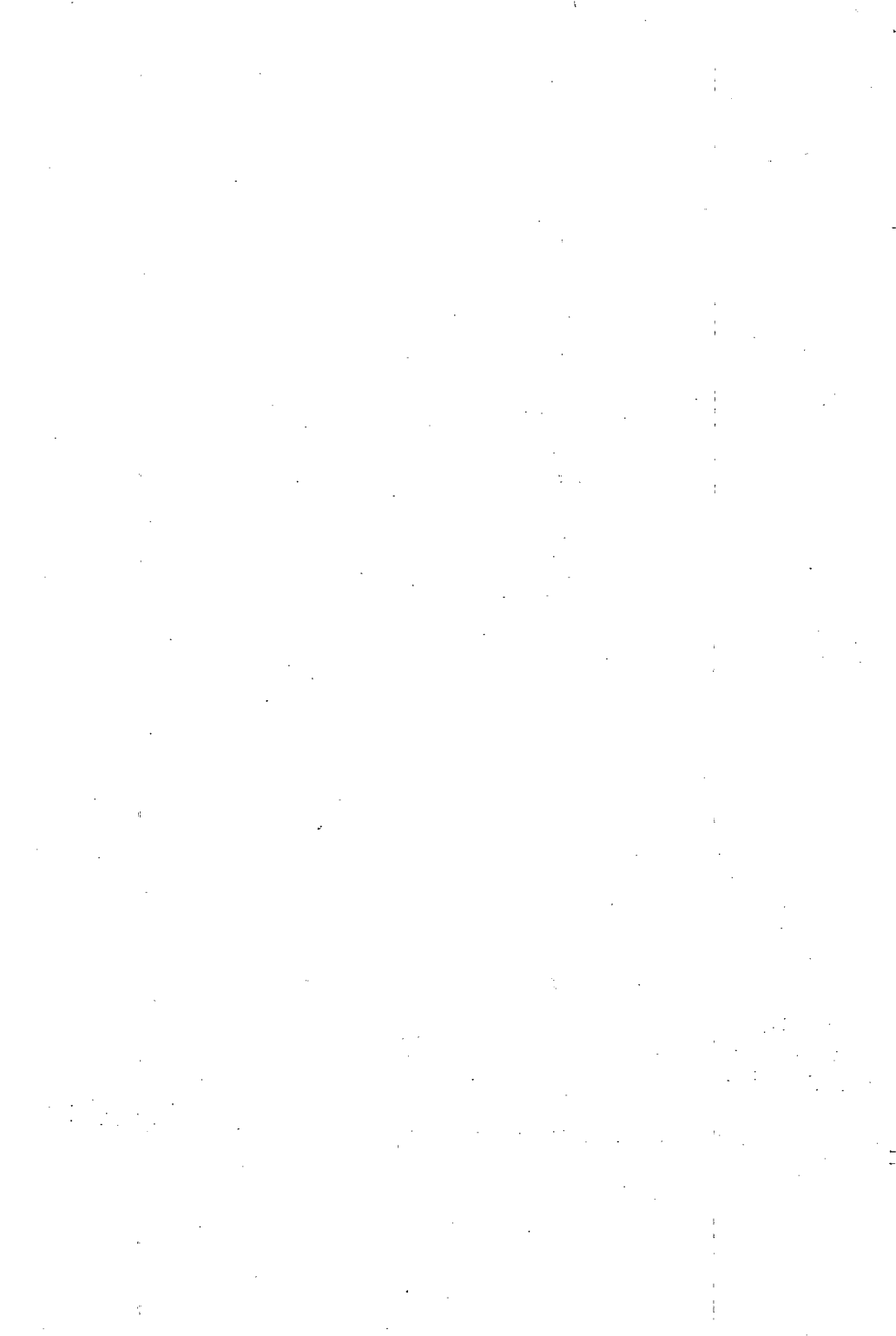




**REPORT OF THE  
COMPTROLLER AND AUDITOR  
GENERAL OF INDIA**

**FOR THE YEAR 1997-98**

**NORTH CACHAR HILLS  
AUTONOMOUS COUNCIL  
HAFLONG, ASSAM**



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## **PREFATORY REMARKS**

This Report has been prepared for submission to the Governor under Paragraph 7(4) of the Sixth Schedule to the Constitution of India. It relates mainly to points arising from the audit of financial transactions of the North Cachar Hills Autonomous Council, Haflong, Assam.

The cases mentioned in the Report are those which came to notice in the course of test-check of the accounts for the year 1997-98.

The Report contains three sections of which one section deals with the constitution of the North Cachar Hills Autonomous Council, the rules for the management of the District Fund and maintenance of accounts by the District Council. The remaining two sections include comments on the Council's financial position and various irregularities relating to the year 1997-98.



## OVERVIEW

The more important Audit findings are summarised in the succeeding paragraphs:-

Net Revenue deficit during 1997-98 was Rs.379.23 lakh. The excess expenditure was met by irregular diversion of fund advanced by the State Government for entrusted functions.

(Paragraph 2.1.2 (i))

Diversion of Plan fund for Rs.28.36 lakh to other heads of accounts without approval of the State Government.

(Paragraph 2.2.1)

Loss of revenue (Rs.16.67 lakh) due to non-revision of minimum guaranteed royalty with reference to increase in the rate of royalty charges.

(Paragraph 3.1(a))

Loss of revenue (Rs.26.34 lakh) due to non-realisation of royalty for allotted bamboo.

(Paragraph 3.1(b))

Loss of revenue of Rs.5.98 lakh due to delay in operation of mahals and irregular grant of concession.

(Paragraph 3.1(c))

Loss of revenue of Rs.13.53 lakh due to granting remission on entry tax.

(Paragraph 3.1(d))

Wasteful expenditure amounting to Rs.30.05 lakh on construction of Haflong Bhawan.

(Paragraph 3.2)





## SECTION-I

### 1.1 Introduction

The North Cachar Hills District Council in Assam was set up in April 1952 under the provision of Article 244(2) read with the Sixth Schedule to the Constitution of India. This Council was renamed as the North Cachar Hills Autonomous Council from 13 September 1995.

The Sixth Schedule to the Constitution of India provides for the Constitution of a District Council for each autonomous district with powers to make laws on matters listed in paragraph 3(1) of the Sixth Schedule, mainly in respect of allotment, occupation, use etc. of land, management of forest (other than reserve forests), use of any canal or water-course for agriculture, regulation of the practice of 'Jhum' or other forms of shifting cultivation, establishment of village or town committees or councils and their powers, village or town administration including Police, Public Health and Sanitation and inheritance of property. Under paragraph 6(1) of the Sixth Schedule, the Councils have the powers to establish, construct or manage primary schools, dispensaries, markets, cattle pounds, ferries, fisheries, roads, road transport and waterways in the respective autonomous districts. The Councils also have the powers to assess, levy and collect within the autonomous districts, revenue in respect of land and buildings, taxes on professions, trades, callings and employments, animals, vehicles and boats, tolls on passengers and goods carried in ferries, and the maintenance of schools, dispensaries or roads as listed in paragraph 8 of the Sixth Schedule.

In addition, under paragraph 6(2) of the Sixth Schedule, *ibid*, the State Government has entrusted to the District Council additional functions in relation to agriculture, animal husbandry, cottage industries, forest (including reserve forests) etc., since September 1970 (as revised in November 1979 and November 1992). According to the terms of entrustment, the District

Council is to receive advances from the State Government for the management of the entrusted functions, and is to render monthly accounts in the prescribed form to the Accountant General with supporting vouchers. Budget provision for these functions (except for management of reserve forests) is made in the State budget, and the Council remains responsible to the State Legislature in respect of all matters relating to such funds provided for discharge of functions transferred to it. The State Government is to pay administrative charges to the Council for implementing these functions. In respect of reserve forest no provision (expenditure or revenue) is made in the State Budget as the Council collects revenue and incur normal expenditure relating to the management of forests.

## **1.2 Rules for the management of District Fund**

The Sixth Schedule to the Constitution of India provides for the constitution of a District Fund for each autonomous district to which is to be credited all moneys received by the Council in the course of administration of the district in accordance with the provisions of the Constitution. In exercise of the powers conferred under sub-para (2) of the para 7 of the Schedule (as it stood originally), the affairs of the District Councils are being regulated under the respective District Council Fund Rules. In respect of this District Council, these are regulated under the North Cachar Hills District Fund Rules, 1953, as approved by the Governor. In view of the amendment of paragraph 7(2) of the Schedule (made with effect from 2 April 1970) which provides that rules are to be framed by the Governor for the management of the District Fund and for the procedure to be followed in respect of payment of money into the said Fund, the withdrawal of moneys therefrom, the custody of moneys therein and any other matter connected with or ancillary to these matters, the State Government of Assam prepared in 1972 draft District Fund Rules, common to both the District Councils in Assam State. These draft rules were subsequently revised as the District Fund Rules, 1978 and the Autonomous District Fund Rules, 1989, 1992 and 1995. The revised Rules, 1995 are yet to be finalised by the State Government (March 2000).

### 1.3 Maintenance of accounts

The annual accounts for the year 1997-98 prepared in the prescribed form were submitted by the Council in November 1998. Due date for submission of annual accounts was, however, not prescribed under the North Cachar Hills District Fund Rules.

Results of test check of the annual accounts of the Council for the year 1997-98 are given in succeeding paragraphs.

## SECTION-II

### 2.1 Receipts and expenditure

2.1.1 According to the annual accounts furnished by the Council, the receipts and expenditure of the Council for the year 1997-98 and the resultant revenue deficit were as under:-

*(Rupees in lakh)*

Receipt	Disbursements
PART - I	DISTRICT FUND
1. Revenue receipts	1. Revenue expenditure
(i) Taxes on income and expenditure 71.52	(i) District Council and Secretariat 14.66
(ii) Land revenue 6.05	(ii) Executive Members 13.19
(iii) Stamps and Registration fees 1.21	(iii) Administration of Justice 5.90
(iv) Taxes on vehicle 18.88	(iv) Land Revenue 55.08
(v) Interest Receipts 0.53	(v) Secretariat General Services 172.03
(vi) Stationery and printing 0.04	(vi) Stationery and printing 9.07
(vii) Public works 2.47	(vii) Public Works 145.96
(viii) Other Administrative Service 0.17	(viii) Pension and other retirement benefits 18.62
(ix) Other General Economic Services 201.82	(ix) Education 1047.07
(x) Fisheries 0.36	(x) Art and Culture 15.64
(xi) Forest 171.15	(xi) Public health, Sanitation and water supply 1.00
(xii) Mines and Minerals 60.35	(xii) Urban Development 20.68
(xiii) Road Transport Services 0.29	(xiii) Social Security and Welfare 4.34
(xiv) Grants in aid from State Government 962.11	(xiv) Relief on account of Natural calamities 2.00
	(xv) Information and Publicity 0.84
	(xvi) Other General Economic Services 41.78
	(xvii) Forest 284.67
	(xviii) Road Transport Services 23.65
<b>Total Revenue Receipt</b> 1496.95	<b>Total Revenue Expenditure</b> 1876.18
<b>Revenue deficit</b> 379.23	

2. Capital	—	2. Capital	32.73
3. Debt		3. Debt	
(i) Loans received from the State Government	—	(i) Repayment of loan received from the State Government	—
(ii) Loans received from other sources	—	(ii) Repayment of loan received from other sources	—
<b>Total of (3)</b>	—	<b>Total of (3)</b>	—
4. Loans and Advances		4. Loans and Advances	
Recoveries of loans and advances	2.60	Disbursement of loans and advances	1.15
<b>Total of Part I District Fund</b>	<b>1499.55</b>	<b>Total of Part I District Fund</b>	<b>1910.06</b>
<b>PART - II - DEPOSIT FUND</b>			
(i) Deposit Receipt	—	(i) Expenditure on deposit account	—
(ii) Fund received from State Govt. for transferred functions	6284.83	(ii) Expenditure on transferred functions	5829.18
<b>Total - Part II Deposit Fund</b>	<b>6284.83</b>	<b>Total Part II Deposit Fund</b>	<b>5829.18</b>
<b>Total Receipts (I + II)</b>	<b>7784.38</b>	<b>Total Disbursement (I + II)</b>	<b>773924</b>
Opening balance	109.09	Closing balance	96.47
<b>Grand Total</b>	<b>7893.47 (a)</b>	<b>Grand Total</b>	<b>7835.71(a)</b>

(a) Discrepancy of Rs.57.76 lakh between the Grand total of receipts and disbursement was due to adjustment in current year 1997-98 (05-07-1997) for cancellation of fund placed by the Government of Assam in previous year

1996-97 included in opening balance Rs.109.09 lakh under Part-II Deposit.

The matter was reported to the Council on 18 April and 23 May 2000; who however, in return, did not furnish any reply/comments on above (7 June 2000).

**2.1.2.(i)** As per annual accounts Revenue deficit during the year 1997-98 was Rs.379.23 lakh. The excess expenditure was met by diversion of fund irregularly, advanced by State Government for entrusted function.

The Council stated (June 1999) that unspent balance was utilised for non-release of 7.5 per cent administrative charges by the State Government. The reply of the Council is not acceptable since incurring expenditure without approval of the State Government from unspent balance and diversion thereof were highly irregular.

Further, according to the terms of entrustment, any 'Plan Fund' left unutilised at the close of the financial year is required to be refunded to Treasury by 15 of March every year under intimation to State Finance Department and should not be carried over to next financial year. This requirement was not complied with. As such the action of the Council was irregular. Moreover, the Council could not produce any record showing bifurcation of balances under Plan and Non-Plan funds, therefore, the total balances under Plan funds retained at the close of the each year could not be ascertained in audit

**2.1.3** There was abnormal increase in revenue expenditure and decrease in revenue receipt under major head of accounts between the current and previous year. A few instances of such cases are given below:-

*(Rupees in lakh)*

Sl. No.	Head of accounts	1996-97	1997-98	Increase(+) Decrease(-) & percentage of increase/ decrease	Reason for deviation
<b>Receipts</b>					
1.	Other administrative service	0.04	Nil	(-) 0.04 (100)	Not furnished.
2.	Forest	233.99	171.15	(-) 62.84 (27)	Due to ban on timber operation by the the Hon'ble Supreme Court.
<b>Expenditure</b>					
1.	Executive Members	7.06	13.19	(+) 6.13 (87)	Due to increased activities of Executive Members
2.	Art and Culture	11.73	15.64	(+)3.91 (33)	Due to publishing of books and preparation of video film.
3.	Urban development	4.24	20.68	(+)16.44 (388)	Due to providing grant to local bodies.
4.	Road Transport Services	11.17	23.65	(+)12.48 (112)	Due to increase in maintenance cost.

The matter was reported to the Council on 18 April and 23 May 2000; who however, had not produced documents in support of their reply.

**2.1.4** The Transport department collected Rs.5.96 lakh (Rs.3.11 lakh being the sale proceeds of old vehicle and Bus fare Rs.2.85 lakh) as revenue. The department deposited Rs.3.19 lakh with the Council fund retaining Rs.2.77 lakh unauthorisedly with the department. Subsequently Rs.1.66 lakh out of Rs.2.77 lakh was spent towards cost of fuel and retaining Rs.1.11 lakh in the department. As per annual accounts 1997-98 (Statement 5) revenue receipt was shown as Rs.0.29 lakh, resulting in understatement of revenue receipt to the tune of Rs.5.67 lakh (Rs.5.96 lakh - Rs.0.29 lakh). Thus it could be seen that the department not only short remitted the receipt but also utilized it directly for expenditure which is irregular.

The matter was reported to the Council on 18 April and 23 May 2000; who did not furnish any reply/comments on above (7 June 2000).

**2.1.5** During 1997-98, the Council spent Rs.284.67 lakh on Forest (Pt.I District Fund) which included cheques amounting to Rs.10.00 lakh but cancelled subsequently and not reissued till 31 March 1998 resulting in overstatement of revenue expenditure to that extent.

The Council in reply (June 2000), stated that the cancelled cheque amounting Rs.10.00 lakh would be accounted for in the next year account i.e. 1998-99.

Similarly, the Council issued cheques amounting Rs.127.00 lakh under transferred functions to DDOs (Rs.125.00 lakh under head of account 5054 Capital Outlay on Public Works and Rs.2.00 lakh under head of account 2405 Fishery) but cancelled subsequently which were not reissued till 31 March 1998 leading to an overstatement of expenditure to that extent.

The matter was reported to the Council on 18 April and



23 May 2000, who however, in return did not furnish any comments (August 2000).

**2.1.6** As per Statement No.2 of annual accounts for the year 1997-98, Rs.14.84 lakh was shown towards acquisition of fleet under Capital Head "42 Capital outlay on Road Transport Service (RTS)". But actual expenditure was Rs.9.55 lakh for acquisition of 2 buses resulting in overstatement of Capital expenditure to the tune of Rs.5.29 lakh (Rs.14.84 lakh - Rs.9.55 lakh).

In reply (June 1999) the Council stated that exact amount incurred for purchase of vehicles was not on record of Finance Department. The reply is not tenable because as per records of transport department Rs.9.55 lakh was actually spent for acquisition of vehicles.

The matter was further reported to the Council on 18 April and 23 May 2000; who however, in return, did not furnish any reply/comments on above (7 June 2000).

## **2.2 Entrusted functions**

**2.2.1** As per Memorandum of Understanding (MOU), dated 31 December 1996, reached between Government of Assam and Autonomous Council, the Council is not empowered to re-appropriate fund from one major head to other major head in case of entrusted functions and required to restrict to the budget provision/fund released by the State Government.

"During test check of records (May-June 1999), it was revealed that the State Government had released Rs.4515.03 lakh against 63 major heads. Of which Rs.371.75 lakh (Plan fund) related to 8 major heads but the Council released Rs.400.11 lakh as detailed below, for plan expenditure by diverting Rs.28.36 lakh from other major heads of accounts without prior approval of the State Government which resulted in non-implementation of other Plan programmes".

*(Rupees in lakh)*

Sl. No.	Head of account	Fund released by Government	Fund released by Council	Excess fund released
1.	2415-Agri. Research	1.44	3.87	2.43
2.	2210-Medical & P.H.	118.10	126.01	7.91
3.	4210-C.O.on PWD Building	31.50	41.48	9.98
4.	4250- C.O. on O.S.S	2.25	2.29	0.04
5.	4202- C.O. on Education	6.00	6.37	0.37
6.	2204-Sports & Youth Affairs	2.70	3.72	1.02
7.	2406-Forest	152.76	155.66	2.90
8.	2851-V&SI	57.00	60.71	3.71
<b>Total</b>		<b>371.75</b>	<b>400.11</b>	<b>28.36</b>

The matter was reported to the Council on 18 April and 23 May 2000; who however, in return, did not furnish any reply/comments on above (7 June 2000).

### 2.3 Personal Ledger Account

Test check (May/June 1999) of records relating to Personal Ledger Account (PLA) of the Council revealed that the closing balance of PLA as on 31 March 1998 shown in the PLA Cash book and annual accounts for 1997-98 (Rs.96.47 lakh) was less than the figure shown in the treasury records (Rs.1878.74 lakh) by Rs.1782.27 lakh. The Council reconciled the balance of PLA only up to 30 June 1997 and discrepancy arising thereafter had not yet been reconciled by the Council (June 1999).

The matter was reported to the Council on 18 April and 23 May 2000; who however, in return, did not furnish any reply/comments on above (7 June 2000).

## SECTION-III

### 3.1 Loss of revenue to the Council

#### 3.1(a) Loss of revenue due to non-revision of minimum guaranteed royalty

The right of harvesting bamboo from N.C. Hills by M/s Hindusthan Paper Corporation was settled for 30 years by executing of an agreement in December 1980 between the Government of Assam, Council and Corporation. Clause 5 of the said agreement provides tentative rate of royalty of bamboo for the first 10 years at Rs.30.00, next 10 years at Rs.40.00 and last 10 years at Rs.45.00 per Metric Ton and in the event of non-extraction of bamboo in a year an amount of Rs.10.00 lakh as minimum guaranteed royalty (MGR) to be paid by the Corporation.

The assured sum was agreed upon in December 1980 considering probable loss assessed on maximum rate of royalty up to Rs.45.00 per MT since bamboo is a fast rotation crop and required regular removal and clearance failing which the forest area is seriously impaired and the production suffers which, inturn causes loss to the Council's exchequer in the form of revenue.

The agreement also provides a saving clause (No.29) for execution of subsidiary and/or supplemental agreement between the parties on mutually agreed terms and conditions to execute the Management and such other matters as may be considered necessary. The Council accordingly revised/modified some terms and conditions in November 1985 and revised rate of royalty from time to time raising up to Rs.120 per MT for the year 1997-98 but did not feel necessary to revise the minimum guaranteed royalty conforming to the increased rate of royalty. During 1997-98 the Corporation failed to extract bamboo and consequently the Corporation was liable to pay Rs.10.00 lakh as minimum guaranteed royalty which had not been paid till June 1999.

However, due to non-revision of minimum guaranteed royalty with reference to raise in rate of royalty, the Council sustained a net loss of Rs.16.67 lakh in 1997-98 as shown below :-

As per original agreement for royalty up to Rs.45.00 per MT MGR was	Rs.10.00 lakh
In 1997-98 for royalty at Rs.120.00 per MT MGR on prorata basis	Rs.26.67 lakh
Less realisable	<u>Rs.10.00 lakh</u>
<b>Net loss:</b>	<b>Rs.16.67 lakh</b>

### **3.1(b) Loss of revenue due to non-realisation of royalty for allotted bamboo**

As per terms and conditions of agreement executed by the Council and Hills Trade Agencies in March 1993 for 20 years with a Guwahati based firm, the Council shall allot 50 thousand MT of green bamboo equivalent to 33,333.33 MT of Air Dried bamboo in a year to the firm. Considering the loss aspect of forest product and revenue thereof, for non-extraction of bamboo, the Council, in January 1997 intimated the firm to pay the royalty of full allotted quantity whether the firm completed the bamboo cutting or not.

Test check (May/June 1999) however, revealed that during 1997-98 as against allotted quantity of 33,333.33 MT Air Dried bamboo, the firm extracted 12,591.75 MT and paid royalty for the same. The department neither raised any demand nor the firm paid the royalty in respect of balance quantity of bamboo not extracted.

Thus, due to non-realisation of royalty on bamboo of quantity 20,741.58 MT (@ Rs.127.00 per MT) not extracted the Council sustained loss of Rs.26.34 lakh.

### **3.1(c) Loss of revenue due to delay in operation of Stone Mahals and irregular grant of concession**

For the right of collection and removal of a total quantity of 5600 cubic metre stone annually, settlement order of 5 stone mahals were issued to 5 Mahaldars by the Council during September to December 1997 without inviting tenders for operation of the mahals from the date of execution of agreements. There was no indication in the settlement order about time limit for execution of agreement and operation of mahals to safeguard loss of revenue of the Council in the event of delay in operation of these mahals.

Scrutiny of records disclosed that the mahaldars of 5 mahals started operation with delay ranging between 5 and 14 months from the date of settlement orders.

Besides, the Council at the request of mahaldars allowed 10 per cent concession over Schedule of Royalty rate on the ground of bad road condition and lack of proper communication due to remoteness of mahal area though there was no provision for such concession in the approved Schedule of Royalty rates. Thus due to delay in operation of the mahals and irregular grant of concession, the Council sustained loss of revenue of Rs.4.06 lakh and probable loss of Rs.1.92 lakh respectively as shown in **Appendix-I**.

### **3.1(d) Loss of revenue due to granting remission on entry tax**

The right of collection of Entry Tax for the year 1997-98 in respect of 3 markets and 6 check gates was settled with 9 lessees after execution of agreements during March 1997 to September 1997 of which, 8 lessees were granted remission ranging from 20 to 50 per cent on the settled amount though there was no provision for granting remission in the agreement executed by them with the Council. Due to allowing of remission the Council sustained loss of Rs.13.53 lakh as shown in **Appendix-II**.

### **3.1(e) Loss due to non realisation of royalty on stone from Mahaldar**

The stone mahal 'Along Diyung river from Rabi Nalla meeting point to Abong' was settled with a mahaldar under an agreement (4 December 1997) for 3 years from 4 December 1997 to 3 December 2000 for collection of 3000 cubic metre stone annually. As per Clause 3 of the agreement, on payment of royalty, monopoly fee etc. @ Rs.93.10 per cubic metre the mahaldar was allowed to remove stipulated quantity of stone from the mahal annually. As per Clause 17(b) of the said agreement, if the mahaldar failed to extract the minimum quantity stipulated in the agreement he was liable to pay royalty etc. on the quantity short collected also and in the event of failure to pay the amount it would be recovered as an arrears of land revenue from the mahaldar.

Test check revealed that as against royalty of Rs.4.19 lakh due upto May 1999 for stipulated quantity of 4500 cubic metre, the mahaldar paid Rs.0.35 lakh for 375 cubic metre leaving an un-realised balance of Rs.3.84 lakh being royalty of unextracted 4125 cubic metre as of June 1999.

The Division, however, raised demand for royalty on 27 November 1998 and stopped issue of permit from 14 January 1999. But no action such as forfeiture of security deposit, Bakijai case, sale of mahal at the risk of the mahaldar etc. for collection of the revenue from the defaulting mahaldar was taken and the reason for such inaction was also not stated (June 1999).

### **3.2 Wasteful expenditure for construction of Haflong Bhawan on an illegally purchased land at Delhi and consequently demolished by Government of National Capital Territory of Delhi**

In 1989 for construction of Haflong Bhawan in Delhi, the Council purchased two plots of land measuring 2973.54 sq. yds. at village Chitterpur,

Andheri More, New Delhi at a total cost of Rs.24.48 lakh (Cost of land Rs.24.00 lakh and commission Rs.0.48 lakh). The first plot of land measuring 1973.54 sq. yds. (Khasra No.25) at Rs.20.00 lakh and second plot of 1000.00 sq. yds. (Khasra No.29) at Rs.4.00 lakh were purchased from two individuals through commission agents.

While purchasing the land the Council had neither ascertained the genuineness/valid title of land that was going to be purchased nor the legal right of the owner to sell the said land was ascertained. The Council constructed buildings, compound walls on the said Government land by incurring expenditure Rs.5.57 lakh up to October 1997.

The Government of National Capital Territory (NCT) of Delhi, after ascertaining the actual ownership of the land demolished the entire structure and took possession of the said land. The BDO, on 31 July 1997, Mehrauli Block, New Delhi had stated that the Council purchased Government land from some land grabbers by illegal means and encroached unauthorisedly and hence left with no alternative but to take possession of the land by carrying out a demolition on the site.

Thus the entire expenditure Rs.30.05 lakh towards purchase of land (Rs.24.48 lakh) and construction of building/boundary walls thereon (Rs.5.57 lakh) proved wasteful.

The Council had not taken any action against the sellers and the commission agents who deceived the Council by selling Government land. The Principal Secretary (N) of the Council had stated (June 1999) that after demolishing the permanent structure of Haflong Bhawan at Delhi, the NCT possessed the legal right of the land. The Council requested the NCT/Governor of Delhi for re-allotment of the said plot to the Council for construction of Haflong Bhawan at Delhi. With a view to get back the said plot from the NCT amicably, the Council had not adopted any of action against the NCT. But the reasons for not taking appropriate action against the

persons including the genuine agents who deceived the Council by taking a substantial amount of Rs.24.48 lakh fraudulently had not been stated (June 1999).

The matter was reported to the Council on 18 April and 23 May 2000; who however, in return, did not furnish any reply/comments on above (7 June 2000).

### **3.3 Excess expenditure for excess appointment of teaching staff over prescribed norms**

As per existing norms prescribed for granting permission/recognition to primary schools by the Council, the maximum enrolment in a section of a class should be 40 and minimum 20, which has been relaxed to 15 in areas inhabited by SC/ST population and hill area.

i) Test check of records revealed that in 43 schools as against requirement of 230 teachers as per student teacher ratio 15:1 the Council appointed 506 teachers which resulted in excess entertainment of 276 teachers during 1997-98. This led to an excess expenditure of Rs.138.91 lakh towards Pay and allowances of excess teachers in that year. The reply of the Council had not been received.

ii) In January 1995, the Government of Assam, Education Department created 177 post of teachers in the scale of pay of Rs.1185.00 - Rs.2395.00 per month, against a centrally sponsored scheme 'Operation Black Board' for creation of "double teacher primary school" in place of "single teacher primary school".

The Council, however, defying the Government orders appointed all (177) teachers in August 1997 in a fixed pay of Rs.900 per month, of which, 28 teachers were appointed in 28 primary schools already having more than 2 teachers (**Appendix-III**). For such appointment, the Council



incurred further excess expenditure of Rs.3.02 lakh towards fixed pay of 28 teachers during 1997-98.

The matter was reported to the Council on 18 April and 23 May 2000; reply/comments on above had not been received (7 June 2000).

### **3.4 Unfruitful expenditure for engagement of teachers in ministerial works**

Test check of records disclosed that 9 LP Schools teachers were attached to Primary Education Office, Haflong who were entrusted with ministerial works of the said office (5 from 1989, 2 from 1992 and 2 from 1995-96) instead of their inherent duty to impart lessons to the students. Consequently, the very purpose of appointment of these teachers was frustrated and the Council incurred a unfruitful expenditure of Rs.10.72 lakh towards their pay and allowances during last 3 years from 1995-96 to 1997-98.

The matter was reported to the Council on 18 April and 23 May 2000; who however, in return, had not furnished any reply/comments on above (7 June 2000).

### **3.5 Irregular utilisation and non-deposit of departmental receipt**

As per rule 18 of the North Cachar Hills District Fund Rules, 1992 all moneys received by the cashier on account of the Council shall be remitted to the Treasury promptly and shall on no account be appropriated towards expenditure. Test check of Road Transport Service department revealed that collection of bus fare Rs.1.66 lakh for the year 1997-98 was not deposited in the treasury. Instead, the amount was utilised towards departmental expenditure on cost of fuel in contravention of the said rule. Scrutiny further revealed that out of revenue collected (Rs.3.11 lakh) in

1997-98 being hire charges of buses and sale proceeds of scrap materials of public workshop, the department remitted Rs.2.00 lakh in the treasury leaving a balance of Rs.1.11 lakh retained in hand till June 1999 which was irregular.

The Council stated (June 1999) that in order to keep the vehicle plying and due to fund constraint of the Council, the receipts were directly utilized. The action of the Council was against the fund rules.


### 3.6 Outstanding Inspection Reports

Audit observations on financial irregularities and defects in the maintenance of accounts noticed during local audit and could not settled on the spot are communicated to the heads of the offices and to the next higher authorities through the Audit Inspection Reports.

At the end of September 1999, 21 Inspection Reports relating to the Council issued between 1972 and April 1998 containing 332 paragraphs remained unsettled. Even first replies to 228 paragraphs of 14 Inspection Reports, as shown below, had not been received (September 1999).

Sl. No.	Period of Inspection Reports	Number of Inspection Reports	Number of Paragraphs
1.	March 1971 to February 1972	1	1
2.	May 1973 to October 1974	1	4
3.	October 1976 to June 1977	1	17
4.	October 1978 to March 1986	7	126
5.	April 1988 to March 1991	3	60
6.	April 1996 to March 1997	1	20
<b>Total :</b>		<b>14</b>	<b>228</b>

3.7 Above points were referred to the Council on 18 April and 23 May 2000; but their reply had not been received (7 June 2000).



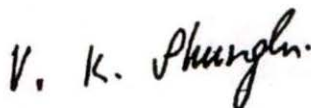
( D. J. BHADRA )

Accountant General (Audit)  
Assam

Place: Guwahati

Date: 07 FEB 2001

Countersigned



( V. K. SHUNGLU )

Comptroller and Auditor General of India

Place: New Delhi

Date: 19 FEB 2001

**APPENDICES**  
**APPENDIX-I**

Statement showing concession allowed on Royalty  
{Ref. : Para 3.1(c)}

*(Rupees in lakh)*

Sl. No	Name of mahals	Date of settlement order and annual quantity of stone (Cubic metre)	Date of operation & working period	Non-operational period and involved royalty @ Rs.94.50 per cubic metre per annum		10% concession on total royalty (probable loss)
				Period months	Royalty	
1.	Along Jinam river downstream from PWD road up to 1/2 Km.	13-12-97 (800)	<u>06-02-99</u> 06-02-99 to 05-02-2002	13	0.82	0.23
2.	Along Jinam river upstream from PWD road up to 1/2 Km.	13-12-97 (800)	<u>17-02-99</u> 17-02-99 to 16-02-2002	14	0.88	0.23
3.	Along Jinam river upstream from the end of Shri L. Hmar mahal	12-09-97 (800)	<u>27-02-98</u> 27-02-98 to 26-02-2000	5	0.31	0.15
4.	Jinam river downstream from the end of Lalropieng mahal	12-09-97 (700)	<u>27-02-98</u> 27-02-98 to 26-02-2000	5	0.28	0.13
5.	Along with Chiri river (Upper Chirri)	10-09-97 (2500)	<u>22-06-98</u> 22-06-98 to 21-06-2003	9	1.77	1.18
<b>Total :</b>					<b>4.06</b>	<b>1.92</b>

## APPENDIX-II

Statement showing remission allowed on entry tax on check gate  
{Ref. : Para 3.1(d)}

(Rupees in lakh)

Sl. No.	Name of the check gate market	Date of agreement & remission order	Percentage of remission	Yearly tax amount	Amount of remission	Reasons
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	Haflong Bazar	<u>23-03-1997</u> <u>18-10-1997</u>	20	4.57	0.91	Ban on daily lottery & law and order
2.	Maibong Bazar	<u>25-03-1997</u> <u>12-08-1997</u> & <u>18-08-1997</u>	50	4.23	2.12	Law and order
3.	Umrangshu Bazar	<u>31-03-1997</u> <u>02-07-1997</u>	30	6.30	1.89	Ban on forest products by the Hon'-ble Supreme Court
4.	Detek Cherra vehicle gate	<u>29-03-1997</u> <u>17-03-1998</u>	20	0.78	0.16	Ban on forest products by the Hon'-ble Supreme Court
5.	Garampani vehicle gate	<u>31-03-1997</u> <u>02-07-1997</u>	30	1.25	0.38	Ban on forest products by the Hon'-ble Supreme Court
5.	Diyungbra vehicle gate	<u>03-04-1997</u> <u>23-07-1997</u>	30	5.24	1.57	Stoppage of forest operation

(1)	(2)	(3)	(4)	(5)	(6)	(7)
7.	Entry tax on gunny bags, petroleum product, IMFL, country spirit & LPG at Umrangshu area	<u>19-08-1997</u> <u>05-11-1997</u>	20	22.00	4.40	Bad condition of link road that affected the entry of schedule goods
8.	Entry tax on gunny bags, petroleum product, IMFL, country spirit & LPG at Haflong and Jatinga area	<u>26-09-1997</u> <u>20-06-1997</u>	30	7.00	2.10	Reason not found recorded nor stated
<b>Total :</b>					<b>13.53</b>	

## APPENDIX-III

Statement showing the excess appointment of teachers

{Ref. : Para 3.4}

Sl. No.	Name of teacher	Name of School	No. of teachers in the School including new appointment.
1.	Smt. Kalpana Boro	Daodung L.P. School	3
2.	Shri Ngaubube Raiamme	P. Longkai L.P. School	5
3.	Miss Ronika Langthasa	Ambrudisa L.P. School	3
4.	Miss Leijeta Phongre	Boro Diger L.P. School	3
5.	Shri Jolonta Phenglo	Langaobra L.P. School	3
6.	Shri Nipolai Hojai	Prasadimdik L.P. School	4
7.	Smti. Panchola Dibragede	Drangbra L.P. School	4
8.	Miss Rina Rani Langthasa	Noblaidisa L.P. School	3
9.	Shri Lalkhawngai Bopui	Boro Muolkoi L.P. School	4
10.	Shri Monen Langthasa	Miyungkro L.P. School	3
11.	Smt. Naipodi Daulagapu	Nobdidaulagapu L.P. School	3
12.	Smt. Amola Langthasa	Choto-Wapu L.P. School	3
13.	Miss Rita Chakravorty	Mahur Pura L.P. School	3
14.	Miss Miloni Daulagapu	Purana simplangdisa L.P. School	3
15.	Miss Mohor Sadap	Jatinga Khasia Medium L.P. School	7
16.	Miss Lomita Haflongbar	Samperdisa L.P. School	3
17.	Miss Anita Sengyung	Thanalambra L.P. School	3
18.	Miss Sarjola Kemprai	Sampardisa L.P. School	3
19.	Mrs. Henebala Maibangsa	Kalachand Deswali L.P. School	4
20.	Miss Urmila Hasamsa	Sontilla L.P. School	4
21.	Shri Lalhmangai Hmar	Hnachongzaul L.P. School	3
22.	Miss Shymoli Mukherjee	Manderdisa L.P. School	3
23.	Shri Joynendra Hasnu	P. Wadiengdisa L.P. School	3
24.	Shri Haideridmbe Jeme	Kangnam (H) L.P. School	3
25.	Miss Nipo Hojai	Bagha L.P. School	11
26.	Mrs. Salota Nunisa	Kalachand Bazar L.P. School	3
27.	Mrs. Uttura Kemprai	Maibang Kirtipur L.P. School	6
28.	Mrs. Nomita Langthasa	Boro Diger L.P. School	3

