



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

**For the year ended 31 March 2001**

**Garo Hills Autonomous District Council  
Tura, Meghalaya**

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

**For the year ended 31 March 2001**

**Garo Hills Autonomous District Council  
Tura, Meghalaya**



## TABLE OF CONTENTS

	Paragraph(s)	Page(s)
<i>Preface</i>		iii
<i>Overview</i>		vii
<b>SECTION - I</b>		
Introduction	1.1	1
Rules for the management of the District Fund	1.2	2
Maintenance of Accounts	1.3	2-3
<b>SECTION - II</b>		
Receipts and expenditure	2.1	4-5
Variations between budget provisions and actuals	2.2	5
Variations in receipts and expenditure between current and previous years	2.3	6
Comments on accounts	2.4	6-7
Personal Ledger Account	2.5	7-8
<b>SECTION - III</b>		
Delay in deposit of revenue	3.1	9
Non-realisation of revenue	3.2	10
Loss of revenue due to settlement of <i>hats</i> at lower rate	3.3	10
Outstanding Inspection Reports	3.4	10-11
<b>APPENDICES</b>		
Appendix I	Statement showing substantial variations between budget and actuals	15
Appendix II	Variations in receipts and expenditure between current and previous years (20 per cent or more)	16
Appendix III	Details showing the position of non-remittance/delay in remittance of Council's revenue	17-18
Appendix IV	Statement showing leasing out of <i>hats</i> at rates lower than those of previous year	19



## **PREFACE**

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 Autonomous 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 year 2000-01.

3. This Report contains three sections of which one section deals with the constitution of the Council, the rules for the management of the District Fund and maintenance of accounts by the District Council. The remaining two sections deal with the Council's financial position and irregularities noticed in audit relating to the year 2000-01.



---

---

## OVERVIEW

---

---





## **OVERVIEW**

A synopsis of the important findings contained in this Report is presented in this overview.

Revenue of Rs.7.27 lakh collected during 2000-01 as fee from non-tribal traders (Rs.4.46 lakh) and forest revenue (Rs.2.81 lakh) was not accounted for in the Annual Accounts of the year resulting in understatement of receipts as well as closing balance to that extent.

**(Paragraph 2.4-ii & iii)**

Contrary to the Garo Hills District Fund Rules, 1952, out of Rs.5.92 lakh collected towards revenue on trading by non-tribals during 2000-01, Rs.5.80 lakh were remitted into Council's fund after a delay of one month to over one year. The remaining amount of Rs.0.12 lakh was not remitted.

**(Paragraph 3.1)**

Rupees 17.29 lakh being the lease money of *hats/bazars* for the year 2000-01 remained unrealised from the bidders.

**(Paragraph 3.2)**

Leasing out of eight *hats* during 2000-01 at rates lower than those of previous year resulted in loss of revenue of Rs.1.93 lakh.

**(Paragraph 3.3)**



## **SECTION - I**

### **1.1 Introduction**

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

The Sixth Schedule to 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 forest other than reserved forest, 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, roads, road transport and waterways in the respective Autonomous Districts. The Councils also have the powers within the Autonomous District to assess, levy and collect, revenue in respect of lands and buildings, taxes on profession, 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 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 districts in accordance with the provisions of the Constitution. In terms of the provisions of paragraph 7(2) of the Schedule, 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 the payment of the moneys into the said Fund, the withdrawal of money therefrom, the custody of moneys therein and any other matter connected with or ancillary to these matters. These rules have not been finalised so far (October 2004). Meanwhile, the affairs of the District Council are being regulated in accordance with the Garo Hills District Fund Rules, 1952.

## **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 Autonomous District Council in June 1977.

The Annual Accounts for the year 2000-01, due for submission by 30 June 2001, were submitted in July 2003 after a delay of two years. No reasons were ascribed by the Council for this delay.

Results of the test check of the Annual Accounts of the Council for the year 2000-01 are given in succeeding paragraphs.

## SECTION - II

### 2.1 Receipts and expenditure

According to the revised Annual Accounts furnished (September 2003) by the Council, the receipts and expenditure of the Council for the year 2000-01 with resultant revenue surplus were as follows:

**Table 2.1**

(Rupees in lakh)

Receipts		Disbursements	
<b>PART - I DISTRICT FUND</b>			
(i) Taxes on Income and Expenditure	60.15	(i) District Council	38.68
(ii) Land Revenue	79.32	(ii) Executive Members	11.40
(iii) Taxes on Vehicle	28.62	(iii) Administration of Justice	3.50
(iv) Public Health, Sanitation and Water Supply	3.09	(iv) Land Revenue	141.07
(v) Other General Economic Services	19.94	(v) Secretariat General Services	165.11
(vi) Forest	30.07	(vi) Stationery and Printing	20.06
(vii) Mines and Minerals	402.37	(vii) Public Works	88.84
(viii) Roads and Bridges	1.02	(viii) Pension and other retirement benefits	34.79
(ix) Interest Receipt	9.02	(ix) Public Health, Sanitation and Water Supply	25.36
(x) Grants-in-aid from State Government	213.84	(x) Other General Economic Services	44.75
(xi) Other heads of accounts	1.60	(xi) Forest	138.40
		(xii) Roads and Bridges	106.96
		(xiii) Other heads of account	0.81
<b>Total Revenue receipts</b>	<b>849.04</b>	<b>Total Revenue expenditure</b>	<b>819.73</b>
<b>Revenue Deficit</b>	<b>...</b>	<b>Revenue Surplus</b>	<b>29.31</b>
<b>2. Capital</b>	<b>...</b>	<b>2. Capital</b>	<b>...</b>
<b>3. Debt</b>		<b>3. Debt</b>	
(i) Loans received from Government	...	(i) Repayment of loans received from Government	...
(ii) Loans received from other sources	...	(ii) Repayment of loans received from other sources	...
<b>4. Loans and Advances</b>		<b>4. Loans and Advances</b>	
Recoveries of Loans and Advances	2.93	Disbursement of Loans and Advances	3.30
<b>5. Deficit under Capital and Debt account</b>	<b>0.37</b>	<b>Surplus under Capital and Debt account</b>	<b>...</b>
<b>Total Part - I District Fund</b>	<b>852.34</b>	<b>Total Part - I District Fund</b>	<b>852.34</b>

Receipts		Disbursements	
<b>PART-II DEPOSIT FUND</b>			
Deposit Receipts	0.01	Deposit Payments	Nil
<b>Total of Part II Deposit Fund</b>	<b>0.01</b>	<b>Total of Part II Deposit Fund</b>	<b>Nil</b>
<b>Total Receipts (I + II)</b>	<b>851.98<sup>(a)</sup></b>	<b>Total Disbursement (I + II)</b>	<b>823.03<sup>(b)</sup></b>
Opening Balance	32.79	Closing Balance <sup>(c)</sup>	61.74
<b>GRAND TOTAL</b>	<b>884.77</b>	<b>GRAND TOTAL</b>	<b>884.77</b>

Source : Annual Accounts of the Council.

## 2.2 Variations between budget provisions and actuals

Budget provisions and actuals of revenue receipts (excluding grants-in-aid from the State Government) and expenditure during 2000-01 were as under:

**Table 2.2**

	Budget provision	Actual	Shortfall (Percentage)
	(Rupees in crore)		
Receipts	6.98	6.35	0.63 (9)
Expenditure	40.78	8.20	32.58 (80)

Source : Detailed Estimate of Revenue and Expenditure and Statements 5 and 6 of Annual Accounts.

The details above shows a huge difference in actual expenditure *vis-a-vis* the budget estimates during 2000-01. Significant cases of shortfall in receipts and expenditure under different heads of accounts are given in Appendix I. The shortfall ranged between 29 and 53 *per cent* in respect of receipts and 39 and 96 *per cent* in respect of expenditure. This indicated that the budget provisions were not realistic. Reasons for such variations had not been stated (October 2004).

<sup>(a)</sup> Excluding deficit under Capital and Debt account.

<sup>(b)</sup> Excluding Revenue Surplus.

<sup>(c)</sup> Cash : Rs.1.26 lakh; Personal Ledger Account : Rs.60.48 lakh.



### **2.3 Variations in receipts and expenditure between current and previous years**

Significant cases of variation in receipts and expenditure between current and previous years are indicated in Appendix II. The variations ranged between 86 and 100 *per cent* in respect of receipts and 24 and 142 *per cent* in respect of expenditure, reasons for which had not been furnished (October 2004).

### **2.4 Comments on accounts**

(i) (a) Opening balance of Rs.32.79 lakh under “G-Cash Remittance” shown in Statement 7 of Annual Accounts for the year 2000-01 was different from the closing balance (Rs.43.24 lakh) shown in Statement 7 of the Annual Accounts 1999-2000.

(b) Closing balance of Rs.61.74 lakh shown under the head “G-Cash Remittances – Remittances into Treasury (Personal Ledger (PL) Accounts)” in Statement 7 of the Annual Accounts - 2000-01 included cash balance of Rs.1.26 lakh. Since this head related to PL Accounts, inclusion of cash balance under the same was not justified.

The matter was referred to the Council in July 2004 and followed up with reminders in August and October 2004; reply had not been received (October 2004).

(ii) According to revenue collection records maintained by Taxation Branch of the Council, revenue of Rs.4.46 lakh collected from non-tribal traders as fees during 2000-01 was not accounted for in the Annual Accounts resulting in understatement of receipts as well as closing balance to that extent (details in Appendix III).

(iii) According to the records maintained by the Forest Branch of the Council, collection of forest revenue during 2000-01 was Rs.32.88 lakh. Against this, Rs.30.07 lakh was accounted for in Statement 5 of the Annual Accounts for the year 2000-01, resulting in understatement of receipts as well as closing balance by Rs.2.81 lakh.

Reasons for short accountal of receipts in the above cases had not been stated (October 2004).

### **2.5 Personal Ledger Account**

The District Council Authorities maintained two Personal Ledger Accounts (PLA) with the Tura Treasury, one for its own revenue (1<sup>st</sup> PLA) and the other for grants-in-aid received from the State Government (2<sup>nd</sup> PLA). Test-check (September 2003) of records relating to the PLAs revealed that closing bank balances shown in the Annual Accounts of the Council for the year 2000-01 were different from those shown in the records of the Treasury. The details are as under:

**Table 2.3**

Particulars	As per Annual Accounts		As per records of the Treasury		Variations Overstatement(+)/ Understatement (-) in the Annual Accounts	
	1 <sup>st</sup> PLA	2 <sup>nd</sup> PLA	1 <sup>st</sup> PLA	2 <sup>nd</sup> PLA	1 <sup>st</sup> PLA	2 <sup>nd</sup> PLA
	(Rupees in lakh)					
Closing balance as of 31 March 2001	36.48	23.99	37.49	23.09	(-)1.01	(+)0.90

The understatement/overstatement of closing balances in the accounts were yet to be reconciled by the Council (October 2004).

## **SECTION - III**

### **3.1 Delay in deposit of revenue**

Rules 17 and 18 of the Garo Hills District Fund Rules, 1952 provides that 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 the cash book and remit the same into the Treasury promptly.

Test-check (September 2003) of counterfoils of the receipt books maintained by the Taxation Branch of the Council, revealed collection of Rs.5.92 lakh during 2000-01 on trading by non-tribals. Of this, Rs.5.80 lakh was remitted into the Council's fund during March 2001 to May 2002 after a delay ranging from one month to over one year. The balance amount of Rs.0.12 lakh was not remitted till the date of audit. The details are given in Appendix III.

Similarly, against collection of Rs.32.88 lakh on sale of timber, mahals, etc. during 2000-01, Rs.32.83 lakh was remitted into the Council's fund and the balance Rs.0.05 lakh remained out of account of the Council.

Reasons for non-remittance/delay in remittance of revenue in contravention of the Rules *ibid* were not on record.

The Secretary, Executive Committee (SEC) of the Council admitted the fact (November 2004), but gave no reason for the omission.

### **3.2 Non-realisation of revenue**

Test check (September 2003) of Demand and Collection Register maintained by the Revenue Branch of the Council revealed that against total demand of Rs.72.79 lakh being the lease money of *hats/bazars* for the year 2000-01, Rs.55.50 lakh was realised during the year leaving a balance amount of Rs.17.29 lakh un-realised. Action taken for realisation of the same was not on record.

The SEC of the Council admitted the fact (November 2004), but gave no reason for the omission.

### **3.3 Loss of revenue due to settlement of *hats* at lower rate**

According to Demand and Collection Register maintained in the Land Revenue Branch of the Council, eight *hats* were leased out for the year 2000-01 at rates lower than those of previous year. This had resulted in loss of revenue of Rs.1.93 lakh. The details are given in Appendix IV. Reasons for settlement of *hats* at lower rates had not been stated (June 2004).

The SEC of the Council admitted the fact (November 2004), but gave no reason for the omission.

### **3.4 Outstanding Inspection Reports**

Audit observations on financial irregularities and defects in the 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 Inspection Reports.

Nine Inspection Reports (IR) relating to the Council issued between May 1994 and December 2003 still contained 127 unsettled paragraphs. Even first replies to 123 paragraphs of eight IRs issued between November 1995 and December 2003 had not been furnished (October 2004) by the Council despite repeated reminders.



**(Rajib Sharma)**

Shillong  
The

Principal Accountant General (Audit)  
Meghalaya, Arunachal Pradesh  
and Mizoram

11 FEB 2005

Countersigned



New Delhi

The

7 MAR 2005

**(Vijayendra N. Kaul)**

Comptroller and Auditor General of India



---

---

## APPENDICES

---

---





## APPENDIX - I

Statement showing substantial variations between  
budget and actuals

(Reference : Paragraph 2.2; Page 5)

Sl. No.	Major Head of Accounts	Budget estimate	Actual as per Annual Accounts	Variation Shortfall (Percentage)
		(Rupees in lakh)		
<b>RECEIPT</b>				
1.	Land Revenue	158.30	79.32	78.98 (50)
2.	Public Health, Sanitation and Water Supply	5.00	3.09	1.91 (38)
3.	Taxes on Income and Expenditure	85.00	60.15	24.85 (29)
4.	Roads and Transport Services	2.54	1.20	1.34 (53)
<b>EXPENDITURE</b>				
1.	Land Revenue	232.01	141.07	90.94 (39)
2.	Forest	2940.00	138.40	2801.60 (95)
3.	Other General Economic Services (Taxation Branch)	121.56	44.75	76.81 (63)
4.	Roads and Bridges (Rural Development)	247.76	106.96	140.80 (57)
5.	Public Works (Civil Works)	149.70	88.84	60.86 (41)
6.	Public Health, Sanitation and Water Supply	72.72	25.36	47.36 (65)
7.	Road Transport Services	19.22	0.72	18.50 (96)

Source: Detailed Estimate of Revenue and Expenditure and Statements 5 and 6 of Annual Accounts.

**APPENDIX - II**

**Variations in receipts and expenditure between current and previous years (20 per cent or more)**

(Reference : Paragraph 2.3; Page 6)

Sl. No.	Head of Account	Actuals		Variation
		1999-2000	2000-01	Increase(+) Decrease(-) and percentage of variations in brackets
(Rupees in lakh)				
<b>REVENUE HEADS</b>				
1.	Fisheries	4.02	Nil	(-) 4.02 (100)
2.	Other Administrative Services	0.28	0.04	(-) 0.24 (86)
<b>EXPENDITURE HEADS</b>				
1.	District Council	24.65	38.68	(+)14.03 (57)
2.	Executive Member	8.40	11.40	(+)3.00 (36)
3.	Other Administrative Services	2.41	3.50	(+)1.09 (45)
4.	Land Revenue	93.15	141.07	(+)47.92 (51)
5.	Secretariat General Services	133.66	165.11	(+)31.45 (24)
6.	Stationery and Printing	12.95	20.06	(+)7.11 (55)
7.	Public Health, Sanitation and Water Supply	10.50	25.36	(+)14.86 (142)
8.	Forests	89.25	138.40	(+)49.15 (55)

Source : Statements 5 and 6 of Annual Accounts.

**APPENDIX - III**

**Details showing the position of non-remittance/delay in remittance of Council's revenue (Fees from non-tribal traders)**

**(Reference : Paragraphs 2.4 & 3.1; Pages 7 & 9)**

Receipt Book No.	Amount of revenue realised	Amount remitted into Council's fund	Short fall in remittance of revenue	Month of receipt	Month of deposit into Treasury	Period of delay	Amount not remitted into Council's fund during 2000-01 and remained out of accounts of the year
							(In rupees)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
A-45	14,300	14,250	50	April 2000	May 2001	12 months	14,300
A-46	13,170	13,170	...	April-May 2000	March 2001	9-10 months	...
	27,200	27,200	...	May 2000	April 2001	10 months	27,200
A-48	27,953	27,953	...	July-November 2000	April 2001	4-8 months	27,953
A-53	16,340	16,340	...	May-June 2000	March 2001	9-10 months	...
A-54	37,136	37,136	...	May 2000 to March 2001	April 2001	1-10 months	37,136
A-55	26,570	26,000	570	June-December 2000	March 2001	2-8 months	570
	19,410	19,410	...	June 2000	May-June 2001	10-11 months	19,410
	8,390	8,390	...	June-July 2000	October 2001	1 year 2 months to 1 year 3 months	8,390
A-57	27,615	27,615	...	July-August 2000	December 2001	1 year 3 months to 1 year 4 months	27,615
	4,550	4,550	...	July-August 2000	February 2002	1 year 5 months to 1 year 6 months	4,550
	38,633	38,633	...	September 2000 to February 2001	May 2002	1 year 2 months to 1 year 7 months	38,633

*Audit Report for the year ended 31 March 2001*

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
A-60	51,171	50,167	1,004	June-July 2000	December 2000	4-5 months	1,004
A-61	6,245	6,245	...	November 2000	April 2001	4 months	6,245
A-62	6,205	6,205	...	January-March 2001	April 2001	1-2 months	6,205
A-64	10,098	10,098	...	September-October 2000	April 2001	5-6 months	10,098
	2,700	2,660	40	September 2000	September 2000	...	40
A-67	7,525	7,425	100	October-November 2000	January 2001	1-2 months	100
A-72	54,636	54,496	140	October 2000 to January 2001	April 2001	1-5 months	54,636
A-73	36,086	36,086	...	November-December 2000	April 2001	3-4 months	36,086
A-76	31,255	31,255	...	November 2000	May 2001	5 months	31,255
A-77	7,620	7,620	...	December 2000-January 2001	June 2001	4-5 months	7,620
A-78	24,380	24,280	100	November-December 2000	March 2001	2-3 months	100
A-79	21,130	21,130	...	December 2000	April-May 2001	2-3 months	21,130
A-82	6,440	6,130	310	January 2001	March 2001	1 month	310
A-85	30,515	30,515	...	December 2000 to March 2001	May 2001	1-3 months	30,515
A-88	5,522	5,522	...	February-March 2001	April 2001	1 month	5,522
A-91	29,226	19,856	9,370	January-March 2001	April 2001	1-2 months	29,226
<b>Total</b>	<b>5,92,021</b>	<b>5,80,337</b>	<b>11,684</b>				<b>4,45,849</b>

Source: Receipt Books and Remittance Registers.

## APPENDIX - IV

Statement showing leasing out of *hats* at rates lower than those of previous year

(Reference : Paragraph 3.3; Page 10)

Sl. No.	Name of <i>hats</i>	Settlement value during 1999-2000	Settlement value during 2000-01	Loss of revenue
		(In rupees)		
1.	Chinabat	10,010	7,000	3,010
2.	Wage Asi	76,500	17,000	59,500
3.	Dolurungre	1,12,300	16,000	96,300
4.	Goirang	10,400	5,000	5,400
5.	Morangga	20,750	13,565	7,185
6.	Masangpani TP road	45,500	25,500	20,000
7.	Eman Asagre	1,100	700	400
8.	Belguri	15,000	13,500	1,500
	<b>Total</b>	<b>2,91,560</b>	<b>98,265</b>	<b>1,93,295</b>

Source : Demand and Collection Register of *hats*.

