



सत्यमेव जयते

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

For the year ended 31 March 2000

**Khasi Hills Autonomous District Council
Shillong, Meghalaya**

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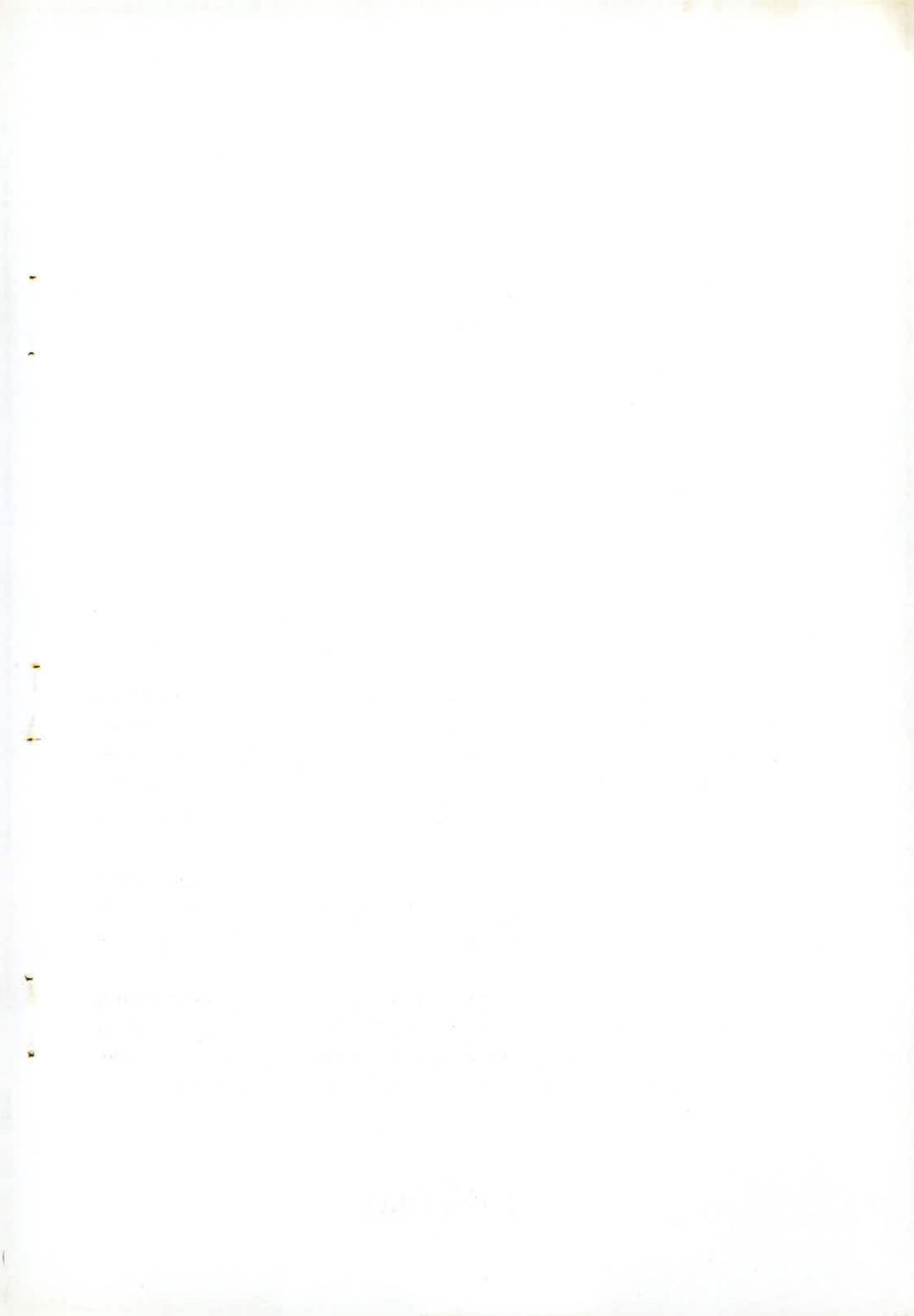


PREFACE

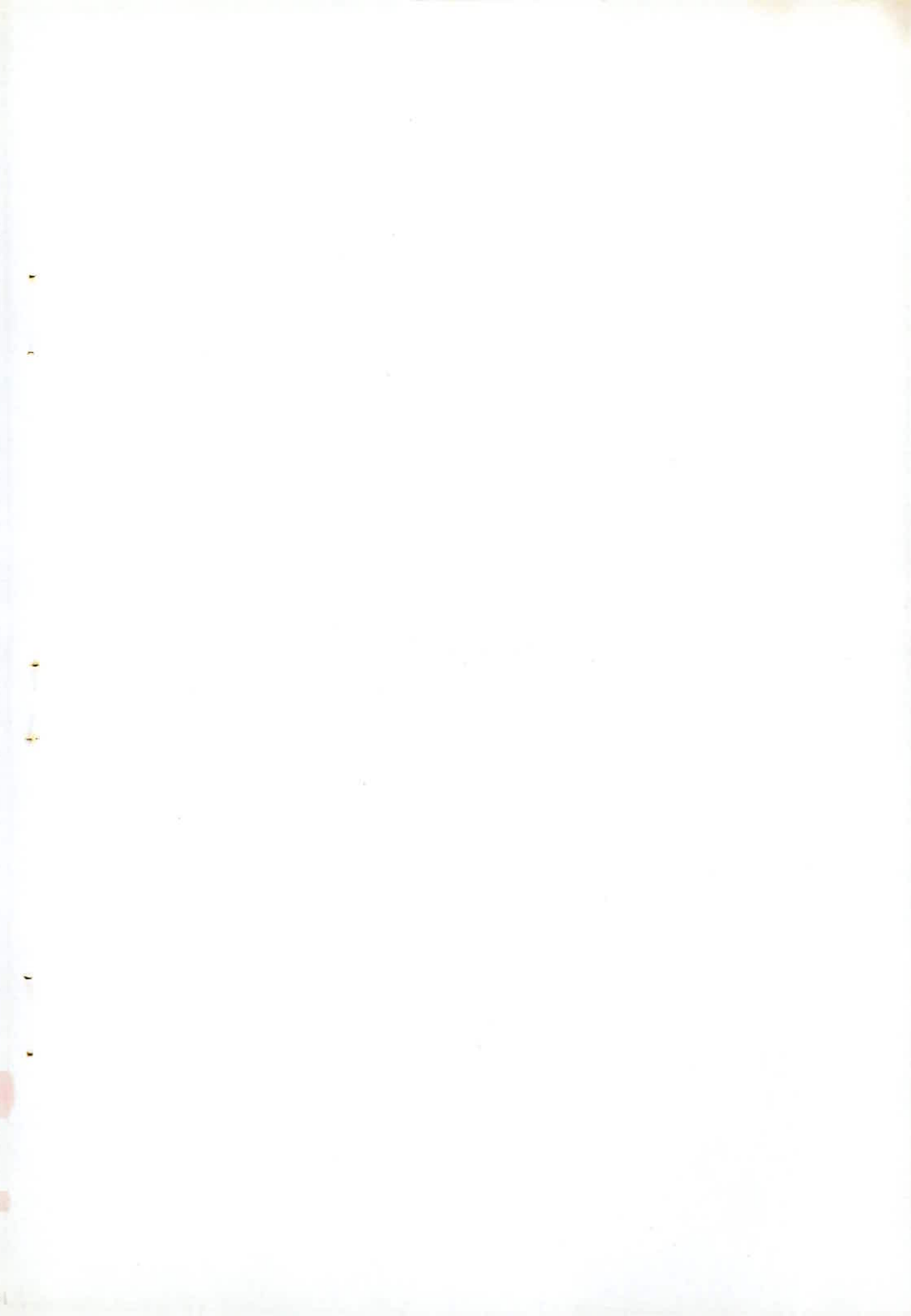
This Report has been prepared for submission to the Governor under paragraph 7(4) of the Sixth Schedule to the Constitution of India. It relates mainly to points arising from the audit of the financial transactions of the Khasi Hills Autonomous District Council.

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 1999-2000.

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 1999-2000.



OVERVIEW



OVERVIEW

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

Non-reconciliation of figures under Personal Ledger Account (PLA) with Treasury led to overstatement of closing PLA balance by Rs.16.35 lakh in the annual accounts of the Council for the year 1999-2000.

(Paragraph 2.4)

In contravention of Rule 16 of the United Khasi-Jaintia Hills District Fund Rules, 1952, monetary transactions (other than pay and allowances of staff) were not exhibited in the cash book of the Council.

(Paragraph 3.1)

The Council incurred avoidable extra expenditure of Rs.12.08 lakh on construction of New Expansion Block to the existing Khasi Hills Autonomous District Council Building at Garikhana due to non-allotment of work of Phases II and III initially with Phase I.

(Paragraph 3.2)

The Council sustained loss of revenue to the extent of Rs.14.16 lakh for leasing out the check gate of Shillong Range at lower rate.

(Paragraph 3.3)

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SECTION - I

1.1 Introduction

1.1.1 The United Khasi and Jaintia 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 Council was bifurcated in 1967 and the Jowai District Council was carved out of it. In 1973, the United Khasi and Jaintia Hills District Council and the Jowai District Council were renamed as Khasi Hills District Council and Jaintia Hills District Council respectively.

1.1.2 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 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 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 money 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 United Khasi and Jaintia Hills District Council Fund Rules, 1952, as approved by the Governor. In view of amendment to paragraph 7 (2) of the Schedule (made with effect from 2nd April 1970) which provides for rules 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 money therefrom, the custody of money therein and any other matters connected with or ancillary to these matters, the State Government of Meghalaya prepared in 1971 the draft District Council Fund Rules, common for all the District Councils in the State. However, this has not finalised till date despite being pursued by the Accountant General constantly. No reasons were available on records as to why the Government has not finalised these rules even after a lapse of 31 years.

1.3 Maintenance of Accounts

1.3.1 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 Khasi Hills Autonomous District Council in June 1977.

1.3.2 The annual accounts for the year 1999-2000, due for submission by 30 June 2000, were submitted in May 2001 after a delay of about one year and no reasons were ascribed by the Council for this delay.

1.3.3 Results of the test check of the annual accounts of the Council for the year 1999-2000 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 1999-2000 with resultant revenue deficit were as follows :-

Table 2.1

Receipts (Rupees in lakh)		Disbursements (Rupees in lakh)	
PART I – DISTRICT FUND			
1. Revenue Receipts		1. Revenue Expenditure	
(i) Taxes on Professions, Trades, Callings and Employment	210.18	(i) District Council	23.56
(ii) Land revenue	4.16	(ii) Executive Members	18.54
(iii) Other General Economic Services	12.71	(iii) Administration of Justice	42.61
(iv) Forest	40.06	(iv) Land revenue	16.26
(v) Mines and Minerals	80.98	(v) Secretariat General Services	251.63
(vi) Grants-in-aid from State Government	241.00	(vi) Public Works	50.80
(vii) Other heads of accounts	1.77	(vii) Pension and other Retirement Benefits	45.30
		(viii) Education	5.93
		(ix) Social Security and Welfare	27.82
		(x) Other General Economic Services	6.34
		(xi) Forest	124.57
		(xii) Roads and Bridges	116.33
Total Revenue receipts	590.86	Total Revenue expenditure	729.69
Revenue Deficit	138.83	Revenue Surplus	...
2. Capital	Nil	2. Capital	Nil
3. Debt	Nil	3. Debt	Nil
4. Loans and Advances - Recoveries of Loans and advances	6.17	4. Loans and Advances - Disbursement of loans and advances	6.27
5. Deficit under Loans and Advances	0.10	5. Surplus under Loans and Advances	Nil
Total Part – I District Fund	735.96	Total Part – I District Fund	735.96

Receipts (Rupees in lakh)		Disbursements (Rupees in lakh)	
PART II DEPOSIT FUND			
Deposit not bearing interest - Security Deposit	2.27	Deposit not bearing interest - Security Deposit	0.62
Civil advances - Departmental advance	4.60	Civil advances - Departmental advance	4.60
Total of Part II Deposit Fund	6.87	Total of Part II Deposit Fund	5.22
Total Receipts (I + II) ^(a)	603.90	Total Disbursement (I + II)	741.18
Opening Balance	398.95	Closing Balance ^(b)	261.67
GRAND TOTAL	1002.85	GRAND TOTAL	1002.85

2.1.2 Expenditure totalling Rs.126.56 lakh incurred on construction of buildings and roads and bridges was accounted for under the revenue head "Public Works" (Rs.10.23 lakh) and "Roads and Bridges" (Rs.116.33 lakh) instead of capital heads resulting in understatement of capital expenditure and overstatement of revenue expenditure by Rs.126.56 lakh. The Secretary, Executive Committee (SEC) of the Council stated (July 2002) that as there was no capital head in the Budget of the Council, the expenditure was booked under revenue head. Necessary provision in the Budget should be made for proper classification of the transactions in the annual accounts of the Council.

2.1.3 The receipt and disbursement sides of the annual accounts – 1999-2000 showed Rs.4.60 lakh under the head "Civil advances – Departmental advance". The SEC of the Council stated (July 2002) that the amount represented the advances paid to the Forest Officers of the Council for afforestation. Scrutiny of Statement 6 (Detailed account of expenditure by minor heads) of annual accounts revealed that the amount was booked under the head "Forest – Plantation scheme" and the total of Statement 6 was exhibited in Statement 1 – Summary of transactions. Since the amount of Rs.4.60 lakh advanced to the Forest Officers was spent by them during the year and accounted for under the respective final head of account, exhibition of the same under Civil advances resulted in overstatement of total receipts and disbursements in Statement 1 of annual accounts for the year 1999-2000 by Rs.4.60 lakh.

^(a) Excluding Revenue Deficit and Deficit under Loans and Advances.

^(b) Cash: Rs.0.81 lakh; Personal Ledger Account (PLA): Rs.260.86 lakh.

2.2 Variations between budget provisions and actuals

Large variations in receipts under different heads of accounts between the budget provisions and actuals were noticed. Significant cases of variations with reasons are given in Appendix I. The variations ranged between 37 and 100 *per cent*. The large variations were under taxes on vehicles and land revenue.

2.3 Variations in receipts and expenditure between current year and previous year

Significant cases of variations in receipts and expenditure between current year (1999-2000) and previous year (1998-99) with reasons are indicated in Appendix II. The variations ranged between 34 and 100 *per cent* in respect of receipts and 15 and 379 *per cent* in respect of expenditure.

2.4 Personal Ledger Account

2.4.1 Test-check (September-October 2001) of records in connection with the Personal Ledger Account (PLA) of the Council revealed that as on 31 March 2000, the balance in respect of the Council held in the PLA as per Plus and Minus Memorandum of deposits of the Shillong Treasury for the month of March 2000 was Rs.244.51 lakh, whereas the closing balance of Rs.261.67 lakh exhibited in the annual accounts of the Council for the year 1999-2000 included closing PLA balance of Rs.260.86 lakh. This resulted in overstatement of closing balance by Rs.16.35 lakh in the annual accounts of the Council.

2.4.2 The SEC of the Council stated (July 2002) that there was totalling mistake during June 1999 in the PLA maintained by the Treasury which was rectified by the Treasury Officer in December 2000. He further stated that though the discrepancies had been persisting since 1985-86, the same could not be reconciled due to non-production of the original vouchers, challans, etc. by the Shillong Treasury. However, due to such delay in reconciliation, the possibilities of misappropriations and frauds could not be ruled out. Appropriate action needs to be taken for timely reconciliation of balances to ascertain the actual position.

SECTION - III

3.1 Improper maintenance of cash book

3.1.1 Rule 16 of the United Khasi-Jaintia Hills District Fund Rules, 1952 provides that all monetary transactions should be entered in the cash book as soon as they occur.

3.1.2 Test-check (September-October 2001) of cash book maintained by the Council revealed that other than pay and allowances of Council's staff, no other monetary transactions were exhibited in the cash book. The annual accounts of the Council were prepared on the basis of cash book and a register of receipts and payments made by drafts, cheques, challans, etc.

3.1.3 The SEC of the Council stated (July and November 2002) that it was very difficult on the part of the cashier to enter every treasury challan in the cash book and that all monetary transactions would be entered in the cash book from 2002-2003 onwards.

3.2 Avoidable extra expenditure on construction of new expansion block

3.2.1 The work "Construction of New Expansion Block to the existing Khasi Hills Autonomous District Council Building at Garikhana, Shillong", estimated to cost Rs.96.89 lakh, was taken up by the Council in November 1993. The works were to be executed in 3 phases during 1993-94, 1994-95 and 1995-96. The estimate of the work was prepared on the basis of State Public Works Department's (PWD) Schedule of Rates (SOR) for 1991-92 with 15, 20 and 25 *per cent* increase thereon for Phases I, II and III respectively on the ground of price escalation. Phase-wise details of estimated cost and the year-wise position of grants-in-aid sanctioned by the State Government during 1992-93 to 2000-2001 for the purpose are given in Appendix III.

3.2.2 Test-check (September – October 2001) of records and further information collected (May 2002) from the Council revealed as under:-

(i) Phase I of the work (construction of basement floor and ground floor) was awarded (January 1994) to a contractor after inviting tenders at par with the cost of Rs.34 lakh provided in the tender notice. The stipulated time for completion of the work was 18 months from the date (January 1994) of issue of work order. On the request of the contractor, the time for completion of the work was extended by the Council up to December 1996 considering the heavy rainfall and scarcity of cement. Even so, the work could not be completed by the contractor within the extended period. The SEC of the Council stated (July 2002) that the work of Phase I was completed long back. However, actual date of completion of the work had not been intimated. Though final bill for Rs.38.49 lakh was paid to the contractor in January 2002, penalty for delay in completion of the work beyond December 1996 as per clause 2 of the agreement executed (1994) with the contractor was not levied. Out of Rs.4.49 lakh paid to the contractor in excess of the agreed amount (Rs.34 lakh), Rs.0.73 lakh was stated by the SEC of the Council (November 2002) to be due to execution of some extra works by the contractor on the advise of the Executive Engineer of the Council. Reasons for the remaining extra expenditure of Rs.3.76 lakh had not been stated.

(ii) Instead of inviting tenders, the work for remaining two phases was awarded to the same contractor in December 1995 after negotiation. The work order issued (December 1995) to the contractor indicated the rate of allotted work as 50 per cent above the SOR – 1991-92. But the value of allotted work (Rs.53 lakh) worked out to 59.06 per cent^(a)

^(a) **Original estimated cost at SOR - 1991-92:-**

Phase II (excluding 20 per cent increase over SOR-1991-92) {(Rs.17.61 lakh x 100) ÷ (100 + 20)}:	Rs.14.67 lakh
Phase III (excluding 25 per cent increase over SOR-1991-92) {(Rs.23.31 lakh x 100) ÷ (100 + 25)}:	<u>Rs.18.65 lakh</u>
(i) Total original estimated cost of Phases II & III excluding increase over SOR-1991-92, i.e., original estimated cost at SOR-1991-92:	<u>Rs.33.32 lakh</u>
(ii) Cost of work awarded (Phases II & III):	Rs.53.00 lakh
Increase over estimated provision, i.e., over SOR-1991-92 {(ii)-(i)}:	Rs.19.68 lakh
Percentage of increase over SOR-1991-92 - (Rs.19.68 lakh x 100 ÷ Rs.33.32 lakh):	59.06

above the SOR – 1991-92 which was even more than the rate (50 per cent above the SOR – 1991-92) agreed by the contractor (November 1995). Accordingly, the estimate of the work was revised (December 1995) to Rs.108.98 lakh (details in Appendix III). The stipulated time for completion of the work was 18 months from the date (December 1995) of issue of work order. The Chief Engineer, PWD Buildings, Meghalaya intimated the Council in December 1995 that the rates indicated in the SOR-1995-96 were about 30 to 35 per cent above the SOR-1991-92. Thus, the work could have been awarded by the Council at 35 per cent above the SOR-1991-92 (Rs.44.98 lakh^(b)) or on ascertaining the competitive rate by inviting tenders. According to clause 5 of the agreement executed with the contractor in January 1996, the contractor should apply to the Executive Member in-charge within 30 days for extension of time if he so desires on the ground of his having been unavoidably hindered in execution of work or on any other grounds. Though the works allotted to the contractor could not be completed (May 2002) even after 5 years of the stipulated date of completion (May 1997) and despite release of grants-in-aid totalling Rs.102.93 lakh by the State Government up to January 2002, extension of time was neither prayed for by the contractor nor allowed by the Council. Even so, penalty for delay as per clause 2 of the agreement was not levied by the Council till payment of eighth running account bill in January 2002 (total payments made till January 2002: Rs.40.79 lakh after deduction of security deposit of Rs.4.04 lakh from the gross value of Rs.44.83 lakh).

3.2.3 The SEC of the Council stated (May and July 2002) that –

(i) when a building is constructed in phased manner, construction works cannot be done in isolated way because most of the works are inter-linked. It was not possible for the contractor to execute any internal works of the ground floor without constructing 1st floor. Therefore, the EC felt the necessity to start construction of Phases II and III. Accordingly, the work of these phases was awarded to the same contractor in December 1995. The contractor started construction of 1st floor, staircase, etc. (Phase II) simultaneously with the construction work of basement floor and ground floor (Phase I);

^(b) Rs.33.32 lakh + 35 per cent:

Rs.44.98 lakh

(ii) the work of Phases II and III was awarded to the contractor in consideration of reasonable rate agreed by him as well as his workmanship and to avoid future price escalation. The EC could visualise that the State Government would not release grants for building immediately and the building would remain incomplete for few more years for want of funds. As such, the Committee awarded the work at 50 *per cent* above the SOR-1991-92. Moreover, unlike PWD contractors who get all vital building materials at Government approved rates, the contractor of the Council was to procure building materials from open market; and

(iii) penalty for delay in completion was not levied mainly due to non-release/irregular release of grants-in-aid by the State Government leading to non-payment of contractor's bills. The Council would not hesitate to impose penalty, if any, on the contractor if occasion so demanded, but not before the completion of building in all respect for the interest of the Council.

3.2.4 Replies are not tenable in view of the fact that –

(i) when the construction work of the building could not be started in isolated way, the Council could have awarded the entire work initially at the available rate of Phase I (estimated cost put to tender notice), i.e., at par with the original estimated cost of each phase (Phase II : Rs.17.61 lakh; Phase III : Rs.23.31 lakh);

(ii) the work was awarded at 59 *per cent* above the SOR-1991-92 (Paragraph 3.2.2 (ii) supra). Since competitive rate prevalent during December 1995 was not ascertained, allotment of work at 24 *per cent* above the rate communicated by the CE (35 *per cent*) was not justified. Reply is silent about stipulation of the time for completion of the work of Phases II and III as 18 months when the EC could visualise the delay in completion of the work; and

(iii) the State Government released grants-in-aid for Rs.59 lakh till the extended period of Phase I (December 1996). Hence, non-levy of penalty for delay in completion of Phase I for the period beyond December 1996 on the ground of non-release/irregular release of grants was not justified. So far as the work of Phases II and III is concerned, grants totalling

Rs.81.96 lakh (excluding Rs.7.54 lakh spent on laying of foundation stone, electrification and payment to Architect), i.e., 94 per cent of the total value of entire allotted work (Rs.87 lakh), was available with the Council as of March 1999. Hence, non-completion of the work by the contractor particularly beyond March 1999 merely for Rs.5.04 lakh (6 per cent of the total value of allotted work) was not justified.

3.2.5 Thus, non-allotment of work of Phases II and III initially with the Phase I had resulted in avoidable extra expenditure of Rs.12.08 lakh^(c) including committed liability of Rs.2.78 lakh. Had the work of these phases been awarded at least at the maximum rate of 35 per cent over the SOR-1991-92, the extra expenditure could have been reduced to Rs.8.02 lakh^(d). Further, the contractor was allowed undue financial benefit of Rs.6.42 lakh due to award of work at 9.06 per cent higher than the rate agreed by the contractor (Rs.3.02 lakh^(e)) and non-levy of penalty for delay in completion of the work of Phase I (Rs.3.40 lakh^(f)). The Council had also been denied the benefit of new expansion block for over 5 years due to non-completion of the work of Phases II and III, besides rendering the expenditure of Rs.44.83 lakh incurred on these phases unproductive so far.

(c) Estimated cost of Phases II & III (including 20 and 25 per cent increase):	Rs.40.92 lakh
Cost at which the work of Phases II & III was allotted :	<u>Rs.53.00 lakh</u>
Increase over the estimated cost :	<u>Rs.12.08 lakh</u>
Percentage of increase {(Rs.12.08 lakh x 100) ÷ (Rs.40.92 lakh)}	29.52
Amount paid to the contractor for Phases II & III :	Rs.40.79 lakh
Extra Expenditure :	
{(Rs.40.79 lakh x 29.52) ÷ (100 + 29.52)}:	Rs.9.30 lakh
Committed liability : (Rs.12.08 lakh - Rs.9.30 lakh):	Rs.2.78 lakh
(d) Cost of work of Phases II & III awarded at 59 per cent above SOR-1991-92:	Rs.53.00 lakh
Less: Cost of work at 35 per cent above the SOR-1991-92 (Rs.33.32 lakh + 35 per cent):	<u>Rs.44.98 lakh</u>
Excess expenditure if work was awarded at 35 per cent above SOR-1991-92:	<u>Rs. 8.02 lakh</u>
(e) 9.06 per cent (59.06 – 50 per cent) of the original estimated cost of Rs.33.32 lakh (excluding 20 and 25 per cent increase over SOR – 1991-92):	Rs.3.02 lakh
(f) One per cent for each day of delay subject to a maximum of 10 per cent of the tender value.	

3.2.6 The SEC of the Council further stated (November 2002) that the delay in completion of the work was mainly due to irregular release of grants by the State Government and that all the departments of the Council were shifted to new expansion block in June 2002, though some residuary works of the building were yet to be completed.

3.3 Loss of revenue on settlement of check gate at lower rate

3.3.1 For leasing out the check gate (collection of revenue on minor forest produce) of Shillong Range for the year 2000-2001, the Secretary, Executive Committee (SEC) of the Council invited quotations in January 2000. Of 7 quotations received, the rate of Rs.42.26 lakh being the highest was accepted (2 February 2000) by the Council. Accordingly, the highest bidder 'A' was directed (2 February 2000) to deposit half of the offered amount and execute an agreement within 7 days.

3.3.2 Test-check (September-October 2001) of records of the Council disclosed that on 13 January 2000, the said check gate for the year 2000-2001 was leased out to another bidder for Rs.14.01 lakh by the Chief Forest Officer (CFO) of the Council. The work order of the CFO was, however, cancelled by the SEC vide order dated 24 January 2000 as the CFO was not the competent authority to execute any lease agreement. On a writ petition being filed by the bidder challenging the cancellation order of the SEC, the Honourable Gauhati High Court (HGHC) passed an ex-parte stay order on 4 February 2000. The stay order was discharged by the HGHC on 28 February 2000 and the writ petition finally disposed of under the same order.

3.3.3 The Council in its application submitted before the HGHC for vacation of stay order inter alia stated that due to stay order, the EC of the Council could not finalise the settlement of the check gate despite receipt of 7 quotations (including the highest bidder 'A') in response to notice of January 2000 and in case the stay order was allowed to continue, there would be heavy loss of revenue. However, after vacation of the stay order, the Council neither leased out the check gate to bidder 'A' at his offered rate of Rs.42.26 lakh nor cancelled the earlier order of 2 February 2000 issued to bidder 'A'. Instead, the SEC invited on 3 March

2000 fresh quotations for leasing out the check gate stated to be “in pursuance to the Honourable High Court’s order dated 28 February 2000”. HGHC’s order of 28 February 2000, however, did not contain any instruction for inviting fresh quotations. Though bidder ‘A’ requested (8 March 2000) the Chief Executive Member of the Council to allow him to deposit the first instalment of lease money as per Council’s order of 2 February 2000, his request was rejected (10 March 2000) by the SEC on the ground that the bidder ‘A’ failed to comply with the instruction of 2 February 2000 and submit fresh quotations.

3.3.4 The check gate was ultimately leased out (14 March 2000) to another bidder ‘B’ at his quoted (6 March 2000) rate of Rs.28.10 lakh, which was even less than the rate (Rs.28.50 lakh) quoted by the third highest bidder in response to notice inviting quotation of January 2000. Bidder ‘B’ deposited the lease amount into treasury in two instalments in March and November 2000.

3.3.5 The SEC of the Council stated (July 2002) that as the bidder ‘A’ had neither deposited 50 *per cent* of his offered amount nor met the Chief Executive Member and other members of the EC despite allowing 10 days time after vacation of stay order, the EC of the Council was compelled to cancel the lease order. He further stated (July 2002) that the bidder ‘A’ did not quote his rate in response to fresh notice of 3 March 2000. The contention is not justified as the work order issued to bidder ‘A’ on 2 February 2000 was neither cancelled by the Council till 9 March 2000 nor the Council issued any notice/instruction to bidder ‘A’ after vacation of stay order (28 February 2000) giving him a final opportunity to comply with the instructions of 2 February 2000 so as to safeguard the financial interest of the Council.

3.3.6 Thus, leasing out the check gate to the bidder after inviting fresh quotations without any valid reasons and disregarding the highest offer of Rs.42.26 lakh resulted in loss of revenue of Rs.14.16 lakh to the Council.

3.4 Outstanding Inspection Reports

3.4.1 Audit observations on financial irregularities and defects in the maintenance of accounts noticed during local audit are given below:

the spot are communicated to the heads of the offices and to the next higher authorities through the Inspection Reports.

3.4.2 At the end of 2000-2001, six Inspection Reports (IR) relating to the Council issued between December 1995 and November 2000 still contained 39 unsettled paragraphs. Even first replies to 34 paragraphs of four IRs issued between July 1997 and November 2000 had not been furnished by the Council (November 2002).



(N. R. Rayalu)

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

Shillong
The

28 FEB 2003
28 FEB 2003

Countersigned

28 MAR 2003

New Delhi
The



(Vijayendra N. Kaul)

Comptroller and Auditor General of India

20 MAR 2003

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APPENDICES



APPENDIX - I

Statement showing substantial variations between budget and actuals

(Reference: Paragraph 2.2; Page 5)

Sl. No.	Major Head of Account	Budget estimate	Actual as per Annual Accounts	Shortfall and percentage of shortfall in brackets	Reasons for shortfall as stated by the SEC of the Council in July 2002
RECEIPT HEADS					
1.	Taxes on Profession, Trades, etc.	335.31	210.18	125.13 (37)	Less release of Council's share by State Government
2.	Land Revenue	10.60	4.16	6.44 (61)	Less collection of revenue by issuing no objection certificate, land records, etc.
3.	Taxes on Vehicles	60.00	...	60.00 (100)	Non-release of share of taxes on vehicles by the State Government
4.	Mines and Minerals	175.00	80.98	94.02 (54)	Short release of Council's share by the State Government

APPENDIX - II

Details showing significant cases of variations of receipts and expenditure between current year and previous year

(Reference: Paragraph 2.3; Page 5)

Sl. No.	Head of Accounts	Actuals		Variation Increase (+)/ Decrease (-) and percentage of variations in brackets	Reasons for variations as stated by the SEC of the Council in July 2002
		1998-99	1999-2000		
(Rupees in lakh)					
RECEIPTS					
1.	Taxes on Vehicles	6.00	...	(-) 6.00 (100)	Non-release of share of collection of taxes on vehicles by the State Government.
2.	Other General Economic Services	19.40	12.71	(-) 6.69 (34)	Collection of lease money of toll gate (Rs.5 lakh) in advance during 1998-99.
3.	Mines and Minerals	177.39	80.98	(-) 96.41 (54)	Non-receipt of Council's due share from the State Government.
EXPENDITURE					
1.	Social Security and Welfare	5.81	27.82	(+) 22.01 (379)	Payment of arrear pay and allowances and increase of salaries of the staff for adoption of new pay scales.
2.	Other General Economic Services	4.20	6.34	(+) 2.14 (51)	- Do -
3.	Forest	108.22	124.57	(+) 16.35 (15)	- Do -
4.	Roads and Bridges	50.18	116.33	(+) 66.15 (132)	- Do -

APPENDIX - III

Phase-wise details of estimated cost and year-wise position of grants-in-aid sanctioned by the State Government

(Reference: Paragraphs 3.2.1 & 3.2.2(ii); Pages 6 & 8)

A – Phase-wise details of estimated cost

Particulars	Original estimated cost (Percentage over the SOR-1991-92)	Revised estimated cost allowing 59.06 per cent increase over the SOR- 1991-92
	(Rupees in lakh)	
Phase I – Construction of retaining wall around the basement floor, plinth protection and surface drainage	2.74	2.74
Construction of basement floor and ground floor	35.89 (15)	35.89
Phase II – Construction of first floor	17.61 (20)	22.96
Phase III – Construction of second floor including lift hall and staircase room	23.31 (25)	30.04
Contingency, etc.	17.34	17.35
Total	96.89	108.98

B – Year-wise position of grants-in-aid sanctioned by the State Government

Year of sanction	Amount of grants-in-aid (Rupees in lakh)	Month of release of grants-in-aid
	1992-93	
1993-94	25.00	November 1993
1994-95	24.00	March and July 1996
1995-96	4.50	October 1998
1996-97	18.00	October 1998
1997-98
1998-99	8.00	March 1999
1999-2000	4.43	March 2000
2000-2001	9.00	January 2002
Total	102.93	

