









**REPORT**  
of the  
**Comptroller and Auditor General**  
of India

**FOR THE YEARS**  
**1990-91 AND 1991-92**

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**GARO HILLS DISTRICT COUNCIL, TURA**  
**MEGHALAYA**

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## TABLE OF CONTENTS

	Paragraph (s)	Page (s)
Prefatory Remarks		(ii)
Overview		(iii)
<b>SECTION I</b>		
Introduction	1.1	1
Rules for the management of the District Fund	1.2	2
Maintenance of Accounts	1.3	2
<b>SECTION II</b>		
Revenue Receipts and expenditure	2.1	3-5
<b>SECTION III</b>		
Infructuous expenditure on Social Forestry Scheme	3.1	6-7
Irregular inclusion of expenditure against grants-in-aid	3.2	7-8
Loss of forest revenue	3.3	8-9
Toll money not deposited	3.4 (a)	9
Revenue receipts not deposited	3.4 (b)	9
Outstanding revenue	3.5	10
Outstanding Inspection Reports	3.6	10-12



## **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 the financial transactions of the Garo Hills District Council.

2. The cases mentioned in this Report are those which came to notice in the course of test-check of the accounts of the Council for the years 1990-91 and 1991-92.





## OVERVIEW

This Report contains three sections, of which one deals with the constitution of the Garo Hills District Council, the rules for the management of the District Fund and maintenance of accounts by the District Council, and the remaining two sections deal with the Council's financial position and the points noticed in audit of financial transactions for the period from 1990-91 to 1991-92.

The important Audit findings are summarised in the succeeding paragraphs :

—Due to non-provision for weeding, watering and fire protection for plantation raised under Social Forestry Scheme and lack of initiation on the part of range officers, plantation raised in 2 ranges failed resulting in infructuous expenditure of Rs. 3.37 lakhs.

( Paragraph 3.1 )

—The Council included expenditure of Rs. 1.08 lakhs relating to the previous year ( 1989—90 ) while furnishing utilisation certificate for grants of Rs. 10.96 lakhs of the subsequent year ( 1990—91 ).

( Paragraph 3.2 )

—Due to non-invoking of penalty clause of the agreement, there was loss of forest revenue of Rs. 0.90 lakh.

(Paragraph 3.3)

—Land revenue and local taxes aggregating Rs. 26.53 lakhs which were due for collection during 1990-91 and 1991-92 were outstanding for recovery as of October 1994.

(Paragraph 3.5)



## SECTION - I

### 1.1 Introduction

The Garo Hills District Council was set up in June 1952 under the provisions of Article 244 (2) read with the Sixth Schedule of the Constitution of India.

The Sixth Schedule of the Constitution of India provides for administration of specified tribal areas. For that purpose it 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 Schedule mainly in respect of allotment, occupation, use etc. of land; management of forests other than reserved forests; use of any canal or water-courses 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 Schedule, the Councils have powers to establish, construct or manage primary schools, dispensaries, markets, cattle pounds, ferries, fisheries, roads, road transport and water-ways in the respective autonomous districts. The Councils also have the powers to assess, levy and collect within the autonomous district, 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 for the maintenance of schools, dispensaries or roads as listed in paragraph 8 of the Schedule.

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

The Sixth Schedule provides for the constitution of a District Fund for each autonomous district to which shall 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 paragraph 7(2) 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 Garo Hills District Fund Rules 1952, as approved by the Governor. In view of amendment of paragraph (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 Meghalaya prepared in 1971 draft District Council Fund Rules, common to all the District Councils in the State which are yet to be finalised by the State Government.

## **1.3 Maintenance of Accounts**

In pursuance of paragraph 7 (3) of the Sixth Schedule to the Constitution, the form in which the accounts of the District Council are to be maintained was prescribed by the Comptroller and Auditor General of India with the approval of the President in April 1977 and communicated to the Garo Hills District Council in June 1977.

The Annual Accounts for the years 1990-91 and 1991-92 were submitted in November 1993, though they are required to be submitted by 30 June each year. Subsequently, the Council submitted revised accounts for the years 1990-91 and 1991-92 in June 1994 at the instance of Audit after rectifying arithmetical inaccuracy in the accounts.

Results of the test-check of Annual Accounts of the Council for the years 1990-91 and 1991-92 are given in the succeeding paragraphs.

## **SECTION - II**

### **2.1 Revenue Receipts and Expenditure**

According to the Annual Accounts furnished by the Council, the receipts and expenditure of the Council for the period from 1990-91 to 1991-92 with resultant revenue surplus were as follows :-





	1990-91 (Rupees	1991-92 in lakhs)
<b>District Fund Disbursements</b>		
<b>Revenue Expenditure</b>		
(i) District Council	8.45	13.04
(ii) Executive Members	2.39	3.88
(iii) Land Revenue	36.18	48.48
(iv) Secretariat General Services	32.04	35.08
(v) Stationery and Printing	4.99	5.38
(vi) Public Works	24.38	56.12
(vii) Public health, Sanitation and Water Supply	7.04	13.77
(viii) Other General Economic Services	7.60	14.80
(ix) Forest	31.94	63.40
(x) Roads and bridges	47.11	85.34
(xi) Road Transport Services	3.03	3.84
(xii) Others	2.21	13.14
Total Revenue Expenditure	<u>207.36</u>	<u>356.27</u>
Revenue surplus	<u>66.28</u>	<u>42.25</u>
(i) Repayment of loans received from Government	---	---
(ii) Repayment of loans received from other sources	<u>4.00</u>	<u>14.00</u>
Total of (c)	<u>4.00</u>	<u>14.00</u>
Disbursement of loans and advances	1.10	4.54
Total of Part I	<u>212.46</u>	<u>374.81</u>
<b>District Fund</b>		
<b>Deposit Fund</b>		
Deposit Payments	---	---
Total of Part - II	---	---
Total Disbursement (I+II)	212.46	374.81
Closing balance	<u>74.17</u>	<u>115.36</u>
Grand Total	<u>286.63</u>	<u>490.17</u>



## SECTION—III

### 3.1 Infructuous expenditure on Social Forestry Scheme

The State Government sanctioned Rs. 5.00 lakhs as grants-in-aid during January 1991 to the Council for raising Sal and Teak Plantation in 297\* hectares of land. The amount was disbursed to three Range Officers during February to June 1991 and the plantations and other works were completed in June 1991 at a total cost of Rs. 5 lakhs (Land preparation Rs. 0.89 lakh; plantation : Rs 0.71 lakh = Rs. 1.60 lakhs; Ancillary works such as weeding, watering and fire protection works : Nil, cost of barbed wire, fitting and fixing : Rs. 2.97 lakhs and other works: Rs. 0.43 lakh ).

Although the scheme prepared by the Conservator of Forests, Social Forestry works was also approved by the Government in January 1991 it did not make any provision for weeding, watering and fire protection works.

The Scheme, inter-alia, provided Rs. 2.97 lakhs for the cost of barbed wire fencing including the cost of fencing post fittings

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\*Mendhipathar 100 hectares - Rs. 1.69 lakhs ; Kharkutta - 100 hectares - Rs. 1.68 lakhs ; Songsak - 97 hectares - Rs. 1.63 lakhs.

and fixing which constituted 60 percent of total expenditure. In support of the purchase of barbed wire and utilisation, no records were made available to audit. Stock account of the materials purchased and issued to work had also not been maintained. Therefore Audit could not vouchsafe for the payments made in connection with the purchase of barbed wire.

From the plantation Journal of the Range Officers, Kharkutta and Mendhipather, it was noticed that the entire plantation failed as no money was provided for weeding in the scheme. As the Council did not produce the Plantation Journal in respect of the Songsak Range therefore audit could not verify survival of plantation in respect of Songsak Range.

The Council stated (October 1994) that the plantation created had failed for various reasons like absence of weeding, watering and fire protection etc in the Scheme and as such no explanation has been called for from the Range Officer's concerned. Regarding Songsak Range, the Council stated that on verification of the records submitted by the Range Officer it was seen that the plantation created at Taseksa was successful as the Range Officer concerned had managed to carry out weeding upto 3rd weeding on his own special interest in the plantation. The reply remained silent regarding overall survival percentage of plantation created at Songsak Range.

Thus, due to non-provision in the scheme for weeding, watering and fire protection and lack of initiative by the Range Officers, Mendipathar and Kharkutta, the entire expenditure of Rs.3.37 lakhs of the two Ranges proved infructuous.

### **3.2 Irregular inclusion of expenditure against grants-in-aid**

The State Government sanctioned Rs. 10.96 lakhs during August and December 1990 (Rs. 4.00 lakhs and Rs. 6.96 lakhs)

as grants-in-aid to the Council for the enforcement machinery\* under TNT Regulations for 1990-91.

Utilisation certificate of the grant for Rs. 10.96 lakhs was submitted by the Council in November 1993. Scrutiny of the details of actual expenditure revealed that an amount of Rs. 1.08 lakhs spent on pay and allowances and contingencies of the staff during 1989-90 by the Council had also been included in the utilisation certificate for 1990-91. It was noticed from the Expenditure Register of TNT Branch that total expenditure of Rs. 9.88 lakhs was incurred by the Council during 1990-91 in connection with enforcement machinery. The balance amount of Rs. 1.08 lakhs i.e. unutilised portion of the grant of the year 1990-91 should have been surrendered to the Government or carried forward to the next year with the prior approval of the State Government. Reasons for inclusion of previous year's expenditure had not been furnished by the Council ( May 1994 ).

### 3.3 Loss of forest revenue

The Bark Mahal \*\* ( Khering and Lohan ) was settled ( June 1990 ) with a mahaldar for Rs. 0.71 lakh for the period from July 1990 to June 1991. According to the agreement, the mahaldar was to pay the amount in 4 instalments ( 3 instalments @ Rs. 0.18 lakh each and last instalment @ Rs. 0.17 lakh ) in June, September and December 1990 and March 1991 and in addition, Rs. 0.20 lakh as security deposit and Rs. 0.09 lakh as Nokma\*\*\* fee. The lessee paid Rs. 0.10 lakh as security deposit against the stipulated amount of Rs. 0.20 lakh in July 1990 but failed to pay the kist\*\*\*\* money (Rs. 0.71 lakh) and Nokma fee (Rs. 0.09 lakh).

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\* Enforcement machinery include Inspectors and Sub-Inspectors under Trade by Non-Tribals Regulations.

\*\*Bark Mahal : Area containing trees having valuable external cover.

\*\*\*Nokma fee : Fees payable to village headman.

\*\*\*\*Kist money : Amount payable in instalment.



According to clause 21 of the agreement, the Council could cancel the settlement in case of failure to pay the dues and to resell the mahal for the remaining period of the settlement at the risk and cost of the mahaldar. But the mahaldar was allowed to extract the materials for the full period of settlement. The Penal Provision of the agreement was not invoked. Thus due to non-invoking of penalty clause in the agreement, there was loss of forest revenue of Rs. 0.90 lakh.

### **3.4 Toll money not deposited**

(a) According to Rule 17 of the Garo Hills District Fund Rules 1952, all receipts due to the Council collected by any employee of the Council authorised to collect such receipts shall pass through the cashier who shall enter them in his cash book. A test check of the records i.e. cash book, receipt books, deposit challans and register of remittance of taxation branch of the Council revealed that an amount of Rs. 0.27 lakh collected by the three Inspectors as toll money from non-tribal traders during the period from April 1990 to March 1992 was neither accounted for in the cash book nor deposited into the treasury. The position of recovery of the amount and the action taken against the delinquent officials had not been intimated by the Council to audit (May 1994).

### **(b) Revenue receipts not deposited**

The Settlement Register of the Forest Branch of the Council showed that Rs. 2,400 and Rs. 5,000 were collected by the Revenue Officer, Phulbari on account of forest revenue as bid money from the two mahaldars during 1990-91 and 1991-92, but the amount of Rs. 7,400 was neither accounted for in the cash book nor deposited into the treasury. The Council also had not taken any action to recover the dues from the delinquent official.

### 3.5 Outstanding revenue

As per demand and collection register of the Council, demand for land revenue and local taxes against 9 Mouzas amounted to Rs. 18.30 lakhs and Rs. 15.70 lakhs for the years 1990-91 and 1991-92 respectively against which Rs. 4.59 lakhs and Rs. 2.88 lakhs were realised during the years 1990-91 and 1991-92 respectively leaving an outstanding balance of Rs. 26.53 lakhs till date of Audit ( February 1994 ).

The Council stated ( October 1994 ) that due to heavy rain and flood and such natural calamities within the plain Mauzas of Garo Hills, the farmers could not pay their annual revenue in time. Necessary action was being taken for realisation of the outstanding balance by giving demand notices to the Pattaders through the Mouzadars and Mouza Assistant concerned.

Progress of action taken in the matter has not been intimated.

### 3.6 Outstanding Inspection Reports

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

The position of outstanding paras relating to the Council is given below :—

Sl. No.	Period of Accounts	Year of issue of Inspection Reports	Number of outstanding paras
1	2	3	4
1.	June 1969 to June 1970	1970	23
2.	July 1970 to August 1971	1972	61
3.	September 1971 to December 1972	1973	42
4.	September 1971 to March 1974 ( Review )	1974	12
5.	January 1973 to February 1974	1974	6
6.	March 1974 to March 1975	1975	32
7.	April 1975 to October 1976	1977	22
8.	November 1976 to October 1977	1979	27
9.	November 1977 to March 1980	1982	42
10.	April 1977 to March 1982 ( Special Audit )	1983	15
11.	April 1980 to March 1982	1984	31
12.	April 1982 to March 1984	1985	19
13.	April 1984 to March 1986	1987	38

1	2	3	4
14.	April 1986 to March 1987	1990	22
15.	April 1987 to March 1988	1990	26
16.	April 1988 to March 1990	1993	7

Even first reply to paragraphs at Sl. Nos. 2 to 9 has not been furnished by the Council despite reminders (August 1994).



( ROCHILA SAIAWI )

Accountant General (Audit)  
Assam, Meghalaya, Arunachal  
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PLACE : SHILLONG

DATE : 28 APR 1995

Countersigned



( C. G. SOMIAH )

Comptroller and Auditor General  
of India

PLACE : NEW DELHI

DATE : 04 MAY 1995









