga	1. Bag and Bahar 2. Barjelanga 3. Dhurabond	
<b>Total</b>	<b>3</b>			<b>6</b>	<b>21</b>	<b>72</b>	<b>7</b>

**Appendix-IX**

**[Para ref: 2.5.5]**

Statement showing the details of withdrawal of IGNOAP fund through 'Self and Bearer' cheques

(In ₹)

Sl. No.	Enchased date	By whom withdraw	Cheque No	Deposit	Amount withdrawn
	<b>19.2.13</b>		<b>DD No.669297*</b>	<b>3,52,12,467.00</b>	<b>0</b>
1	22.2.13	Self	31009606	0	20,000.00
2	22.2.13	Self	31009601	0	23,00,000.00
3	22.2.13	Self	31009605	0	23,00,000.00
4	22.2.13	Self	31009602	0	23,00,000.00
5	22.2.13	Self	31009604	0	33,00,000.00
6	22.2.13	Self	31009603	0	3,00,000.00
7	23.2.13	Self	31009620	0	6,40,000.00
8	23.2.13	A. H. Choudhary	31009616	0	9,60,000.00
9	23.2.13	A. H. Choudhary	31009617	0	9,60,000.00
10	23.2.13	A. H. Choudhary	31009614	0	9,60,000.00
11	23.2.13	N.K. Das	31009619	0	9,60,000.00
12	23.2.13	N.K. Das	31009618	0	9,60,000.00
13	23.2.13	A. H. Choudhary	31009615	0	9,60,000.00
14	25.2.13	Self	31009624	0	80,000.00
15	25.2.13	Self	31009625	0	21,21,000.00
16	25.2.13	Self	31009626	0	22,00,000.00
17	25.2.13	Self	31009627	0	22,00,000.00
18	26.2.13	Self	31009629	0	2,56,000.00
19	26.2.13	Self	31009628	0	1,60,000.00
20	26.2.13	Self	31009632	0	1,60,000.00
21	26.2.13	Self	31009633	0	80,000.00
22	26.2.13	Self	31009630	0	2,20,000.00
23	26.2.13	Self	31009631	0	2,00,000.00
24	27.2.13	Self	31009639	0	1,40,000.00
25	27.2.13	Self	31009640	0	1,40,000.00
26	27.2.13	Self	31009641	0	1,40,000.00
27	27.2.13	Self	31009642	0	1,40,000.00
28	27.2.13	Self	31009643	0	2,20,000.00
29	27.2.13	Self	31009636	0	3,20,000.00
30	27.2.13	Self	31009637	0	1,40,000.00
31	27.2.13	Self	31009638	0	80,000.00
32	27.2.13	Self	31009644	0	22,40,000.00
<b>Total amounts withdrawn</b>					<b>2,81,57,000.00</b>

**Appendix-X****[Para ref: 2.5.5]****Statement showing the details withdrawal of IGNOAP fund through 'Self and Bearer' cheques****(In ₹)**

From SB A/C No.614402010001050 (IGNOAP)			From SB A/C No.614402010001219 (NFBS)			From SB A/C No.614402010001060 (Annapurna)		
Cheque no & date	Amount	S/Cheque issued in favour of	Cheque no & date	Amount	Nature of cheque	Cheque no date	Amount	Nature of cheque
31005961 dt.24.12.12	3,00,000	A.H. Choudhary, JE	31006204 dt.04.04.12	23,100	Self			
31005962 dt.24.12.12	3,00,000		31006293 dt.12.07.12	76,500		310012401 dt.05.12.13	8,00,000	CEO, CZP
31005963 dt.24.12.12	3,00,000		31006292 dt.12.07.12	38,196		310012402 dt.06.12.12	2,00,000	Self
31005967 dt.26.12.12	3,00,000	N. Das	31007960 dt.08.08.12	1,33,493	A.H. Choudhury, JE			
31005965 dt.26.12.12	3,00,000	A.H.	31009456 dt.24.12.12	3,00,000				
31005966 dt.26.12.12	3,00,000	Choudhary,	31009455 dt.24.12.12	3,00,000				
31005964 dt.27.12.12	3,00,000	JE	31009454 dt.24.12.12	3,00,000				
31005969 dt.27.12.12	80,000	Self	31009453 dt.24.12.12	3,00,000				
31005968 dt.27.12.12	80,000		31009452 dt.24.12.12	3,00,000				
31005970 dt.27.12.12	80,000		31009451 dt.24.12.12	3,00,000				
31005971 dt.27.12.12	40,000		31009459 dt.26.12.12	3,00,000				
31005973 dt.07.01.13	1,80,000	A.H.	31009460 dt.04.01.13	1,40,000		N. Das		
31005972 dt.07.01.13	2,40,000	Choudhary, JE	31009457 dt.26.12.12	3,00,000				
			31009458 dt.26.12.12	3,00,000				
<b>(A)</b>	<b>28,00,000</b>		<b>(B)</b>	<b>31,11,289</b>		<b>(C)</b>	<b>10,00,000</b>	

**Appendix-XI**  
**[Para ref: 2.6.3.2]**

**Statement showing the details of return cheques issued against death/untraced beneficiaries**

(In ₹)

SL No.	Date of receipt	Received from	Particulars	Amount
1	17-06-2009	Jorhat MB	Returned cheque against death case for 52nos beneficiaries	1,66,400
2	17-06-2009	Moriani TC	Returned cheque against death case for 12nos beneficiaries	38,400
3	17-06-2009	Nowboisa ZPC	Returned cheque against death case for 61nos beneficiaries	1,95,200
4	06-03-2010	Hollongapar ZPC	Returned cheque against death case for 4nos beneficiaries	12,800
5	06-03-2010	Nowboisa ZPC	Returned cheque against death case for 3nos beneficiaries	9,600
<b>Total of 2009-10 (A)</b>				<b>4,22,400</b>
6	13-05-2010	BDO NW Jorhat Dev Block	Returned against unspent amount @ Rs.75.00 pm each for 12 months against 1440nos beneficiaries for gap period 2003-04 vide cheque No. 033955	12,96,000
7	26-05-2010	BDO NW Jorhat Dev Block	Returned against unspent amount of NOAP vide cheque No. 077902 dtd.25-5-10	12,34,775
8	26-05-2010	BDO, UjaniMajuli Dev Block	Returned cheque against unspent amount of gap period @ Rs. 75/- pm each for 12 months against 74nos beneficiaries vide cheque no. 766880	66,600
9	30-06-2010	BDO, Majuli Dev Block	Returned cheque against unspent amount of gap period @ Rs. 75/- pm each for 12 months against 115nos beneficiaries	1,03,500
10	30-06-2010	BDO East Jorhat Dev Block	Returned cheque against unspent amount of gap period @ Rs. 75/- pm each for 12 months against 223nos beneficiaries vide cheque no. 340912 and 424092	1,13,700
				87,000
11	16-07-2010	BDO, Jijo Dev Block	Returned cheque against unspent amount of gap period @ Rs. 75/- pm each for 12 months against 392nos beneficiaries vide cheque no. 282126	3,52,800
12	13-10-2010	Teok ZPC	Returned cheque against death case for 12nos beneficiaries	34,200
13	13-10-2010	Boloma ZPC	Returned cheque against death case for 8nos beneficiaries	22,800
	13-10-2010	Parbatia ZPC	Returned cheque against death case for 8nos beneficiaries	22,800
14	13-10-2010	Lahing ZPC	Returned cheque against death case for 2nos beneficiaries	5,700
15	13-10-2010	Charaigaon ZPC	Returned cheque against death case for 3nos beneficiaries	8,550
16	13-10-2010	Titabor ZPC	Returned cheque against death case for 3nos beneficiaries	8,550
	13-10-2010	SaruCharai ZPC	Returned cheque against death case for 9nos beneficiaries	25,650
17	13-10-2010	Madhupur ZPC	Returned cheque against death case for 3nos beneficiaries	8,550
18	13-10-2010	Kothalguri ZPC	Returned cheque against death case for 2nos beneficiaries	5,700
19	13-10-2010	NamoniMajuli ZPC	Returned cheque against death case for 2nos beneficiaries	68,400
20	13-10-2010	Nowboisa ZPC	Returned cheque against death case for 29nos beneficiaries	82,650

21	13-10-2010	Borhola ZPC	Returned cheque against death case for 37nos beneficiaries	1,05,450
22	13-10-2010	Kakajan ZPC	Returned cheque against death case for 2nos beneficiaries	5,700
23	13-10-2010	Karanga ZPC	Returned cheque against death case for 58nos beneficiaries	1,65,300
24	13-10-2010	Madhya Majuli ZPC	Returned cheque against death case for 1no beneficiaries	2,850
25	13-10-2010	Jorhat MB	Returned cheque against death case for 10nos beneficiaries	28,500
26	13-10-2010	Titabor ZPC	Returned cheque against death case for 3nos beneficiaries	8,550
27	13-10-2010	Hollongpara ZPC	Returned cheque against death case for 6nos beneficiaries	17,100
28	13-10-2010	Thengal ZPC	Returned cheque against death case for 1no beneficiaries	2,850
<b>Total of 2010-11 (B)</b>				<b>38,84,225</b>
29	26-03-2012	Teok ZPC	Returned cheque against death case for 10nos beneficiaries	16,500
30	26-03-2012	Boloma ZPC	Returned cheque against death case for 3nos beneficiaries	4,950
31	26-03-2012	SaruCharai ZPC	Returned cheque against death case for 5nos beneficiaries	8,250
32	26-03-2012	Nowboisa ZPC	Returned cheque against death case for 21nos beneficiaries	34,650
33	27-03-2012	BDO NW Jorhat D/Block	Returned cheque against death case for 49nos beneficiaries	80,850
34	27-03-2012	Hollongpara ZPC	Returned cheque against death case for 7nos beneficiaries	11,550
35	27-03-2012	Kakajan ZPC	Returned cheque against death case for 7nos beneficiaries	18,150
36	27-03-2012	Moriani TC	Returned cheque against death case for 5nos beneficiaries	8,250
37	27-03-2012	Teok TC	Returned cheque against death case for 3nos beneficiaries	4,950
38	27-03-2012	Jorhat MB	Returned cheque against death case for 14nos beneficiaries	23,100
<b>Total of 2011-12 (C)</b>				<b>2,11,200</b>
39	13-07-2012	Borhola ZPC	Returned cheque against death case for 19nos beneficiaries	31,350
40	17-12-2012	BDO NW Jorhat Dev Block	Returned cheque against death case for 7nos beneficiaries	5,600
41	17-12-2012	BDO Titabor Dev Block	Returned cheque against death case for 4nos beneficiaries	3,200
42	17-12-2012	BDO Jorhat Dev Block	Returned cheque against death case for 8nos beneficiaries	6,400
43	17-12-2012	BDO Kaliapani Dev Block	Returned cheque against death case for 5nos beneficiaries	4,000
44	17-12-2012	Titabor TC	Returned cheque against death case for 2nos beneficiaries	1,600
<b>Total of 2012-13 (D)</b>				<b>52,150</b>
<b>Grand Total (A + B + C + D) = 4,22,400 + 38,84,225 + 2,11,200 + 52,150</b>				<b>45,69,975</b>

**Appendix-XII**  
**[Para ref : 2.6.3.3]**

**Statement showing the details of payment of pension against death cases for non-entitled periods**

(In ₹)

Name of the district	Name of the Block/ULB	Proposal/sanction order	No of beneficiaries approved against expired beneficiaries	Due for pension	Period from which pension granted	Non-entitled period	Amount disbursed	
		Letter no & date				(in month)		
1	2	3	4	5	6	7	8	
Kamrup	Bangaon DB	BDB/IGNOAP/8/2010-11/317 dt.29-09-11	98	01-10-2011	ACA: 01/10 to 07/11 MMP: 04/10 to 01/11	19 9	3,72,400 44,100	
		BDB/IGNOAP/8/2010-11/317 dt.29-09-11	32	01-10-2011	ACA: 01/09 to 07/11 MMP: 08/08 to 11/08 & 04/10 to 01/11	31 14	1,98,400 22,000	
		KZP(N)4/2011-12 dt.17.8.11	36	01-09-2011	ACA: 08/10 to 08/11 MMP: 08/10 to 01/11	13 6	93,600 10,800	
		<b>Total</b>	<b>166</b>			<b>92</b>	<b>7,41,300</b>	
	Rampur DB	Letter No. KZP(G) 60/2011-12/260-8 dt.11-01-12	147	01-02-2012	ACA:- 01/09 to 07/10 MMP:- 08/08 to 11/08 & 04/10 to 07/10	19 8	6,17,400	
			242	01-08-2012	ACA:- 1/10 to 11/10 MMP:- 04/10 to 07/11 & ACA:-12/10 to 07/11 MMP:- 08/10 to 01/11	11 4 8 6	5,19,800	
		43	01-08-2012	ACA:- 1/10 to 7/11 MMP:- 04/10 to 01/11	19 10	1,84,900		
		2	01-08-2012	ACA:- 8/10 to 7/11 MMP:- 08/10 to 01/11	13 6	5400		
		<b>Total</b>	<b>389</b>			<b>104</b>	<b>13,27,500</b>	
		Rangia	KDP/NOAP-32/07/119 dt.9-06-09	103	01-07-2009	ACA:- 2/07 to 9/07	8	1,64,800
	KDP/IGNOAP-20/08/123 dt.15-06-10		112	01-07-2010	ACA:- 10/07 to 12/08 MMP:- 4/08 to 7/08	15 4	3,58,400	
	KZP(G)60/2011-12/206-8 dt.11-01-12		273	01-02-2012	ACA:- 1/09 to 7/10 MMP:- 8/08 to 11/08 & 4/10 to 7/10	19 8	11,46,600	
	KZP(G)81/2011-12/8327 dt.28-02-14		388	01-03-2014	ACA:- 8/11 to 3/12 MMP:- 2/11 to 4/11	8 3	6,79,000	
	<b>Total</b>	<b>876</b>			<b>65</b>	<b>23,48,800</b>		
	Sonitpur	Balipara	BDB(E)/61/PT-1/2009-10/1938 dt.17-03-10	30	01-04-2010	ACA:-10/07 to10/09 MMP:- 4/08 to 11/08	25 8	1,62,000
			SZP616/2010-11/PT-II/4567 dt.17-12-11	27	01-04-2012	ACA:-10/07 to 10/09 MMP:- 4/08 to 11/08	25 8	1,45,800
			SZP616/2010-11/PT-II/20 dt.19-12-12	65	01-04-2013	ACA:-10/07 to 12/10 MMP:- 4/08 to 3/09 (22 no.)	39 12 25	3,61,200 1,18,800
				40	01-04-2013	ACA:-10/07 to 10/09 MMP:- 4/08 to 11/08	25 8	2,16,000
			<b>Total</b>	<b>162</b>			<b>183</b>	<b>10,03,800</b>
		Barsola DB	BDB/AP/8/2008-09/494 DT 30-10-09	184	01-11-2009	ACA:-12/08 to 11/09 MMP:- 7/08 to 11/08	12 5	4,87,600
BDB/AP/8/2008-09/18 dt.9-06-2010			175	01-06-2010	ACA:-9/07 to 5/10 MMP:- 4/08 to 3/09	33 12	12,60,000	
SZP616/2010-11/pt-II/4827 dt.22-02-2012			162	01-03-2012	ACA:- 6/10 to 1/12 MMP:- 10/09 to 12/09	20 3	6,39,900	
<b>Total</b>		<b>521</b>			<b>85</b>	<b>23,87,500</b>		
Chaiduar DB		CDB/NOAP/68/Pt.-Iv/2006-07/1205 dt.22-06-10	505	01-07-2010	ACA:- 6/08 to 3/09 ACA:- 4/09 to 10/09 MMP 7/08 to 11/08	10 7 5	12,12,000 8,33,250	
					ACA :- 11/09 to 3/10	5	5,05,000	
					ACA:- 4/10 to 5/10 MMP:-	2	3,03,000	



					12/08 to 3/09	4	
					ACA :- 6/10	1	1,01,000
					ACA :- 11/09 to 9/10	28	
					MMP:- 12/08 to 3/09 & 10/09 to 12/09	7	14,08,800
		CDB/NOAP/68/Pt.-Iv/2006-07/1775 dt.7-05-12	587	01-05-2012	ACA: 10/10 to 7/11	10	11,74,000
					ACA :- 8/11 to 11/11	4	4,69,600
					ACA :- 12/11 to 2/12	3	4,40,250
					MMP:- 10/09 to 12/09	3	
		<b>Total</b>	<b>1092</b>			<b>83</b>	<b>64,46,900</b>
	<b>Dekiajuli MB</b>	DMB/G-OAP/10/742 dt.3-09-10	26	01-10-2010	ACA:-4/09 to 9/10	18	1,05,300
					MMP:-7/08 to 2/09	8	
		<b>Total</b>	<b>26</b>			<b>26</b>	<b>1,05,300</b>
Nagaon	<b>Batardeva DB</b>	No. NDP/19/2009/185 dt.12.11.09	446	1.11.2009	ACA: 10/06 to 1/07 and 10/07 to 3/08	10	8,92,000
					MMP:- 4/07 to 3/08 and 5/08 to 7/08	18	3,34,500
		No. N.ZP.619/2010-11/102238-262 dt.17.1.11	245	1.2.2011	11/08 to 10/09 (ACA)	12	5,88,000
					8/08 to 10/08	3	36,750
	No. N.ZP.619/2010-11/140 dt.13.1.14	101	1.1.2014	10/09 to 4/11 (ACA)	19	3,83,800	
				11/08 to 8/09 (MMP)	10	50,500	
	No. N.ZP.619/2010-11/140 dt.13.1.14	301	1.1.2014	10/09 to 4/11 (ACA)	19	11,43,800	
				11/08 to 8/09 (MMP)	10	1,50,500	
		<b>Total</b>	<b>1093</b>			<b>101</b>	<b>35,79,850</b>
	<b>Dolongghat</b>	N.ZP.619/2010-11/8699-722 dt. 29-12-10	31	01-01-2011	ACA:- 10/07 to 12/10	39	2,57,300
					MMP:- 5/08 to 11/09	19	
		List prepared but not approved by CEO Nagaon	181	01-12-2011	ACA:- 11/08 to 11/11	37	14,84,200
					MMP:- 8/08 to 11/09	12	
		<b>Total</b>	<b>212</b>			<b>107</b>	<b>17,41,500</b>
	<b>Hojai MB</b>	N.ZP.619/2010-11/8699-722 dt.29-12-10	72	01-01-2011	ACA:-3/10 to 12/10	10	1,58,400
					MMP:- 11/08 to 2/09	4	
		N.ZP.619/2010-11/5524-25dt 2-08-12	93	01-08-2012	ACA:- 9/10 to 7/12	23	5,02,200
					12MMP:- 3/09 to 2/10	12	
		N.ZP.619/2010-11/1190 dt.10-04-13	148	01-05-2013	ACA:- 5/11 to 9/12	17	5,77,200
					12MMP:- 9/09 to 2/10	6	
	N.ZP.619/Pt/2010-11/1179 dt. 26-06-14	93	01-07-2014	ACA:- 9/11 to 6/12	10	1,99,950	
				MMP:-9/09 to 11/09	3		
			9		ACA:- 11/12 to 4/13	6	28,350
					MMP:- 7/12 to 9/12	3	
		<b>Total</b>	<b>415</b>			<b>94</b>	<b>14,66,100</b>
	<b>Jugijan AP</b>	N.ZP.619/2010-11/8699-722 dt.29-12-10	52	01-01-2011	ACA:- 11/08 to 12/10	26	2,88,600
				MMP:- 8/08 to 2/09	12		
	N.ZP.619/2010-11/5709 dt.13-07-2012	300	01-08-2012	ACA:- 9/10 to 7/12	23	16,20,000	
				MMP:- 3/09 to 2/10	12		
	<b>Total</b>	<b>352</b>			<b>73</b>	<b>19,08,600</b>	
<b>Kathiatoli AP</b>	N.ZP.619/2010-11/8699-722 dt 29-12-10	6	01-01-2011	ACA:-10/07 to 12/10	39	51,600	
				MMP:- 4/08 to 8/09	17		
	KDB/58/2010-11 dt.20-07-11 and received by N.ZP vide Receipt No.2040 dt19-09-11	183	01-12-2011	ACA:-11/09 to 11/11	25	10,33,950	
				MMP:- 11/08 to 11/09	13		
	<b>Total</b>	<b>189</b>			<b>94</b>	<b>10,85,550</b>	
<b>Raha TC</b>	N.ZP.619/2010-11/11175 dt.4-03-11	18	01-03-2011	ACA:-10/09 to 2/11	17	64,800	
				MMP:- 11/08 to 2/09	4		
	N.ZP.619/2010-11/8428 dt.13-12-11	18	01-01-2012	ACA:-5/10 to 12/11	20	80,100	
				MMP:- 3/09 to 11/09	9		
	N.ZP.619/2010-11/6696 dt.4-09-12	10	01-09-2012	ACA:- 9/10 to 6/12	22	48,500	
			MMP:- 3/09 to 11/09	9			
N.ZP.619/Pt/2010-11/2821 dt.24-06-13	16	01-07-2013	ACA:- 5/11 to 6/12	14	47,200		
			MMP:- 9/09 to 11/09	3			
		2		ACA:- 4/12 to 2/13	11	11,000	
	<b>Total</b>	<b>64</b>			<b>109</b>	<b>2,51,600</b>	
<b>Rupahi hat</b>	RDB/IGNOAPS/17/2009-10/899(A) Dt.22-0210 & list approved by CEO/ DC, Nagaon	295	01-01-2011	ACA:-2/07 to 12/10	7	30,23,950	

		vide letter No. N.ZP.619/2010-11/9 dt.24-12-10			MMP:- 4/08 to 8/09	17	
		<b>Total</b>	<b>295</b>			<b>24</b>	<b>30,23,950</b>
DC, Nagaon		NDP49/2008/281 Dt. 10-06-10	2003	10-06-2010	ACA:- 11/08 to 9/09	11	44,06,600
		NDP49/2008/308Dt. 31-07-10	2003	31-07-2010	ACA:- 10/09	1	4,00,600
		N.ZP.619/2010-11/0622-654 dt.11-02-11	2003	11-02-2011	ACA:- 11/09 to 2/10	4	16,02,400
		N.ZP.619/2010-11/11890-924 Dt.2-05-11	2003	02-05-2011	ACA:- 3/10 to 4/10	2	8,01,200
		N.ZP.619/2010-11/14768-800/Dt.3-09-11	2003	03-09-2011	ACA:- 5/10 to 8/10	4	16,02,400
		N.ZP.619/2010-11/3318-346/Dt.14-05-12	2003	14-05-2012	ACA:- 9/10 to 12/10	4	16,02,400
		NDP49/2008/282 Dt. 10-06-10	2003	10-06-2010	MMP:- 8/08 to 10/08	3	3,00,450
		N.ZP.619/2010-11/11778-889Dt.2-05-11	2003	02-05-2011	MMP:- 11/08 to 2/09	4	4,00,600
		N.ZP.619/2010-11/3347-375/Dt.14-05-12	2003	14-05-2012	MMP:- 3/09 to 8/09	6	6,00,900
		N.ZP.619/2010-11/1768-98Dt. 2-05-13	2003	02-05-2013	MMP:- 09/09 to 11/09	3	3,00,450
		N.ZP.619/2010-11/6986-7013 dt.21-12-13	2003	06-02-2014	MMP:- 12/09 to 2/10	3	3,00,450
						<b>Total</b>	<b>45</b>
		<b>Grand total</b>					<b>3,97,36,700</b>

**Appendix-XIII**  
[Para ref: 2.6.3.3]

Statement showing the details of granting of IGNOAP without approval of sanctioning authority, GS/WC and without approved list

(In ₹)

Name of District	Name of D/Block & ULB	Sanction No. and date	Total no of death Case	No. of beneficiaries		Date of payment	Amount
				60-79yrs.	80yrs. And above		
1	2	3	4	5	6	7	8
<b>1. Without approval of Sanctioning authority</b>							
Sonitpur	Dekiajuli MB	SZP616/2012-13/pt-I/615 Dt. 9-12-13	0	29	-	19-02-2014	1,03,350
		SZP616/2012-13/pt-I/616 Dt. 9-12-13	0	-	16	19-02-2014	
	Bihaguri	SZP616/2012-13/pt-I/615 Dt. 9-12-13	0	277	-	18-02-2014	9,80,500
		SZP616/2012-13/pt-I/616 Dt. 9-12-13	0	-	151	07-01-2014	
	Borchola	-	929	-	-	4.1.10 to 4.3.14	17,51,150
		SZP616/2012-13/pt-I/615 Dt. 9-12-13	0	316	-	16-01-2014	11,17,600
SZP616/2012-13/pt-I/616 Dt. 9-12-13	0	-	172	-	-		
Nagaon	Dolongghat	NZP.169/2010-11/758-85 dt.14.5.12	0	129	-	8-04-13 to 27-03-14	6,81,200
		NZP.169/2010-11/737-67 dt.2.5.13	0		-		
		NZP.169/2010-11/768-98 dt.2.5.13	0		-		
		NZP.169/2010-11/1056-80 dt.13.2.14	0		-		
		NZP.169/2010-11/6986-7013 dt.21.12.13	0		-		
		NZP.169/2010-11/5583-616 dt.30.9.13	0		-		
		NZP.169/2010-11/786-818 dt.14.5.12	0		-		
		NZP.169/2010-11/706-36 dt.2.5.13	0		-		
		NZP.169/2010-11/768-98 dt.2.5.13	0		-		
		NZP.169/2010-11/768-98 dt.2.5.13	0		-		
	Kathiatoli	-	914	-	-	6.6.09 to 28.2.14	80,97,300
Rupahihat	-	228	-	-	3.8.11 to 7.3.14	10,49,000	
<b>Total</b>			<b>2,061</b>	<b>751</b>	<b>237</b>		<b>1,37,80,100</b>
<b>2. Without approval of GS/WC</b>							
Sonitpur	Dekiajuli MB	SZP616/2012-13/pt-I/615 Dt. 9-12-13	0	29	0	19-02-2014	1,03,350
		SZP616/2012-13/pt-I/616 Dt. 9-12-13	0	0	16	19-02-2014	
Nagaon	Hojai MB	NZP.619/2010-11/8699-722 Dt. 29-12-10	72	0	0	11-06-11 to16-07-12	5,18,400
		NZP.619/2010-11/5524-25 Dt. 2-08-12	93	0	0	18-07-12 to10-07-14	5,39,400
		NZP.619/2010-11/1190 Dt.10-04-13	148	0	0	23-08-13 to10-07-14	5,77,200
		NZP.619/Pt/2010-11/1179 Dt. 26-06-14	93	0	0	10-07-2014	1,99,950
			9	0	0	10-07-2014	28,350
		NZP.619/pt/2010/1113-25 Dt. 8-04-13	157	0	0	23-08-13 to 10-07-14	6,12,300
	Kathiatoli	NZP.619/2010-11/1768-98 Dt. 02.05.13	0	585	0	2.7.13	87,850
		NZP.619/2010-11/753-85 Dt. 15.03.13	0	585	0		4,68,000
		NZP.619/2010-11/1737-67 Dt. 02.05.13	0	585	0		3,51,000
		NZP.619/2010-11/6986-7013 Dt. 21.12.13	0	585	0	28.2.14	87,850
NZP.619/2010-11/1056-80 Dt. 13.02.14		0	585	0	8,19,000		
NZP.619/2010-11/1768-98 Dt. 02.05.13		0	0	317	29.9.13	47,550	
NZP.619/2010-11/786-818 Dt. 15.03.13		0	0	317		6,34,000	
NZP.619/2010-11/1706-36 Dt. 02.05.13		0	0	317		4,75,500	

		NZP.619/2010-11/6986-7013 Dt. 21.12.13	0	0	317		47,550
		NZP.619/2010-11/1081-1105 Dt. 13.02.14	0	0	317	28.2.14	6,34,000
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>
	<b>Raha TC</b>	NZP.619/2010-11/11175 Dt. 4-03-11	18	0	0	16-02-11 to 16-07-12	64,800
		NZP.619/2010-11/8428 Dt. 13-12-11	18	0	0	15-11-11 to 20-06-14	80,100
		NZP.619/2010-11/6696 Dt. 4-09-12	10	0	0	16-07-12 to 20-06-14	48,500
		NZP.619/Pt/2010-11/2821 Dt.24-06-13	16 2	0 0	0 0	4-05-13 to 20-06-14 24-07-13 to 20-06-14	47,200 11,000
		NZP.619/2010-11/710-17 Dt.16-02-12	0 0	31 0	0 17	4-05-13 to 20-06-14 24-07-13 to 20-06-14	91,450 93,500
<b>Total</b>							<b>72,45,800</b>
<b>3. Without Approved List</b>							
<b>Name of District</b>	<b>P&amp;RD fund (CS/SS) released letter no. &amp; date</b>	<b>Date of Receipt</b>	<b>No. of beneficiaries/No. of months</b>	<b>Amount Receipt</b>	<b>Pension of period by CEO</b>	<b>Date of Released</b>	
<b>Sonitpur</b>	PDDP.5/2012-13/NSAP/Pt/67 Dt. 5-02-13 <b>(2012-13 ACA 1st Inst.)</b>	28-02-2013	4,844 x 4 M <b>(60 to 79 Years)</b>	38,75,200	7/11 to 10/11	09-12-2013	89,61,400
	PDDP.5/2012-13/NSAP/Pt/75 Dt.10-04-13 <b>(2012-13 ACA 2<sup>nd</sup> inst.)</b>	30-04-2013	4,844 x 3 M <b>(60 to 79 Years)</b>	29,06,400	11/11 to 1/12		
	PDDP.5/2012-13/NSAP/Pt/75 Dt.10-04-13 <b>(2012-13 MMP)</b>	30-04-2013	4,844 x 3 M	21,79,800	10/09 to 12/09		
<b>Total</b>				<b>89,61,400</b>			
<b>Kamrup (R)</b>	PDDP.5/2012-13/NSAP/Pt/67 dt.5-02-13 <b>(2012-13 ACA 1st Inst.)</b>	27-02-2013	7345x 5M	73,45,000	08/11 to 12/11	08-04-2013	1,28,53,750
	PDDP.5/2012-13/NSAP/Pt/75 10-04-13 <b>(2012-13 ACA 2<sup>nd</sup> inst.)</b>	30-04-2013	7345x 3 M	44,07,000	01/12 to 3/12	10-09-2013	
	PDDP.5/2012-13/NSAP/Pt/75 dt.10-04-13 <b>(2012-13 MMP)</b>	30-04-2013	7345 x 3 M	11,01,750	02/11 to 4/11		
<b>Total</b>				<b>1,28,53,750</b>			<b>2,18,15,150</b>

Appendix-XIV(Para ref: 2.8)

Statement showing the different parameters of field survey and beneficiary's responses on impact of IGNOAP scheme

Sl. No.	Parameters	Beneficiary's response	Percentage of response
1	What is your age now?	Known: 1,444	99.24
		Not known: 11	0.76
2	Do you have valid age proof certificate?	Yes: 133	9.14
		No: 1,322	90.86
3	Whether your name is enlisted in the BPL list	Yes: 710	48.80
		No: 708	48.66
4	Whether you are aware how much pension you are supposed to get per month	Yes: 38	2.61
		No: 1,417	97.39
5	Whether it is sufficient?	Sufficient: 0	100
		Not sufficient: 1,294	88.93
		Not commented: 126	11
		Pension not received: 35	2.41
6	When did you apply for pension?	Known: 1,162	79.86
		Not known: 293	20.14
7	Are you getting pension	Monthly: 0	100
		Quarterly: 123	8.45
		Half-yearly: 641	44.05
		Yearly: 577	39.66
		Not yet received: 114	7.84
8	How many times you have to meet the officials for approval of your application?	Once: 339	23.3
		2-4 times: 646	44.4
		5-8 times: 81	5.57
		More than 8 times: 313	21.51
		Not replied: 76	5.22
9	Do you have to pay money to anybody during the process of application?	Yes: 192	13.2
		No: 1,263	86.8
10	Do you know about the eligibility criteria for old age pension?	Aware: 66	4.54
		Not aware: 1,389	95.46
11	To what extent do you think, you have benefited from the scheme	High: 1	0.07
		Some extent: 1,244	85.49
		Insignificant: 104	7.15
		No comment: 1	0.07
		Pension not received: 105	7.22

**Appendix- XV**  
**(Para ref: 2.12)**

Statement showing the non realisation of Registration fee and Stamp Duty for the period from 2010-11 to 2012-13

(In ₹)

Sl. No	Name of the ZP	Year	Number of the market/Mahal /lease of land etc	Settled value (₹)	Registration fee due <sup>1</sup> (₹)	Stamp duties due (6% × Col 5) (₹)	Total (8=6+7) (₹)
1	2	3	4	5	6	7	8
1	Jorhat Zilla Parishad	2010-11	7	18,55,593	1,30,278	1,11,336	2,41,614
		2011-12	5	14,56,330	1,05,577	87,380	1,92,957
		2012-13	11	33,89,249	2,53,674	2,03,355	4,57,029
2	Dibrugarh Zilla Parishad	2010-11	12	23,00,839	1,56,150	1,38,050	2,94,200
		2011-12	21	46,84,555	3,24,098	2,81,073	6,05,171
		2012-13	18	47,76,031	3,41,918	2,86,562	6,28,480
3	Sonitpur ZP	2010-11	28	1,40,20,191	11,08,641	8,41,211	19,49,852
		2011-12	32	1,07,50,887	8,20,581	6,45,053	14,65,634
		2012-13	31	1,23,55,405	9,52,465	7,41,324	16,93,789
<b>Grand Total</b>				<b>5,55,89,080</b>	<b>41,93,382</b>	<b>33,35,344</b>	<b>75,28,726</b>

<sup>1</sup>

Sl. no	Deed amount	Registration fee per 1000
1	₹ one to ₹500	₹10
2	₹ 501 to ₹1000	₹15
3	₹ 1001 to ₹10000	₹20
4	₹10001 to ₹20000	₹25
5	₹ 20001 to ₹30000	₹30
6	₹ 30001 to ₹50000	₹35
7	₹ 50001 to ₹75000	₹40
8	₹ 75001 to ₹90000	₹45
9	₹ 90001 to ₹150000	₹55
10	₹ 150001 to ₹300000	₹65
11	₹ 300001 to ₹500000	₹75
12	₹ 500001 and above	₹85

**Appendix XVI**  
**(Para ref: 2.14)**

**Statement showing loss of revenue due to non settlement of markets/beels with highest bidders**

(₹ in lakh)

Year	Name of Market/Beels etc	Name of valid highest bidder	Height bid value	Name of the lower bidder to whom the market was leased	Settled value	Loss of Revenue (4-5)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
2012-13	Balisatra Bi-Weekly Bazar	Emrajul Islam	42.01	Hemanta Kr. Nath	7.03	34.98
	Nonoi Bi-Weekly Bazar	Kamal Mudoj	1.54	Ramesh Saikia	1.17	0.37
	Rupahi Daily Bazar	Mokbul Hussian	4.32	Tapash Ray	2.49	1.83
	Ambagan Bi Weekly Bazar	Jitendra Nath Biswas	12.67	Khakan Debnath	3.38	9.29
	Ambagan Daily Bazar	Kirtibas Mandal	1.57	Bipul Sarkar	1.21	0.36
	<b>Total 5 markets</b>		<b>62.11</b>		<b>15.28</b>	<b>46.83</b>

**Appendix –XVII (A)**  
**(Para ref: 3.17.1)**

**Unrealistic Budget by ULBs (Receipts)**

(₹ in lakh)

Name of the ULBs	Year	Receipts		Excess (+)
		Estimated	Actual	Less (-)
Lanka MB	2008-09	91.57	77.52	(-)14.05
	2009-10	102.81	81.85	(-)20.96
	2010-11	147.63	270.75	(+)123.12
	2011-12	292.96	455.77	(+)162.81
	2012-13	318.75	455.77	(+)137.02
Tinsukia MB	2010-11	1358.04	512.15	(-)845.89
	2011-12	1898.61	1002.35	(-)896.26
	2012-13	2509.69	1051.23	<b>(-)1458.46</b>
Dibrugarh MB	2010-11	551.81	195.63	(-)356.18
	2011-12	724.81	274.96	(-)449.85
	2012-13	470.75	266.88	(-)203.87
Barpeta Road MB	2011-12	982.1	488.2	(-)493.9
	2012-13	1909.96	579.06	(-)1330.9
Morigaon MB	2009-10	1054.48	342.38	(-)712.1
	2010-11	743.03	449.48	(-)293.55
	2011-12	1376.02	561.55	(-)814.47
	2012-13	1341.25	513.39	(-)827.86
Haflong TC	2009-10	329.14	103.58	(-)225.56
	2010-11	346.36	123.49	(-)222.87
	2011-12	305.74	158.07	(-)147.67
	2012-13	308.13	150	(-)158.13



**Appendix –XVII (B)**  
**(Para ref: 3.17.1)**  
**Unrealistic Budget by ULBs (Expenditure)**

(₹ in lakh)

Name of the ULBs	Year	Expenditure Estimated	Actual	Excess (+) Less (-)
Lanka MB	2008-09	85.36	76.69	(-)8.67
	2009-10	96.58	82.53	(-)14.05
	2010-11	137.65	269.8	(+)132.15
	2011-12	288	394.13	(+)106.13
	2012-13	369.33	394.12	(+)24.79
Tinsukia MB	2010-11	1089.02	598.82	(-)490.2
	2011-12	1590.84	643.04	(-)947.8
	2012-13	2175.5	966.5	(-)1209
Dibrugarh MB	2010-11	476.4	179.91	(-)296.49
	2011-12	688.89	171.35	(-)517.54
	2012-13	581.34	267.22	(-)314.12
Barpeta Road MB	2011-12	1092.25	300.72	(-)791.53
	2012-13	1909.96	304.1	(-)1605.86
Dhing MB	2009-10	95.9	53.46	(-)42.44
	2010-11	115.77	99.26	(-)16.51
	2011-12	293.18	204.07	(-)89.11
	2012-13	871.65	560.72	(-)310.93
	2013-14	65	11.79	(-)53.21
Lakhipur MB	2009-10	444.74	277.05	(-)167.69
	2010-11	559.6	562.1	(+)2.5
	2011-12	500.3	188.37	(-)311.93
	2012-13	541.68	502.91	(-)38.77
	2013-14	65	11.79	(-)53.21
Hailakandi MB	2009-10	444.74	277.05	(-)167.69
	2010-11	559.6	562.1	(+) 2.5
	2011-12	500.3	188.37	(-)311.93
	2012-13	541.68	502.91	(-) 38.77
Silchar MB	2009-10	2440	899.22	(-)1540.78
	2010-11	2476	1052.48	(-)1423.52
	2011-12	3323	1159.41	(-)2163.59
	2012-13	3400	N/A	(-)3400.00
Morigaon MB	2009-10	1048.75	131.81	(-)916.94
	2010-11	736.64	269.96	(-)466.68
	2011-12	1369.17	464.7	(-)904.47
	2012-13	1334.35	411.65	(-)922.7
Nagaon MB	2009-10	441.2	104.56	(-)336.64
	2010-11	452.29	295.95	(-)156.34
	2011-12	550.66	207.82	(-)342.84
	2012-13	718.21	277.92	(-)440.29
Haflong TC	2009-10	481.46	102.44	(-)379.02
	2010-11	582.07	122.27	(-)459.8
	2011-12	563.74	151.06	(-)412.68
	2012-13	536.85	139.32	(-)397.53

**Appendix-XVIII**

(Para ref: 4.1)

**Statement showing the name of cities/towns where projects taken up in Assam under UIDSSMT & IHSDP**  
 No. of cities /towns in Assam as per 2001 Census: 110      No. of cities /towns in Assam in which projects were undertaken: 41

Sl no	Name of the City	Name of projects taken up under UIDSSMT	Sl. No.	Name of cities /towns where projects taken up under IHSDP
1	Barpeta Road	Barpeta Road SWD	1	Badarpur Town
2	Barpeta	Barpeta SWD	2	Bokajan Town
3	Basugaon	Basugaon SWD	3	Nalbari Town
4	Bokakhat	Bokakhat SWD	4	Dhing Town
5	Chabua	Chabua SWD	5	Dhubri Town
6	Dergaon	Dergaon SWD	6	Golaghat Town
7	Dhekiajuli	Dhekiajuli SWD	7	Kampur Town
8	Dhubri	Dhubri SWD	8	Karimganj Town
9	Digboi	Digboi SWD	9	Kokrajhar Town
10	Gosaigaon	Gosaigaon SWD	10	Lanka Town
11	Gouripur	Gouripur SWD	11	Mangoldoi Town
12	Hailakandi	Hailakandi SWD	12	Naga Town
13	Hamren	Hamren SWD	13	Palashbari Town
14	Hojai	Hojai SWD	14	Sarthebari Town
15	Hojai	Hojai WSP	15	Tihu Town
16	Howraghat	Howraghat SWD	16	Tinsukia Town
17	Jorhat	Jorhat SWD		
18	Lakhipur (Cachar)	Lakhipur Cachar SWD		
19		Lakhipur Cachar WSP		
20	Lakhipur (Goalpara)	Lakhipur, Goalpara SWD		
21	Lala	Lala Storm SWD		
22	Lanka	Lanka SWD		
23	Maibong	Maibong SWD		
24	Morigaon	Morigaon SWD		
25	Pathsala	Pathsala SWD		
26	Sapatgram	Sapatgram SWD		
27	Sarthebari	Sarthebari SWD		
28	Simauguri	Simaluguri SWD		
29	Titabor	Titabor SWD		
30	Udalguri	Udalguri SWD		

## Admissible Projects

### UIDSSMT

- ❖ Urban Renewal i.e. redevelopment of inner (old) city areas would include items like widening of streets, shifting of Industrial/Commercial establishments to outer city areas, replacement of old and worn-out water pipes and renewal of sewerage/drainage/solid waste;
- ❖ Water supply and sanitation;
- ❖ Sewerage and Solid Waste Management;
- ❖ Construction and improvement of drains/storm water drains;
- ❖ Construction / up-gradation of roads, highways/expressways;
- ❖ Parking lots/spaces on Public Private Partnership (PPP) mode;
- ❖ Development of heritage areas;
- ❖ Prevention of rehabilitation of soil erosions/landslides only in case of NER;
- ❖ Preservation of water bodies.

In Assam, altogether 28 Storm Water Drainage (SWD) and two Water Supply (WS) Projects were sanctioned under UIDSSMT.

### IHSDP

- ❖ Provision of shelter including up-gradation and new construction of houses;
- ❖ Provision of community toilets;
- ❖ Provision of physical amenities like water supply, storm water drains, community bath, widening and paving of existing lanes, sewerage, community latrines, street lights etc.;
- ❖ Community infrastructure like provision of community centers to be used for pre-school education, non-formal education, adult education, recreational activities etc.;
- ❖ Community Primary Health Centre Buildings;
- ❖ Social amenities like pre-school education, non-formal education, adult education, maternity, child health and primary health care including immunization etc.;
- ❖ Provision of nodal Demonstration Projects;
- ❖ Sites and services/houses at affordable costs for EWS & LIG categories;
- ❖ Slum improvement and rehabilitation projects.

In Assam, altogether 16 towns were covered under IHSDP with total 8668 sanctioned houses.

**Appendix-XIX**  
(Para ref: 4.11.1)

**Statement showing the position of project wise physical achievement made against incurring of expenditure under UIDSSMT during the year 2009-10 to 2013-14**

(₹ in lakh)

Sl. No.	Name of the Project	Date of Approval by CSMC	Approved project cost	Stipulated date of completion	Fund drawn by SLNA	Funds released to ULB	Expenditure incurred as per UC submitted by ULB as on 31.3.2014	Date of completion of the project	If not completed, the progress of work as of March 2014 (percentage)
1	Hojai Water Supply scheme	15.2.2007	1055.55	16.8.2009	1055.55	1055.55	869.47		85%
2	Titabor SWD	15.2.2007	828.85	27.7.2009	828.85	828.85	637.97		70.32%
3	Pathsala SWD	15.2.2007	503.05	1.8.2009	503.05	503.05	503.05	9.1.2014	
4	Bokakhat SWD	15.2.2007	545.73	27.8.2009	545.73	545.73	422.94		97%
5	Lakhipur, Cachar WSS	13.11.2007	815.88	12.2.2011	448.74	448.74	394.15		80%
6	Lakhipur Cachar SWD	13.11.2007	632.10	27.2.2011	601.40	601.40	339.22		52.07%
7	Hailakandi SWD	13.11.2007	783.64	27.2.2011	431.00	431.00	297.71		46.24%
8	Sarthebari SWD	13.11.2007	274.14	4.9.2010	150.77	150.77	55.17		33%
9	Hojai SWD	13.11.2007	992.98	3.2.2011	992.98	992.98	992.98	30.3.2014	
10	Dhekiajuli SWD	13.11.2007	722.88	5.12.2010	722.88	722.88	545.88		97%
11	Morigaon SWD	13.11.2007	423.77	24.3.2011	423.77	423.77	331.12		98%
12	Hamren SWD	13.11.2007	226.47	27.2.2011	226.47	226.47	226.47	8.3.2014	
13	Chabua SWD	13.11.2007	226.91	24.3.2011	226.91	226.91	170.18		95%
14	Gosaigaon SWD	13.11.2007	201.98	24.3.2011	201.98	201.98	100.99		60%
15	Barpeta Road SWD	13.11.2007	328.57	8.2.2012	328.57	328.57	201.44		88.10%
16	Lanka SWD	13.11.2007	399.11	21.1.2011	399.11	399.11	199.55		95%
17	Lakhipur Goalpara SWD	13.11.2007	264.18	21.1.2011	132.09	132.09	118.08		67.70%
18	Howraghat SWD	13.11.2007	262.75	24.3.2011	236.39	262.67	262.67	8.3.2014	
19	Digboi SWD	10.12.2008	1074.97	15.9.2011	1029.64	1029.64	777.21		82%
20	Basugaon SWD	10.12.2008	756.09	5.11.2011	756.09	756.09	756.09	24.3.2014	
21	Maibong SWD	10.12.2008	492.61	8.7.2011	492.61	492.61	492.61	24.3.2014	
22	Lala SWD	10.12.2008	612.21	7.1.2012	336.71	336.71	266.18		48.39%
23	Barpeta SWD	10.12.2008	1940.08	19.11.2011	910.48	457.18	0		Not started
24	Udalguri SWD	10.12.2008	743.50	19.12.2011	743.50	743.50	743.50	6.3.2014	
25	Simaluguri SWD	10.12.2008	667.74	5.3.2012	667.74	667.74	363.20		59.81%
26	Gouripur SWD	10.12.2008	547.64	15.2.2012	301.20	133.82	137.92		25%
27	Jorhat SWD	10.12.2008	1592.42	17.12.2011	1592.42	1592.42	1220.12		70.38%
28	Sapatgram SWD	10.12.2008	565.06	15.2.2012	310.79	310.79	152.75		28%
29	Dhubri SWD	10.12.2008	710.17	15.2.2012	390.60	382.09	277.18		23.47%
30	Dergaon SWD	10.12.2008	1660.36	6.3.2012	913.20	913.20	913.20		62%
<b>Total</b>			<b>20851.39</b>		<b>16907.22</b>	<b>16298.31</b>	<b>12769.00</b>		

**Appendix-XX**  
**(Para ref: 4.11.2)**

**Status of implementation of selected projects under UIDSSMT and its implication**

Sl. No.	Name of the Project	Status	Remarks
1.	Lakhipur (Cachar) WSP	Incomplete even after lapse of 42 months from the stipulated date (February 2011) of completion.	Due to non-submission of Progress Report and UC by the IA, 2 <sup>nd</sup> installment of Additional Central Assistance (ACA) was not released (August 2014) and possibility of completion seems to be remote even during the extended mission period (March 2015) as only 80 <i>per cent</i> of physical progress relating to fund of 1 <sup>st</sup> installment has been achieved (January 2015).
2.	Lakhipur (Cachar) SWDP	Project remained incomplete even after lapse of 41 months from the stipulated date (February 2011) of completion.	Delay in site clearance due to non-receipt of NOC from BRTF authority, non-clearance of electrical poles and non-cutting of big trees etc. which led to delay in commencement of project. Further, due to delay in according Administrative Approval (AA) and consequent delay in commencement of works, there was price escalation due to which contractors refused to continue the project works. There seems to be no possibility of completion of the project within the extended mission period (March 2015) as only 55.18 <i>per cent</i> of physical progress had been achieved (August 2014) against the fund received.
3.	Lanka SWDP	Project remained incomplete even after lapse of 43 months from the stipulated date (January 2011) of completion.	Due to delay in according AA and approval of CS, commencement of work was delayed.
4.	Hojai WSP	Project remained incomplete even after lapse of 60 months from the stipulated date (August 2009) of completion.	The work of intake point [three Deep Tube Wells (DTWs) out of five were installed] and distribution network were delayed due to land dispute as well as delay in obtaining permission from Railway authority. Land dispute in connection with installation of two DTWs was not settled (August 2014) while permission for laying distribution network had not been obtained from Railway authority. Delay in according AA to the project and subsequent delay in finalisation of contracts also contributed to escalation of price of construction material and labour which led to change in distribution network by compromising with quality (combination of AC and DI pipes <sup>2</sup> were used instead of DI pipes which were of superior quality) so as to keep the project cost within the sanctioned amount. In view of facts stated above, completion of the project within the Mission extended period (March 2015) seems to be remote. No effective step was found initiated by the ULB to solve the existing land problem.
5.	Hojai SWDP	Completed (March 2014) after lapse of 42 months from the stipulated date of completion (February 2011).	Due to delay in according administrative approval, finalisation of tendering process and slow progress of work made by the contractors, project could not be completed in time. Further, though the project was completed, drain no. 8 was constructed short due to land problem leading to possibility of water logging as drain had ended 75 meter short of the natural outlet.
6.	Titabor SWDP	Project remained incomplete even after lapse of 61 months from the stipulated date (July 2009) of completion.	Project remained incomplete due to delay in according AA (accorded in July 2007) and finalisation of contracts and subsequent issue of work orders (issued between December 2007 and August 2008). Further, due to revision of DPR to allow price escalation, consequent upon delayed start, residual project works

<sup>2</sup> AC stands for Asbestos Cement Pipe and DI stands for Ductile Iron Pipe. DI pipes are more durable than AC pipes as DI pipes, as the name indicates, are formed of ductile iron.

		completion.	were halted and there is remote possibility of completion of the project within extended mission period (March 2015) even though entire project cost had been released to the ULB.
7.	Digboi SWDP	Project remained incomplete even after lapse of 59 months from the stipulated date (September 2011) of completion.	The whole town had to be resurveyed and revised plan and estimates had to be prepared due to preparation of defective DPR which led to delay in floating and finalisation of tenders. Contracts were awarded (August 2010) after lapse of eleven months from date of AA (September 2009).
8.	Barpeta Road SWDP	Project remained incomplete even after lapse of 30 months from the stipulated date (February 2012) of completion.	The original DPR was prepared without incorporating detailed plan and design, existing drain network and ULB's resolution. As a result DPR had to be modified which subsequently delayed accordance of AA (September 2009) by 21 months from the date of approval (November 2007) of the project. Further, lack of proper survey and non-clearance of site also resulted in non-completion of the work thereby depriving beneficiaries of timely benefit of the Schemes.
9.	Basugaon SWDP	The project was completed (March 2014) 33 months after the stipulated date of completion (November 2011)	The project could not be completed in time due to delay in according approval to plan and estimates, CS and consequent issue of work order etc. Reasons for delay in according approval to plan & estimates was not made available to audit.
10.	Dhubri SWDP	Project remained incomplete even after lapse of 27 months from the stipulated date (February 2012) of completion.	Project remained incomplete due to delay in commencement of project works which was due to delay in according AA and tendering process. GoI had not (August 2014) released the 2 <sup>nd</sup> installment of CS due to slow progress and non-submission of UCs by the ULB.

**Appendix-XXI****(Para Ref: 4.11.3)**

**Statement showing the details of project wise physical achievement made against incurring of expenditure under IHSDP during the year 2009-10 to 2013-14 as on 31.3.2014**

**(₹ in lakh)**

Sl. No.	Name of the Project	Date of Approval by CSMC	Approved project cost	No. of houses targeted to be completed	Stipulated date of completion	Fund drawn by SLNA	Funds released to ULB	No of houses completed	UC submitted by ULBs	Physical progress of work as of March 2014 (percentage)	Reasons and period of delay in completion (month)
1	2	3	4	5	6	7	8	9	10	11	12
1	Karimganj	27/2/07	554.84	458	22.3.11	477.16	477.16	290	276.30	60%	delay in receiving 2 <sup>nd</sup> installment from GoI
2	Dhubri	27/2/07	546.46	99	20.3.11	312.26	312.26	39	244.23	48%	2 <sup>nd</sup> installment yet to be received from GoI
3	Badarpur	27/2/07	123.04	56	2.5.11	67.67	67.67	14	67.67	45%	2 <sup>nd</sup> installment yet to be received from GoI
4	Nalbari	27/4/07	294.00	201	12.5.11	168.00	168.00	150	137.01	65%	delay in receiving 2 <sup>nd</sup> installment from GoI
5	Palashbari	27/4/07	207.44	108	3.01.12	119.64	119.64	55	84.10	50%	delay in receiving 2 <sup>nd</sup> installment from GoI
6	Dhing	26/9/07	299.51	72	11.5.11	128.36	128.36	72	60.27	20%	Dwelling Units works delayed due to initial land problem; now land has been acquired and work in progress.
7	Sarthebari	26/9/07	162.48	180	16.9.09	69.64	69.64	173	31.44	45%	Works delayed due to internal conflict in ULB, land problem also caused delay in case of relocation. In-situ approach to be adopted instead of relocation/cluster approach for new DUs.
8	Kampur	26/9/07	181.21	322	13.01.10	77.66	77.66	60	13.00	20%	Relocation delayed due to land problem. In-situ approach is to be adopted instead of relocation. Issues in the revised DPR, where proposal is for in-situ development instead of relocation as proposed earlier; awaiting approval from Govt. of India.

9	Mangoldoi	06.10.07	265.50	50	17.02.12	165.14	165.14	0	50.70	30%	Relocation delayed due to land problem. New location to be acquired. However, new location has already been identified and work is under process
10	Golaghat	06.10.07	385.32	210	02.04.10	153.88	153.88	210	153.52	66%	Delay in receiving 2 <sup>nd</sup> installment from GoI. Project under part tender; tender for remaining part not proposed yet.
11	Lanka	06.10.07	265.50	409	15.2.10	113.79	113.79	189	32.59	45%	Work under process
12	Tinsukia	06.10.07	452.20	840	15.10.12	245.86	245.86	422	224.33	55%	Work started late.
13	Tihu	11.02.09	388.74	162	28.8.13	215.99	215.99	105	189.30	65%	Work under process
14	Nagaon	11.02.09	1438.43	528	01.09.13	796.89	796.89	210	283.54	40%	There was variation in the site plans because of the partition of land amongst the family members of the beneficiaries. Therefore alternate plan, model estimate was to be prepared.
15	Bokajan	26.02.09	1048.93	1010	01.10.12	570.60	570.60	315	481.87	35%	Work under process. 2 <sup>nd</sup> installment yet to be received
16	Kokrajhar	18.12.09	1791.66	513	31.03.15	976.72	976.72	36	224.62	20%	Works started late due to administrative delay. Unstable situation in the locality caused delay implementation.
<b>Total</b>			<b>8498.82</b>	<b>8668</b>		<b>4830.19</b>	<b>4830.19</b>	<b>2340</b>	<b>2554.49</b>		



**Appendix-XXII**  
**(Para Ref: 4.11.4)**

**Status of implementation of selected projects under IHSDP and its implication**

Sl. No.	Name of the Project	Status	Remarks
1.	Lanka IHSDP	Project remained incomplete even after lapse of 54 months from the stipulated date (February 2010) of completion.	The DPR was prepared without considering the aspects of land availability which led to revision of the original DPR. Technical sanction to the new construction works was not accorded (August 2014) as plan and estimates were under preparation and as such construction works of relocation was not started (August 2014) even after lapse of 54 months from the date of stipulated date of completion (February 2010). Moreover, technical sanction did not cover water supply, storm and waste water drainage and street light facility for up-gradation works envisaged in the approved DPR. Thus, beneficiaries were deprived of the full benefit of the infrastructure facilities of the project.
2.	Nagaon IHSDP	Project remained incomplete even after lapse of 23 months from the stipulated date (September 2012) of completion.	Out of new construction works of 528 DUs, only 210 DUs were completed till August 2014 and works of 218 units were not started even after lapse of 23 months from the stipulated date of completion (September 2012). Completion of the project seems to be remote even during the extended Mission period (March 2015) as only 40 per cent physical progress had been achieved (August 2014). Thus, due to delay in tendering process, execution of the projects was delayed thereby depriving 528 beneficiaries of timely benefits of the project. Although, the SLNA released the first installment of Central Share and matching share of State to the ULB, the ULB failed to utilise the available fund with financial progress of 36 per cent only. Due to poor financial progress, 2 <sup>nd</sup> installment of Central Share was not released (August 2014) by GoI. Further, 274 DUs proposed and sanctioned for up gradation had to be surrendered without execution due to non-commencement of the works. Thus, the intended benefits could not be extended to the beneficiaries.
3.	Tinsukia	Project remained incomplete even after lapse of 58 months from the stipulated date (October 2009) of completion.	Physical progress of construction of up gradation and <i>in situ</i> relocation works of DUs was 48 per cent and 57 per cent respectively as of August 2014. Physical progress in respect of drain up gradation, road up gradation, drain relocation, road relocation and septic tank was 88 per cent, 45 per cent, 40 per cent, 9.70 per cent and 50 per cent respectively. Works of other infrastructure components had not been started except one overhead tank construction. Thus, progress of works was very tardy as 48 per cent and 57 per cent only of up gradation and relocation works respectively were completed and progress of infrastructure works ranged from 9.70 per cent to 88 per cent only even after lapse of 58 months from the stipulated date of completion (October 2009). Works in respect of 52 DUs were commenced (September 2010) by the contractor after lapse of eleven months from the date of issue of work order (October 2009). Thus, due to delay in awarding of contracts and also delayed commencement of works by contractors and revision of the approved DPR, project work remained incomplete and completion of project seems to be remote even during the extended Mission period (March 2015). Further, no action was initiated by the ULB to realise the liquidated damage of ₹5.61 lakh (1.5 per cent of contract price per week of delay subject to maximum of 10 per cent of contract price of ₹56.18 lakh) from the defaulting contractors for such inordinate delays in completion of works as per contract agreements. The ULB failed to utilise the available funds fully in time. Due to poor and slow utilisation of funds and delay in submission of UC, 2 <sup>nd</sup> installment of Central share had not been released (August 2014) by GoI.
4.	Nalbari IHSDP	Project remained incomplete even after lapse of 58 months	Physical progress of construction of relocation works of DUs was 75 per cent (August 2014) only. The completion of project seems to be remote even during the extended Mission period (March 2015) as the second installment from GoI though released in March 2013 was not released by the GoA (August 2014). Consequently tendering and awarding of

		from the stipulated date (October 2009) of completion.	work of other infrastructure component had not been completed even after lapse of 58 months from the stipulated date of completion (October 2009). No action was found initiated by the ULB to get the balance Central Share from GoA for early completion of the project.
5.	Dhubri IHSDP	Project remained incomplete even after lapse of 54 months from the stipulated date (February 2010) of completion.	Physical progress of construction of relocation works of DUs was 39 <i>per cent</i> (August 2014) only and in respect of roads and drainage components physical progress was 84 and 87 <i>per cent</i> respectively. The works in respect of other infrastructure components i.e. water supply, street light and garbage bin had not been started (August 2014) even after lapse of 54 months from the stipulated date of completion (February 2010). The ULB had neither obtained technical sanction for these works against provision of ₹85.67 lakh (Water Supply-₹82.36 lakh, Garbage Bin-₹0.11 lakh and Street Light-₹3.20 lakh) kept in the DPR nor tender was invited for execution of the works. The completion of project seems to be remote even during the extended Mission period (March 2015) as central share of ₹237.20 lakh had not been released by GoI due to non-furnishing of UC by the SLNA.

**Appendix-XXIII****(Para ref: 4.12.3(ii))****Statement showing cost incurred on preparation of DPR****(₹ in lakh)**

<b>Name of ULBs</b>	<b>Project</b>	<b>To whom paid</b>	<b>Cheque no</b>	<b>Amount</b>
Digboi TC	UIDSSMT	M/S Associate Builder	819141 dt.14.08.2010	10.00
Hojai MB	UIDSSMT	-DO-	822042 dt. 24.07.2009	13.61
Lakhipur ( Cachar) MB	UIDSSMT	-DO-	973041 dt. 04.02.2011	8.04
		IT	-	0.18
		ST	886782 dt.12.05.2012	0.88
		VAT	822043 dt. 24.07.2009	0.58
		IT	822044 dt. 24.07.2009	0.32
		Basugaon TC	UIDSSMT	M/S Associate Builder
	463721 dt. 05.12.2011			6.00
	463727 dt. 10.04.2012			0.56
	463767 dt. 18.03.2013			3.85
IT	899368 dt. 01.08.2013			2.33
Titabor TC	UIDSSMT	M/S Associate Builder	332619 dt. 18.03.2008	11.00
		IT	332620 dt. 18.03.2008	1.11
Hojai MB	UIDSSMT (WSP)	M/S Associate Builder	959361 dt. 20.01.2009	6.00
		VAT	959362 dt. 20.01.2009	0.31
		IT	959963 dt. 20.01.2009	0.17
		M/S Associate Builder	875376 dt. 31.07.2010	5.06
<b>Total</b>				<b>85.08</b>
Lanka MB	IHSDP	-DO-	567668 dt nil	4.10
Nagaon MB	IHSDP	-DO-	040809 dt. 06.06.2014	9.80
<b>Total</b>				<b>13.90</b>
<b>Grand Total</b>				<b>98.98</b>

**Appendix-XXIV**

**(Para ref: 4.12.12)**

**Statement showing the details of stock lying at various sites procured during May-August 2010 under Lakhipur (Cachar) WSP**

**(In ₹)**

Sl. No.	Description of materials	Month of Receipt in Site Account	Unit	Quantity Received	Rate at which purchased	Balance Quantity in Site A/c of March/2014	Value	Loss of Interest @ 4.5% from the date of receipt	Voucher No & date
1	Reducer(Plain)200x150	May-10	No/Wt	14 nos./177.80Kg	86.00/Kg	5	5,461	997	10/12, 29-6-10
2	Reducer(Plain)200x100	May-10	No/Wt	8 nos. / 139.20 Kg	86.00/Kg	5	7,482	1,366	
3	End Plug(PE)150mm	May-10	No/Wt	10 nos/ 90 Kg	86.00/Kg	10	7,740	1,414	
4	Bend(PE)150x22.5	May-10	No/Wt	23 Nos. / 460 Kg	86.00/Kg	6	10,320	1,885	
5	Bend(PE)200x22.5	May-10	No/Wt	15 Nos./ 342 Kg	86.00/Kg	4	7,843	1,432	
6	Bend(PE)200x45	May-10	No/Wt	15 Nos. /471Kg	86.00/Kg	1	2,700	493	
7	Tee(PE)200x100	May-10	No/Wt	10 Nos./410 Kg	86.00/Kg	1	3,526	644	10/12, 29-6-10
8	Rubber Gasket 3/6 mm 80mm	May-10	No.	14	65	15	975	178	10/14, 29-6-10
9	Rubber Gasket 3/6 mm 100mm	May-10	No.	36	87	70	6,090	1,112	
10	Rubber Gasket 3/6 mm 150mm	May-10	No.	16	130	16	2,080	380	10/11, 29-6-10
11	Rubber Gasket 3/6 mm 200mm	May-10	No.	12	174	12	2,088	381	
12	Rubber Gasket 3/6 mm 250mm	May-10	No.	10	240	10	2,400	438	
13	Rubber Gasket 3/6mm 300mm	May-10	No.	10	263	10	2,630	480	
14	Double Socket Concentric Topper 250x250	May-10	No.	3 Nos./177 Kg	88.00/Kg	3	15,576	2,845	10/11, 29-6-10
15	Double Socket Concentric Topper 300x150	May-10	No.	3 Nos./240 Kg	88.00/Kg	2	14,080	2,571	
16	Flanged Spigot 150mm	May-10		22 Nos./325.60 Kg	88.00/Kg	2	2,605	476	
17	M.S Pipe 200mm	May-10	RM	93 M/3786 Kg	83.00 /Kg	49.5	167,256	30,545	10/14, 29-6-10
18	M.S Pipe 100mm	Jun-10	RM	300 M/ 6306 Kg	83.00 /Kg	139.65	243,642	43,551	
19	M.S Pipe 150mm	Jun-10	RM	100 M/ 3076 Kg	83.00 /Kg	89.75	229,139	40,959	
20	PE Sluice Valve 100mm	Jun-10	No	25	4,950	12	59,400	10,618	
21	PE Sluice Valve 150mm	Jun-10	No	7	7,685	2	15,370	2,747	
22	DF Sluice Valve 300mm	Jun-10	No	5	25,950	5	25,950	4,639	
23	Rubber Tyton Joints 250mm	Jun-10	RM	100	136	96	13,056	2,334	

24	Rubber Tyton Joints 300mm	Jun-10	RM	150	190	150	28,500	5,094	
25	Rubber Gasket 3mm	Jun-10	No	80	95	60	5,700	1,019	
26	C I Air valve76.2mm	Jun-10	No	7	4,900	2	9,800	1,752	10/13, 29-6-10
27	C I Air valve98.5mm	Jun-10	No	3	8,000	3	24,000	4,290	
28	Rubber Ring for CID joints 100mm	Jun-10	No	250	22	250	5,500	983	
29	Rubber Ring for CID joints 150mm	Jun-10	No	100	33	100	3,300	590	
30	Rubber Ring for CID joints 200mm	Jun-10	No	150	40	150	6,000	1,073	
31	C.I.D Joints 200mm dia	Jun-10	No	1070	775	408	316,200	56,521	10/13, 29-6-10
32	A.C Pipe 100mm dia	Jul-10	RM	8988	252	2150	541,800	94,815	10/17, 16/11/10
33	A.C Pipe 150mm dia	Jul-10	RM	2492	463	1219	564,397	98,769	
34	A.C Pipe 200mm dia	Jul-10	RM	4372	803	1307	1,049,521	183,666	
35	Pig lead	Nov-10	Kg	1040	190.00/Kg	40	7,600	1,213	
36	Rubber Gasket 3/6 mm thick	Nov-10	No	26	87	26	2,262	361	10/13, 29-6-10
37	D.I Pipe 250mm	Aug-10	RM	2954	2,114	287	606,718	103,825	10/70, 25-5-12
38	D.I Pipe 300mm	Aug-10	RM	2842	2,705	968	2,618,440	448,081	
<b>TOTAL</b>							<b>6,637,147</b>	<b>1,154,536</b>	

**Appendix-XXV**  
**(Para Ref: 4.12.14)**

**Statement showing details of physical progress of Drains constructed under Digboi Storm Water Drainage project**

SI No.	Name of Drain	Group No.	Date of commencement	Date of completion	% of physical progress
1	Milan Nagar Drain	5	15-11-10	15-06-2013	100
2	Lachit Nagar Drain	4	10-10-2010	28-03-2014	100
3	Cremation Ground Drain	1	29-11-2010	Work in progress	98
4	New Tank .Firm Drain	1	29-11-2010	Work in progress	98
5	Shibu Kali Mandir Drain	1	29-11-2010	Work in progress	98
6	Katchai Patty Drain	2	24-09-2010	Work in progress	98
7	Shiv Bari Drain	2	24-09-2010	Work in progress	98
8	Topla Basti Drain	3	26-12-2010	30-11-2013	100
9	Anandapara Drain	3	26-12-2010	30-11-2013	100
10	Muliabari Bazar Drain	6	16-11-2010	22-06-2013	100
11	Padma Nath Gohain Baruah Drain (1)	7	15-12-2010	17-04-2013	100
12	Padma Nath Gohain Baruah Drain (2)	8	20-12-2010	24-03-2012	100
13	Pahar Basti Drain	9	08-11-2010	Work in progress	97
14	Durga Bari Drain	9	08-11-2010	Work in progress	97
15	Munindra Nath Chakraborty Drain-1	9	08-11-2010	Work in progress	97
16	Babapung 2 <sup>nd</sup> Namghar Drain	10	17-11-2010	01-01-2014	100
17	Munindra Nath Chakraborty Drain-2	11	27-11-2010	Work in progress	98
18	Munindra Nath Chakraborty Drain-2S-1	11	27-11-2010	Work in progress	98
19	Munindra Nath Chakraborty Drain-1S-1	11	27-11-2010	Work in progress	98

**Appendix XXVI****(Para ref: 4.20)****Statement showing details of works executed departmentally by the Sapatgram Town Committee****(In ₹)**

Sl. No.	Name of Scheme	No.	Name of Works	Estimated Amount (in `)	Sanctioned Amount (in `)	Amount Utilised (in `)
1	2	3	4	5	6	7
1	Assam Vikash Yojana 2009-10	a	Construction of Pay & Use toilet at Laxmi bhandar area Sapatgram under Assam Vikash Yojana 2009-10	421100	421000	421000
		b	Construction of Pay & toilet at Fish & Meat market Sapatgram	421100	421000	421000
2	State Annual	a	Protection work of river bank of Sapatgram Swamshan in W/No. IV	900696	927731	927921
		b	Earth filling at Sapatgram Swamshan Ghat in W/No. IV	27035		
3	Entry Tax Proceeds	a	Improvement of Khageswar Roy road (PWD road near Sevak samity to GNB road, Sapatgram W/No.III)	1228071	3291360	1227992
		b	Improvement of Bishnju rava road in W/No. I (Phase-III)	545643		545424
		c	Construction of RCC drain by the side of Bus stand at W/No. II, Sapatgram	800608		800146
		d	Improvement of STC road from Shankardev road near Vivekananda LP School towards a. Mazumder's holding in W/No. IV, Sapatgram	717038		716012
4	12 Finance commission 2006-07		Construction of boundary wall of dumping ground of Sapatgram Town committee under solid Waste Management	220000	220000	220000
5	12 finance commission 2008-09		Construction of RCC drain by the side of STC road from N. Choudhury's holding to STC fishery in W/No. II, Sapatgram	250174	250174	250174
6	Non Salary (12FC)	a	Improvement of Bishnu Rava road (Balck top surfacing) from ch. 0.00 m to ch. 3.00 m in Sapatgram, W/No. I. Phase-I.	488700	2259537	483828
		b	Improvement of Bishnu Rava road (Black top surfacing) from ch. 300.00m to ch. 562.00 in Sapatgram, W/No. I. Phase-II	361600		357909
		c	Black top surfacing of NB road (from kali Bari towards Maa Sarada club) from Ch. 0.00m to 345.00m) Sapatgram, Phase-I	500000		501089
		d	Black top surfacing of GNB road (from Kali bari towards Maa Sarada Club) from ch. 345.00m to 666.00m) Sapatgram, Phase-II	480200		475335
		e	Improvement of STC road (from GNB road to the holding of sri Pradip Saha) in W/No.I	206000		204417
		f	Improvement of STC (from GNB road to the holding of Sri Pradip Saha) in W/No. I	58000		57076
		g	Repairing and renovation of STC drain by the side of Laxminath Bezbaruah roads in W/No. IV under Award of 12 <sup>th</sup> finance commission.	165037		164756
7	12 FC Non Salary (12 FC)	a	Improvement of Sankardev roiad form PWD road to Swamshan Ghat in W/No. IV	1531719	2300404	1500058
		b	Improvement of STC road from Kanchan Mandal's holding to Manash Bose's holding in W/No. III	185312		183315
		c	Improvement of STC road form Gopal Dutta's holding to kali Saha's holding in W/No.III	216373		214431
		d	Installation and providing fitting of street light on electric posts in town area of Sapatgram Town Committee	367000		367000
8	3 <sup>rd</sup> Assam State Finance commission	a	Improvement of Swamshan Ghat under Award of 3 <sup>rd</sup> Assam State Finance commission	800012	3128735	799799
		b	RCC drain by the side of STC road from Bishwananth Das's holding to culvert connecting Khageswar roy road in W/No. III under 3 <sup>rd</sup> Assam State Fc 2010-11	1251556		1251293
		c	Construction of RCC drain by the side of STC road form Sitala mandir to NSB road in W/No. Iv under 3 <sup>rd</sup> ASFC 2010-11	85903		85052
		d	Construction of RCC drain by the side of STC road from Station road to GNB road in W/No. II under 3 <sup>rd</sup> ASFC 2010-11	151654		151274
		e	Improvement of Jagjiban Ram road in W/No. IV under award of 13 <sup>th</sup> Fc & 3 <sup>rd</sup> ASFC 2010-11	839610		839136
9	13 <sup>th</sup> FC	a	Protection work on the river bank on NSB road near Dulal Chakraborty's holding under Award of 13 <sup>th</sup> FC	33912	810524	30987
		b	Construction of RCC drain by the side of Kazi Nazrul Islam from M. Sen's holding J. Mukherjee's holding in w/No. I, Sapatgram Phase-I from ch. 0.00m to 100.00m	321994		318871

		c	Construction of RCC drain by the side of Kazi Nazrul Islam from M. Sen's holding J. Mukherjee's holding in W/No. I, Sapatgram Phase-II from ch. 100.00m to 223.00m	396053		391769
		d	Construction of culvert on STC road near holding of Sri Shyamal saha in W/No. IV, Sapatgram	8571		8535
		e	Extension of electrification work at Swamshan Ghat area of Sapatgram W/No. IV	49994		49994
10	SJSRY	a	Construction of fish & meat market building at Sapatgram town C/S 1st Installment 2008-09	2446250	2446250	2446250
		b	Construction of fish & meat market building at Sapatgram Phase-II C/S 2 <sup>nd</sup> Installment	709246	709246	709246
		c	Construction of RCC drain by the side of Station road to GNB road in No. II under SJSRY 2010-11	51979		51979
		d	Construction of hume pipe culvert on STC road on Maniram Dewan road in W/No. I under SJSRY 2010-11	147179		147179
		e	Construction of Cc paving on STC road from Sashanka sarkar's holding to the back side of kalian Dutta's holding in W/No. III SJSRY 2010-11	154483		154483
		f	Improvement of STC road from Swahid Smrity club to PWD road in W/No. III	256627		256627
		g	Improvement of STC road from Milk-market to gNB road near Dhan Hati in W/No. III	325020		325020
		h	Improvement of Beeler paar road in w/No. II	545643		545643
		i	Construction of CCF paving on STC road from Subhas Karmakar's holding to the back side of Madhab Karmakar's holding in W/No. III SJSRY 2010-11	157806		157806
		j	Improvement of Gopinath Bordoloi Road in Phase-III	314904		314904
		k	Improvement of Station road of Sapatgram under SJSRY and 4 <sup>th</sup> ASFC	611313		607827
		l	Improvement of Market area of Sapatgram market (back side of Bazar Kalibari in W/No. III, Sapatgram) with inter locking concrete block	767864	5419142	766434
		m	Construction of rooms at daily open cloth market Sapatgram bazaar, Phase-I under SJSRY 2011-12	440146		440146
		n	Construction of rooms at daily open cloth market Sapatgram-bazar, Phase under SJSRY 2011-12	499737		499737
		o	Construction of CC paving on STC road from Jaharlal Das's holding to Shima Acharjee's holding in W/No. III SJSRY 2010-11	205526		205526
		p	Improvement of Beeler Paar road in W/No. II	350569		350569
		q	Extension of RCC drain from the existing drain from the newly constructed drain by the side of STC road from Baburuddin Sarkar's holding in W/No IV, Sapatgram	135304		135304
r	Improvement of Sankardev road from Ch. 500.00m to 531.00m upto PWD Road in W/No. IV	54076		54076		
s	Construction of RCC drain and CC paving on STC road by the side of Maszid to Bhabani Das's holding in W/No. III	400966		400966		
11	DDP	a	Construction of RCC drain by the side of Laxminath Bezbaruah road in W/No IV under DDP	195000		194609
		b	Improvement (extension) of Beeler Paar road at W/No. II under DDP	145000		144958
		c	Construction of shed at Kabarsthan W/No. I, Sapatgram	145000		143250
		d	Improvement of narrow lanes at Sapatgram market	390962		390866
		e	Construction of boxes at fish market, Sapatgram Bazar	142144		142111
		f	Construction of RCC drain from the existing end of RCC drain upto the beel on Beeler Paar road in W/No. II Sapatgram	115193		115022
				23738602	23738402	23666131



**Appendix XXVII****(Para ref: 4.22)**

Statement showing the non realisation of Registration fee and Stamp Duty for the period from 2010-11 to 2012-13

(In ₹)

Sl. No	Name of the MB/TC	Year	No. of the market/ Mahal /lease of land etc	Settled value (₹)	Registration fee due <sup>3</sup> (₹)	Stamp duties due (6% × Col 5) (₹)	Total (6+7) (₹)
1	2	3	4	5	6	7	8
1	Tejpur MB	2010-11	18	50,87,975	4,47,909	3,05,279	7,53,188
		2011-12	18	28,43,307	2,12,417	1,70,598	3,83,015
		2012-13	18	60,23,157	4,83,673	3,61,389	8,45,062
		<b>Total</b>		<b>1,39,54,439</b>	<b>11,43,999</b>	<b>8,37,266</b>	<b>19,81,265</b>
2	Mangaldoi MB	2010-11	8	25,97,017	1,80,761	1,55,821	3,36,582
		2011-12	8	22,77,218	1,68,806	1,36,633	3,05,439
		2012-13	7	23,80,510	1,77,314	1,42,831	3,20,145
		<b>Total</b>		<b>72,54,745</b>	<b>5,26,881</b>	<b>4,35,285</b>	<b>9,62,166</b>
3	Dekiajuli MB	2010-11	4	24,34,112	1,98,708	1,46,046	3,44,754
		2011-12	4	25,05,294	2,04,594	1,50,318	3,54,912
		2012-13	4	25,78,626	2,10,659	1,54,718	3,65,377
		<b>Total</b>		<b>75,18,032</b>	<b>6,13,961</b>	<b>4,51,082</b>	<b>10,65,043</b>
4	Biswanath Charali MB	2010-11	7	28,75,110	2,27,616	1,72,507	4,00,123
		2011-12	6	29,39,021	2,32,922	1,76,341	4,09,263
		2012-13	7	30,23,598	2,38,810	1,81,416	4,20,226
		<b>Total</b>		<b>88,37,729</b>	<b>6,99,348</b>	<b>5,30,264</b>	<b>12,29,612</b>
5	Braperta MB	2010-11	10	38,68,010	3,00,256	2,32,080	5,32,336
		2011-12	9	35,41,493	2,71,553	2,12,490	4,84,043
		2012-13	10	42,38,679	3,33,044	2,54,321	5,87,365
		<b>Total</b>		<b>1,16,48,182</b>	<b>9,04,853</b>	<b>6,98,891</b>	<b>16,03,744</b>
6	Sarbhog TC	2010-11	5	15,03,550	1,16,106	90,213	2,06,319
		2011-12	5	7,63,303	56,959	45,798	1,02,757
		2012-13	5	13,21,501	1,03,511	79,290	1,82,801
		<b>Total</b>		<b>35,88,354</b>	<b>2,76,576</b>	<b>2,15,301</b>	<b>4,91,877</b>
7	Sapatgram TC	2010-11	8	6,69,139	35,810	40,148	75,958
		2011-12	8	5,53,215	26,070	33,193	59,263
		2012-13	8	6,36,741	33,314	38,204	71,518
		<b>Total</b>		<b>18,59,095</b>	<b>95,194</b>	<b>1,11,545</b>	<b>2,06,739</b>
8	Pathsala TC	2010-11	3	18,57,000	1,50,705	1,11,420	2,62,125
		2011-12	3	20,27,000	1,69,095	1,21,620	2,90,715
		2012-13	3	26,02,000	2,18,200	1,56,120	3,74,320
		<b>Total</b>		<b>64,86,000</b>	<b>5,38,000</b>	<b>3,89,160</b>	<b>9,27,160</b>
<b>Grand Total</b>				<b>6,11,46,576</b>	<b>47,98,812</b>	<b>36,68,794</b>	<b>84,67,606</b>

3

Sl. no	Deed amount	Registration fee per 1000
1	₹ one to ₹500	₹10
2	₹ 501 to ₹1000	₹15
3	₹ 1001 to ₹10000	₹20
4	₹ 10001 to ₹20000	₹25
5	₹ 20001 to ₹30000	₹30
6	₹ 30001 to ₹50000	₹35
7	₹ 50001 to ₹75000	₹40
8	₹ 75001 to ₹90000	₹45
9	₹ 90001 to ₹150000	₹55
10	₹ 150001 to ₹300000	₹65
11	₹ 300001 to ₹500000	₹75
12	₹ 500001 and above	₹85

