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

FOR THE YEAR ENDED 31 MARCH 1998

**NO. 3 OF 1999
(CIVIL)**

GOVERNMENT OF ASSAM

F(b)

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COMPTROLLER AND AUDITOR GENERAL
OF INDIA

FOR THE YEAR ENDED 31 MARCH 1957

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(CIVIL)

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(12)

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PREFATORY REMARKS

This Report has been prepared for submission to the Governor under Article 151 of the Constitution. It relates mainly to matters arising from the Appropriation Accounts for the year 1997-98 together with other points arising from the audit of the financial transactions of the Government of Assam. It also includes certain points of interest arising from the Finance Accounts for the year 1997-98.

2. The Report containing the observations of Audit on Statutory Corporations, Boards and Government Companies and the Report containing the observations of Audit on Revenue Receipts are presented separately.

3. The cases mentioned in this Report are among those which came to notice in the course of test-audit of accounts during the year 1997-98, as well as those which had come to notice in earlier years but could not be dealt with in previous Reports; matters relating to the period subsequent to 1997-98 have also been included, wherever considered necessary.

OVERVIEW



OVERVIEW

OVERVIEW

This Report contains six chapters. Chapter I presents a detailed analysis of the financial position of the State. Chapter II reviews the Government's control over expenditure during the year including the Calamity Relief Fund. The remaining four chapters contain 5 reviews and 50 paragraphs based on audit of certain selected schemes and programmes and financial transactions of the Government. A synopsis of the findings contained in the reviews and important paragraphs is presented in this overview.

1. Accounts of the State Government

The Budget Estimates for the year 1997-98 envisaged a revenue deficit of Rs. 185.43 crore which was decreased to Rs. 37.97 crore in the Revised Estimates. The year, however, ended with a revenue surplus of Rs.287.10 crore mainly due to increase in State's share of income tax from Rs.376.71 crore in 1996-97 to Rs. 587.84 crore in 1997-98 and increase in tax and non-tax revenues from Rs. 766.90 crore and Rs. 322.13 crore in 1996-97 to Rs.881.94 crore and Rs. 381.21 crore in 1997-98 respectively. Receipts in the consolidated fund of the State (excluding overdraft) increased from Rs. 3697.69 crore in 1993-94 to Rs. 5789.06 crore in 1997-98.

Net surplus in the consolidated fund of the State stood at Rs.154.31 crore at the end of 1997-98. The assets of the State Government increased from Rs. 6707.28 crore at the end of March 1997 to Rs. 7210.72 crore at the end of March 1998 and the liabilities of the State Government also increased from Rs. 6422.60 crore to Rs. 6910.60 crore during the same period.

All abbreviations used in this Report are expanded in the Glossary vide Appendix -XVII at page 208.

Revenue Receipts

The revenue receipts of the State Government increased to Rs.4325.65 crore in 1997-98 from Rs.3855.81 crore in 1996-97 registering an increase of 12 per cent. The tax revenue mobilised by the State Government increased from Rs.766.90 crore in 1996-97 to Rs.881.94 crore in 1997-98, an increase of 15 per cent. The non-tax revenue raised by the Government increased from Rs.322.13 crore to Rs. 381.21 crore an increase of 18 percent during the same period. The aggregate of the amount received by the State on account of share in net proceeds of Income tax, Union Excise Duties and grants-in-aid increased from Rs.2766.78 crore in 1996-97 to Rs.3062.50 crore in 1997-98. The percentage of revenue raised by the State to total revenue receipts increased marginally from 28 in 1996-97 to 29 in 1997-98. Infact almost 76 per cent of the revenue expenditure of State was financed by receipts from Central grants-in-aid and share in Union taxes.

(Paragraph 1.4)

Revenue Expenditure

The plan revenue expenditure during 1997-98 was Rs.973.05 crore against the budget provision of Rs.1363.07 crore (including supplementary) disclosing a shortfall of Rs. 390.02 crore. The Non-plan revenue expenditure during the year was Rs. 3065.50 crore against the budget estimate of Rs. 3481.89 crore (including supplementary) disclosing a shortfall of Rs.416.39 crore in expenditure.

The revenue expenditure (both plan and Non-plan) went up from Rs.2901.17 crore in 1993-94 to Rs.4038.55 crore in 1997-98 showing an increase of 39.20 per cent. The expenditure under Non-plan increased during the period by Rs.895.44 crore while that under Plan increased by Rs.241.94 crore only.

(Paragraph 1.5)

Capital expenditure

Capital expenditure (excluding Loans and Advances and Public Debt) during 1997-98 was Rs.329.31 crore against budget estimate of Rs.514.77 crore disclosing a shortfall of Rs.185.46 crore. There was a increase of Rs.87.12 crore as compared to the preceding year.

(Paragraph 1.6)

Public Debt

The additions in the Internal Debt of the Government went up from Rs.876.80 crore in 1993-94 to Rs.3143.27 crore in 1997-98, an increase of 258.49 per cent. The amount of additions in Small savings and Provident Fund etc. also increased from Rs.495.46 crore to Rs.588.46 crore between 1993-94 to 1997-98.

The entire amount of loans received from the Central Government during the last five years was consumed in repayment of principal and interest

(Paragraph 1.8)

Government paid interests totalling Rs.638.93 crore on debt and other obligations during 1997-98. However, the interest received on all accounts was only Rs.2.14 crore leaving a net interest burden of Rs.636.79 crore.

(Paragraph 1.5.1)

Investments totalling Rs.415.98 crore as on 31 March 1998 in various statutory Corporations, Government Companies and Co-operative Societies yielded a meagre dividend of Rs.0.35 crore during 1997-98.

(Paragraph 1.6.1)

Inadequate cash balances of the State Government with the Reserve Bank of India necessitated taking of ways and means advances of Rs.568.16 crore and overdrafts of Rs.2360.62 crore during 1997-98, The amount of ways and means advances and overdrafts outstanding at the end of the year was Rs.80.00 crore and

Rs.117.58 crore respectively. The quantum of payment of interest on ways and means advances and overdrafts increased from Rs.2.27 crore in 1993-94 to Rs.15.99 crore in 1997-98 indicating deteriorating cash management.

(Paragraph 1.10)

2. Appropriation Audit and Control over Expenditure

Against the budget provision of Rs.6491.58 crore (including supplementary) the expenditure was Rs.8007.73 crore. The net excess of Rs.1516.15 crore was the product of saving of Rs.1106.17 crore in 71 cases of grants and 30 cases of appropriations and excess of Rs.2622.32 crore in one grant and one appropriation. The excess required regularisation by Legislature under Article 205 of the Constitution of India. Besides, the excess expenditure of Rs.6785.28 crore pertaining to all the years since 1983-84 had also not yet been regularised.

Supplementary provisions of Rs.205.38 crore obtained during 1997-98 constituted 3.27 per cent of the original budget provision. In 52 cases involving 44 grants supplementary provisions aggregating Rs.147.40 crore obtained during the year were entirely unnecessary.

Expenditure fell short of the provision by more than Rs.1 crore in respect of 55 cases of grants.

(Paragraph 2.2)

“Calamity Relief Fund” established for meeting expenditure on relief measures in the wake of natural calamities, was to be financed by grants-in-aid from Central Government (75 per cent) along with State’s share (25 per cent) . During the period from 1990-91 to 1997-98 the Central Government released its share aggregating Rs.224.99 crore to the State Government, of which only Rs.152.08 crore along with State’s share of Rs.50.69 crore (total Rs.202.77 crore) were transferred to the fund.

Out of Rs.224.99 crore received from the Central Government as grants-in-aid towards Calamity Relief Fund, the State Government utilised only Rs.5.11 crore for relief purposes and diverted Rs.219.88 crore to meet its other cash requirements. This led to the State Government demanding more funds from the Central Government in connection with relief operations necessitated by flood damages.

(Paragraph 2.7)

3. Audit Reviews on developmental/welfare programmes etc.

3.1 Control over expenditure in Health and Family Welfare Department.

Control over expenditure exercised by the Department of Health and Family Welfare particularly its apportionment among various schemes and programmes were reviewed by Audit.

While there was no significant excess expenditure in the major head "2210 Medical and Public Health" during the years 1993-94 to 1997-98, Rs. 186.18 crore in excess of budgetary appropriation was spent during the period on purchase of medicines through the Medical Stores Depot of Government of India. This was financed by non-implementation of Central Sector or Centrally Sponsored Schemes as also State Plan Schemes.

Budgetary allotments voted by the Legislature for purchase of medicines were fully utilised for direct local purchase of medicines. Yet, indents for purchase of medicines were placed with Medical Stores Depot without any budget provision. This led to systematic subversion of the LOC system of expenditure control which was not applicable to payments against claims raised by Central Government Pay and Accounts Offices.

In spite of a Government directive in September 1992 to stop purchases from Medical Stores Depot, the Department continued to place indents with the Medical Stores Depot and incurred expenditure of Rs.172.28 crore during 1993-94 to 1997-98.

In view of the widespread irregularities noticed in the test-check of records of medicines maintained in various offices/hospitals/dispensaries, audit is not in a position to provide any assurance on the end use of the huge quantity of medicine purchased through MSD.

The Jt. DHS, Tinsukia, drew Rs. 2.31 crore in excess of LOC. The excess drawals were made by manipulating/forging the figures of LOC. Orders for purchase of medicines were also being placed in excess of delegated financial powers by splitting up bills and physical verification of medical stores was not carried out.

Instead of remitting the entire departmental receipts of Rs. 1.66 crore into treasury as per codal provision, 6 drawing and disbursing officers utilised Rs. 1.27 crore for purchase of medicines, repairing of vehicles etc. kept Rs. 7.11 lakh in hand and remitted Rs. 31.51 lakh only into the treasury.

(Paragraph 3.5)

3.2 National Malaria Eradication Programme

The National Malaria Eradication Programme is a Centrally Sponsored Scheme introduced to control incidence of malaria in the State through different protective measures.

Between 1992-93 and 1997-98 the Central Government released Rs. 21.98 crore in cash for implementation of the programme. But the State Government released only Rs. 13.06 crore to the implementing agencies, of which Rs. 10.25 crore was actually utilised for the programme. Thus, Rs. 11.73 crore was diverted for other

purposes. Another Rs. 1.35 crore was utilised for purchase of materials not related to the scheme.

Second round of DDT spraying operation was not carried out in certain districts due to non availability of spraying squads. In Kokrajhar district even the first round of spraying operation was not carried out in 1992 and 1993. Consequently, the incidence of malaria continued to be on rise, highest being in Kokrajhar district. Two hundred and two death cases due to malaria were reported in 1995.

Although Urban Malaria Scheme was not sanctioned, assistance was released by Government in cash (Rs. 8.15 lakh) and kind (Rs. 18.83 lakh) between 1992-93 and 1997-98. Assistance in cash remained unutilised and assistance in kind was utilised in areas other than urban areas.

District Malaria Officer, Dibrugarh issued 9 tonnes of DDT (Rs.5.94 lakh) to PHCs after expiry of shelf life.

(Paragraph 3.6)

3.3 Sanction, procurement and utilisation of vehicles in Government Departments

Economy and efficiency in procurement and utilisation of Government vehicles was reviewed by Audit in the departments of Secretariat Administration, Police and Agriculture.

Of the Special Financial Assistance of Rs.14.70 crore released by the Government of India during 1993-94 for purchase of vehicles, equipments and armmunitions, the State Government diverted Rs.7.10 crore for other purposes. Detailed Countersigned Contingent bills for Rs.5.81 crore drawn on Abstract Contingent Bills were not submitted to the Controlling Officer even after delays ranging from 1 to 53 months.

Purchase of vehicles by Secretariat Administration Department without assessing actual requirement resulted in avoidable expenditure of Rs.3.73 crore as cost of surplus vehicles. Another Rs.48.61 lakh was spent on maintenance of these surplus vehicles. Twenty one of these surplus vehicles were utilised by persons either not entitled to Government vehicles or in excess of their entitlement.

In Police Department, seventy eight vehicles pertaining to Districts/Battalions for maintenance of schemes were utilised in DGPs car pool. In Agriculture Department, 10 vehicles purchased under different schemes were utilised for other purposes.

In Police Department uneconomical and old vehicles were retained beyond the period of condemnation leading to avoidable expenditure of Rs.1.50 crore on their maintenance and repairs. Spare parts of vehicles costing Rs.19.86 lakh were purchased by splitting up bills to avoid sanction from higher authority. Besides, Rs.5.07 crore was spent in excess of the prescribed ceiling for maintenance and repair of vehicles.

Permanent requisition of uneconomical vehicles by the Police Department led to excess consumption of 13.69 lakh litres of petrol/diesel over the prescribed norm, costing Rs.2.49 crore. Due to non-maintenance of POL consumption register, expenditure of Rs.1.41 crore could not be verified in audit.

Out of 235 vehicles declared condemned in Police Department between 1992-93 and 1997-98, only 88 vehicles were disposed of. Delay in disposal of 147 vehicles is likely to result in lower realisation on auction.

(Paragraph 3.12)

3.4 Special Central Assistance for Tribal Sub-Plan

Special Central Assistance is an additive grant to the State Plan and forms part of Tribal Sub-Plan for socio-economic development of Plain Scheduled Tribes and protection of tribals against exploitation.

Out of the Rs. 78.08 crore received between 1992-93 and 1997-98 as Special Central Assistance, the State Government did not release Rs. 22.85 crore (including opening balance of Rs. 3.54 crore) to the implementing agencies which was diverted for other purposes. Of the Rs.58.77 crore released, Rs. 14.80 crore remained unspent with the implementing agencies.

Rupees 20.95 crore out of Rs. 59.52 crore shown as spent under Central assistance between 1992-93 and 1997-98 was utilised for purposes other than for which it was given.

Rupees 7.80 crore of Special Central Assistance earmarked for dispersed tribal population of the State was not so allocated or utilised

(Paragraph 3.17)

3.5 State Roads in Assam

State Roads include State Highways, Major District Roads and Other District Roads. Road works are implemented by respective Chief Engineer for General areas, Hill areas and for city works.

Audit scrutiny revealed extremely poor budgetary and expenditure control evident in widespread financial irregularities. Road Divisions incurred expenditure of Rs.48.57 crore in excess of LOC during the year 1992-93 to 1994-95. State Roads Divisions had accumulated liability of Rs.238.34 crore against pending bills of contractors/suppliers as of January 1998. Despite instructions from the Chief Engineer to stop making part payments to the contractors/suppliers against pending bills, 8 Road Divisions paid Rs.16.14 crore through hand receipts during 1994-95 to 1996-97 without proper scrutiny and maintaining detail records. Guwahati Road Division diverted Rs.11.81 crore from various heads of accounts for repair works and supplies. Ghilamara Roads Divisions drew Rs.1.53 crore and had not maintained basic records such as cash book, vouchers etc.

Against the target of construction of 5345 kms. of roads between 1992-93 and 1997-98, the achievement was only 3353 kms. Out of targetted 159 bridges

during the period only 61 bridges could be completed after utilising 89 per cent of budget provision.

Seven bridges constructed at a total cost of Rs.1.16 crore could not be opened due to non-completion of approach roads thereby rendering the entire expenditure nugatory.

In spite of a ban imposed by the Government on fresh recruitment of Muster Roll and work charged worker in addition to the existing workers the divisions recruited 1208 workers imposing annual financial burden of Rs. 3.47 crore on the state exchequer.

Time overrun of 7 years in completion of Khanapara-Narengi Expressway resulted in cost overrun of Rs.3.50 crore.

191 Roads under 10 divisions remained closed as of January 1998 for want of repairs.

A semi-permanent timber bridge under Goalpara Roads Division, opened for traffic in April 1994 at a total cost of Rs.5.25 lakh collapsed in June 1994 due to execution of works below specification.

(Paragraph 4.11)

3.6 Other points of interest

Irregularities in procurement and distribution of teaching aids for tribal students

Rupees 4.03 crore was spent out of "Special Central Assistance for Tribal Sub-Plan" for purchase of 1610 teaching kits. The purchase procedure adopted

lacked transparency and was in complete violation of established Government system and included a minimum excess payment of Rs.1.44 crore. Receipts from educational institutions were available only for 7 out of 1610 kits. There is no evidence to establish that the kits were actually distributed to eligible educational institutions.

(Paragraph 3.18)

Irregularities in purchase of steel structure stages

The Director of Cultural Affairs purchased 30 steel fabricated mobile stages etc., for different cultural centres at a total cost of Rs.3.98 crore without any indents from the cultural centres. There was an overpayment of Rs.24.45 lakh to the supplier. The stages supplied were rarely used. 12 stages were damaged due to lack of storing space.

(Paragraph 3.1)

Irregularities in purchase of tool kits

Violating codal provisions the Project Director, DRDA, Dhubri placed supply orders for purchase of 1766 tool kits. Payment of Rs.35.32 lakh was made against the sanction of Rs.14.13 lakh for 758 beneficiaries. Distribution records, were available only for 1090 tool kits. There was a shortage of 555 kits valued at Rs.11.10 lakh.

(Paragraph 6.13)

• Fraudulent drawal

Non-observance of prescribed procedure by the Treasury Officer, Hailakandi and by the DDOs facilitated fraudulent drawal of Rs.43.39 lakh. Besides unauthorised recruitment of teachers by the District Elementary Education Officer, Hailakandi entailed extra expenditure of Rs.15.12 lakh.

(Paragraph 3.2)

Non-levy of penalty and undue financial aid

Penalty of Rs.17.88 lakh was not levied on ship building firms in terms of agreement by the Inland Water Transport Department for failing to deliver vessels after delay of 1 to 8 years. Payment of Rs.90.15 lakh made to them was not commensurate with the value of work done.

(Paragraph 3.14)

Diversion of Central assistance

Central assistance in the form of loan of Rs.1.38 crore for completion of an irrigation scheme was released after 13 months to the Karbi Anglong Autonomus Council and after diverting Rs.21.31 lakh for repayment of principal and interest.

(Paragraph 4.2)

Loss due to payment of electricity charges by the Department

Payment of electricity consumption bills by the Public Works Division on behalf of Government employees having separate meters resulted in a loss of Rs.26 lakh to the Government.

(Paragraph 4.8)

Unauthorised financial aid

The Assam Government Construction Corporation was paid Rs.115.76 lakh as advance for the two works viz. "Construction of RCC bridge over river Sassa" (Rs.60.23 lakh) and "Construction of RCC bridge over river Gabharu (Rs.55.53 lakh). Against the advance payment, the corporation carried out works valued Rs.59.45 lakh (Rs.33.50 lakh and 25.95 lakh respectively) and stopped further work without refunding the balance amount of advance. Payment of advance far in excess of the value of work done led to undue financial assistance of Rs.56.31 lakh to the corporation.

(Paragraph 4.13)

Extra expenditure

Despite recommendation from the Purchase Board and availability with Steel Authority of India, the Director, Panchayat and Rural Development purchased galvanised corrugated iron sheets from a private firm at higher rates entailing extra expenditure of Rs.1.17 crore to the state exchequer.

(Paragraph 6.7)

CHAPTER – I

ACCOUNTS OF THE STATE GOVERNMENT

1.1 Introduction

1.1.1 Structure of the Government Accounts

The accounts of the State Government are kept in three parts (i) Consolidated Fund, (ii) Contingency Fund and (iii) Public Account.

Part I Consolidated Fund

All receipts of the State Government from revenues, loans and recoveries of loans go into the Consolidated Fund of the State, constituted under Article 266(1) of the Constitution of India. All expenditure of the Government is incurred from this Fund and no amount can be withdrawn from the Fund without authorisation from the State Legislature. It consists of two main divisions, namely Revenue Account (Revenue Receipts and Revenue Expenditure) and Capital Account (Capital Receipts, Capital Expenditure, Public Debt and Loans etc.).

Part II Contingency Fund

The Contingency Fund created under Article 267(2) of the Constitution of India is in the nature of an imprest placed at the disposal of the Governor of the State to meet urgent unforeseen expenditure pending authorisation from the State Legislature. Approval of the State Legislature is subsequently obtained for such expenditure and for transfer of equivalent amount from the Consolidated Fund to Contingency Fund. The corpus of this Fund authorised by the Legislature during the year was Rs. 15.00 crore.

Part III Public Account

Receipts and disbursements in respect of Small Savings, Provident Funds, Deposits, Reserve Funds, Suspense, Remittances etc., which do not form part

of the Consolidated Fund, are accounted for in Public Account and are not subject to vote by the State Legislature.

Annual Accounts

The accounts of the State Government are compiled annually by the Accountant General (Accounts and Entitlement), Assam. These are prepared in two volumes viz., the Finance Accounts and the Appropriation Accounts. The Finance Accounts present the details of all transactions pertaining to both receipts and expenditure under appropriate classification in the Government accounts. The Appropriation Accounts on the other hand, present the details of amounts actually spent by the State Government vis-à-vis the amounts authorised by the State Legislature in the budget grants. Any expenditure in excess of the grants requires regularisation by the Legislature.

1.1.2 Audit Report

The Finance Accounts and the Appropriation Accounts as well as various transactions in these accounts are audited by the Comptroller and Auditor General of India (CAG) in accordance with CAG's (Duties, Powers and Conditions of Service) Act, 1971. CAG certifies the accounts and also submits separate Audit Reports to the Governor of the State in terms of Article 151 of the Constitution of India.

CAG's Reports in respect of Government of Assam for the year ended 31 March 1998 are structured as under:

- No.1 of 1999 (Revenue Receipts)
- No.2 of 1999 (Commercial)
- No.3 of 1999 (Civil)

1.2 Summarised financial position

The financial position of the Government of Assam as on 31 March 1998, emerging from the Finance Accounts and Appropriation Accounts for the year 1997-98 supplemented by additional information collected separately, and the abstract of Receipts and Disbursements for the year is given in the following statements.

Receipts		Disbursements	
Particulars	1997-98	1997-98	1997-98
1. Receipts from Government of India	1,00,00,00,000	1,00,00,00,000	1,00,00,00,000
2. Receipts from State Government	50,00,00,000	50,00,00,000	50,00,00,000
3. Receipts from Local Bodies	10,00,00,000	10,00,00,000	10,00,00,000
4. Receipts from Public Works	5,00,00,000	5,00,00,000	5,00,00,000
5. Receipts from Miscellaneous	5,00,00,000	5,00,00,000	5,00,00,000
Total Receipts	1,70,00,00,000	1,70,00,00,000	1,70,00,00,000
1. Disbursements for Government of India	1,00,00,00,000	1,00,00,00,000	1,00,00,00,000
2. Disbursements for State Government	50,00,00,000	50,00,00,000	50,00,00,000
3. Disbursements for Local Bodies	10,00,00,000	10,00,00,000	10,00,00,000
4. Disbursements for Public Works	5,00,00,000	5,00,00,000	5,00,00,000
5. Disbursements for Miscellaneous	5,00,00,000	5,00,00,000	5,00,00,000
Total Disbursements	1,70,00,00,000	1,70,00,00,000	1,70,00,00,000

STATEMENT -1
SUMMARISED FINANCIAL POSITION OF THE GOVERNMENT OF ASSAM AS
ON 31ST MARCH 1998

(Rupees in crore)

Liabilities				Assets			
Amount as on 31 st March 1997		Amount as on 31 st March 1998		Amount as on 31 st March 1997		Amount as on 31 st March 1998	
1117.52	Internal Debt		1303.14	3800.24	Gross Capital Outlay on Fixed Assets		4129.56
	(i)Market Loans bearing interest	1201.92			(i)Investment in shares of Companies, Corporations etc.	415.98	
	(ii)Market Loans not bearing interest	0.07			(ii) Other Capital Outlay	3713.58	
	(iii)Loans from L.I.C.	7.75					
	(iv)Loans from General Insurance Corporation of India	2.88					
	(v)Loans from NABARD	(-).8.95*					
	(vi)Compensation and other Bonds	0.08					
	(vii)Loans from NCDC	14.03					
	(viii)Loans from other Institutions	4.62					
	(ix)Ways and Means Advances from Reserve Bank of India	80.00					
	(x) Other Loans	0.74					
3997.84	Loans & Advances from Central Government		4151.63	2296.11	Loans and Advances		2395.99
	(i)Pre 1984-85 Loans	1107.11			(i)Loans for Power Project	1921.16	
	(ii)Non-Plan Loans	1914.61			(ii)Other Development loans	394.00	
	(iii)Loans for State Plan Schemes	787.70			(iii)Loans to Government Servants and Misc. Loans	80.83	

* Minus balance is due to accounting of repayment only. The loans were given by NABARD directly to Apex Co-operative Society without routing through accounts. The matter is under correspondence with the Government.

Liabilities				Assets			
Amount as on 31 st March 1997		Amount as on 31 st March 1998		Amount as on 31 st March 1997		Amount as on 31 st March 1998	
	(iv)Loans for Central Plan Schemes	223.59					
	(v)Loans for Centrally Sponsored Plan Schemes	24.52					
	(vi)Loans for Special Plan Schemes	16.10					
	(vii)Ways and Means Advances	78.00					
435.58	Small Savings Provident Funds etc		508.18	207.45	Civil Advances	-	238.75
805.91	Deposits		600.31	294.99	Remittance Balances	-	295.83
161.96	Reserve Funds		214.76	71.97	Suspense and Miscellaneous Balances		192.28
15.00	Contingency Fund		15.00	2.61	Investments out of Reserve Funds	-	2.61
12.88	Surplus on Government Account		300.12	-	Deficit on Government Account		-
	Surplus of Current year	287.10		33.91	Closing Cash Balances		(-)44.30
	Add: Misc. Government Account	0.14			(i)Departmental Cash Balances including permanent Advances	4.60	
	Add: Accumulated surplus upto 31 st March 1997	12.88			(ii)Cash Balance Investment	11.20	
160.59	Overdraft with Reserve Bank of India		117.58		(iii)Deposit with Reserve Bank of India	(-)60.10	
6707.28			7210.72	6707.28			7210.72

Explanatory Notes

1. The summarised financial statements are based on the Finance Accounts and the Appropriation Accounts of the State Government and are subject to notes and explanations contained therein.
2. Government accounts being mainly on cash basis, the revenue surplus or deficit has been worked out on cash basis. Consequently, items payable or receivable or items like depreciation or variation in stock figures etc. do not figure in the accounts.
3. Although a part of revenue expenditure (grants) and the loans are used for capital formation by the recipients, its classification in the accounts of State Government remains unaffected by end use.
4. Under the Government system of accounting, the revenue surplus or deficit is closed annually to Government account with the result that cumulative position of such surplus or deficit is not ascertainable. The balancing figure Rs.17.18 crore as on 31st March 1983, was, therefore, treated as cumulative surplus for drawing up the first instalment of financial position for 1983-84 which took the place of a Balance Sheet.
5. Suspense and Miscellaneous balances include cheques issued but not paid, payments made on behalf of States and others pending settlement, etc. The balance under Suspense and Miscellaneous had increased from Rs.71.97 crore as on 31st March 1997 to Rs.192.28 crore as on 31st March 1998.
6. The closing cash balance as per Reserve Bank of India was Rs.161.49 crore against the general cash balance of Rs.(-)60.10 crore shown in the accounts. Of the difference of Rs.101.39 crore, an amount of Rs.117.58 crore was adjusted as overdraft in April 1997. The remaining difference was under reconciliation.
7. The Public Debt (including overdraft) of the State Government increased by Rs.296.40 crore during 1997-98 thereby pushing up the burden of interest payments and servicing of debt.

SECTION - B - OTHERS

(Rupees in crore)

Receipts				Disbursements					
III.	Opening Cash Balance		33.91	III	Opening Overdraft from Reserve Bank of India				160.59
	Departmental Balances including Permanent Advance and Cash Balance Investment								
IV.	Misc. Capital Receipts		-	IV.	Capital Outlay				329.31
					Sector	Non-Plan	Plan	Total	
				(i)	General Services	0.26	5.82	6.08	
				(ii)	Social Services	2.24	25.76	28.00	
				(iii)	Economic Services				
				(a)	Agriculture and Allied Activities	0.01	0.04	0.05	
				(b)	Rural Development	-	-	-	
				(c)	Special Areas programme	-	11.93	11.93	
				(d)	Irrigation and Flood Control	0.01	158.8 1	158.82	
				(e)	Energy	-	-	-	
				(f)	Industry and Minerals	-	31.74	31.74	
				(g)	Transport	16.94	75.23	92.17	
				(j)	General Economic Services	-	0.52	0.52	
						19.46	309.85	329.31	
V.	Recoveries of Loans and Advances		9.13	V.	Loans and advances Disbursed				109.01
(i)	From Government Servants	8.84		(i)	To Government Servants	18.17			
(ii)	From Others	0.29		(ii)	For Power Projects	80.00			
				(iii)	To others	10.84			
VI.	Revenue Surplus brought down		287.10	VI.	Revenue Deficit brought down				-
VII.	Public Debt Receipts		1454.28	VII.	Repayment of Public Debt				1114.87
(i)	Internal Debt other than Ways & Means Advances & Overdrafts	214.49		(i)	Internal Debt other than Ways and means Advances and Overdrafts	28.87			

Receipts				Disbursements			
(ii)	Way & Means Advances	568.16		(ii)	Ways & Means Advances	568.16	
(iii)	Loans and Advances from Central Government	671.63		(iii)	Repayment of Loans and Advances to Central Government	517.84	
VIII	Public Account Receipts		1648.47	VIII	Public Account Disbursements		1880.99
(i)	Small Savings and Provident Funds etc.,	109.00		(i)	Small Savings and provident funds etc.	36.40	
(ii)	Reserve Funds	52.80		(ii)	Reserve Funds	-	
(iii)	Deposits	426.65		(iii)	Deposits	632.25	
(iv)	Advances	217.18		(iv)	Advances	248.48	
(v)	Suspense and Miscellaneous	170.09		(v)	Suspense and Miscellaneous	290.27*	
(vi)	Remittances	672.75		(vi)	Remittances	673.59	
IX.	Contingency Fund		-	IX.	Contingency Fund		-
X.	Closing Overdraft from Reserve Bank of India		117.58	X.	Closing Cash Balance		(-)44.30
				(i)	Departmental Cash Balance including Permanent Advances	4.60	
				(ii)	Cash Balance Investment	11.20	
				(iii)	Deposit with Reserve Bank of India	(-)60.10	
			3550.47				3550.47

* Differs by Rs.0.01 crore with Statement No.1 due to rounding off.

STATEMENT – III

SOURCES AND APPLICATION OF FUNDS FOR 1997-98

(Rupees in crore)

A. SOURCES			B. APPLICATION			
1.	Revenue Receipts		4325.65	1.	Revenue Expenditure	4038.55
2.	Recoveries of Loans and Advances		9.13	2.	Lending for Development and other purposes	109.01
3.	Increase in Public Debt		339.41	3.	Capital Expenditure	329.31
4.	Net receipts from Public Account		(-)232.52	4.	Repayment of overdraft	43.01
(i)	Increase in Small Savings Provident Funds etc.,	72.60				
(ii)	Effect in Deposits and Advances	(-)236.90				
(iii)	Increase in Reserve Funds	52.80				
(iv)	Effect on Remittance Balance	(-)0.84				
(v)	Effect on Suspense Balance	(-)120.18 *				
5.	Decrease in Cash balance		78.21			
			4519.88			4519.88

* Differs by Rs.0.01 crore with Statement No.1 due to rounding off.

1.3 Analysis of the Management of the Finances of the State

Based on these statements and other supporting data, the following paragraphs in this Chapter present an analysis of the management of the finances of the State Government during 1997-98, relating it to the position obtaining in the preceding four years.

1.3.1 Assets and liabilities of the State

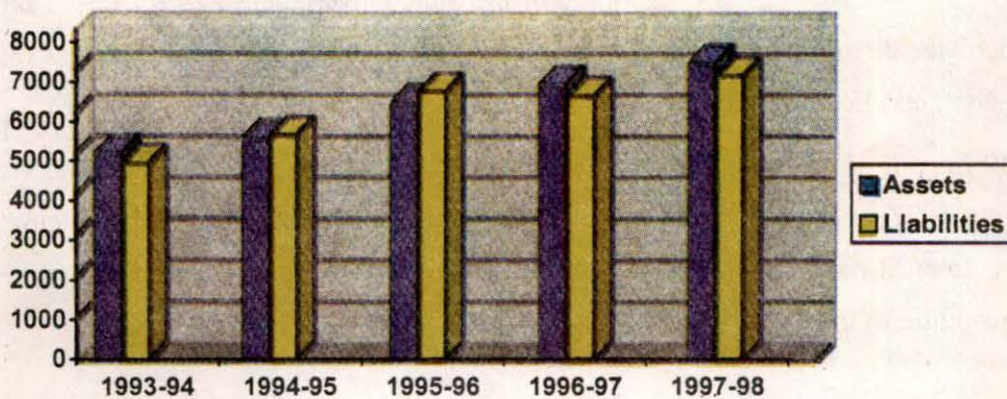
The assets comprising capital investments and loans advanced and the total liabilities of the State Government during the last five years were as under :

(Rupees in crore)

Year	Assets	Liabilities
1993-94	5013.00	4775.84
1994-95	5393.77	5465.72
1995-96	6248.76	6520.56
1996-97	6707.28	6422.60
1997-98	7210.72	6910.60

The liabilities of the State Government increased from Rs. 6422.60 crore at the end of March 1997 to Rs.6910.60 crore at the end of March 1998. The assets of the State Government increased from Rs 6707.28 crore to Rs. 7210.72 crore during the year.

While the assets had grown by 44 per cent during the five years the liabilities had grown by 45 per cent.



1.3.2 Financial position of the State

(i) Financial position of the State Government during 1997-98 as emerging from the Finance Accounts revealed that revenue receipts of the State Government were Rs.4325.65 crore against which revenue expenditure was Rs.4038.55 crore resulting in a Revenue surplus of Rs.287.10 crore constituting 6.64 per cent of the revenue receipts.

(ii) The revenue receipts of the State Government comprised tax revenue (Rs.881.94 crore), non-tax revenue (Rs.381.21 crore), State's share of Union taxes and duties (Rs.1475.25 crore) and grants-in-aid from the Central Government (Rs.1587.25 crore). The grants from the Central Government consisted of Rs.342.62 crore of non-plan grants, Rs.1088.88 crore for state plan schemes, Rs.10.93 crore for special plan schemes and Rs.144.82 crore for central and centrally sponsored schemes. The main sources of tax revenue were Sales Tax (58 per cent), Taxes on Agricultural Income (9 per cent), State Excise (9 per cent), Land Revenue (7 per cent) and Taxes on vehicles (5 per cent) while Non-Tax revenue came mainly from Petroleum (79.21 per cent), Miscellaneous General Services (9 per cent) and Other Administrative Services (8 per cent).

(iii) The revenue expenditure of Rs.4038.55 crore was on General Services (38.58 per cent), Social Services (43.22 per cent) and Economic Services (18.20 per cent).

(iv) The capital expenditure of the State Government was Rs.329.31 crore which was distributed among General services (1.85 per cent), Social Services (8.50 per cent) and Economic Services (89.65 per cent).

(v) The Public Debt of the State Government increased by Rs.339.41 crore during 1997-98 thereby pushing up the burden of interest payment and servicing of debt. Interest payments (Rs.638.93 crore) constituted 15.82 per cent of the revenue expenditure of the State.

1.3.3 Consolidated Fund

Receipts and expenditure under the Consolidated Fund of the State for 1997-98 along with previous financial year were as under :

(Rupees in crore)

Receipt			Expenditure		
1996-97		1997-98	1996-97		1997-98
Revenue Account					
3855.81	Revenue Receipts	4325.65	3571.30	Revenue Expenditure	4038.55
-	Deficit	-	284.51	Surplus	287.10
3855.81	Total	4325.65	3855.81	Total	4325.65
Capital Account					
-	Capital Receipts	-	242.19	Capital Expenditure	329.31
8.17	Recoveries of Loans & Advances	9.13	124.26	Loans and Advances Disbursed	109.01
1317.05	Receipts Booked as Public Debt	1454.28	989.55	Repayment of Public Debt	1114.87
1811.97	Overdraft	2360.62	1813.37	Overdraft	2403.63
32.18	Capital Deficit	132.79	-	Capital Surplus	
3169.37	Total	3956.82	3169.37	Total	3956.82
	Deficit in Consolidated Fund	-	252.33	Surplus in Consolidated Fund	154.31

Receipts in the Consolidated Fund of the State (excluding overdraft) increased from Rs.3697.69 crore in 1993-94 to Rs.5789.06 crore in 1997-98, an increase of 56.56 per cent. Public debt receipts (borrowed funds), constituted 25.12 per cent of the receipts in the Consolidated Fund. Under article 293(1) of the Constitution of India, a State may borrow within the territory of India upon the security of the Consolidated Fund of the State within such limits, if any, as may from time to time be fixed by an act of the Legislature of the State. No law had so far been passed by the State Legislature laying down any such limit. Net surplus in the Consolidated Fund of the state stood at Rs.154.31 crore in 1997-98 as against Rs.252.33 crore in 1996-97.

1.3.4 Public Account

Receipt and expenditure under Public Account of the State for 1997-98 was as under:-

(Rupees in crore)

	Receipts	Disbursement
Small Savings, Provident Fund etc.	109.00	36.40
Deposit and Advances	643.83	880.73
Suspense and Miscellaneous	170.09	290.27
Reserve Funds	52.80	--
Remittances	672.75	673.59
Total	1648.47	1880.99
Deficit on Public Account		232.52

The surplus in the Consolidated Fund was applied to meet the deficit on Public Account besides consuming the opening cash balance of Rs.33.91 crore and further reducing the cash balance of the State to a negative figure of Rs. 44.30 crore. This was mainly due to more payments under 'Deposits and Advances' and 'Suspense and Miscellaneous'. Though the payment under 'Deposits' reduced the liability of the Government the increase in disbursements under 'Suspense and Miscellaneous' needs expeditious action for adjustment and settlement in accounts.

1.4 Revenue Receipts

Trend of revenue receipts during the period of five year (1993-1998) was as under:

(Rupees in Crore)

Year	Budget Estimates (including supplementary)	Actual Revenue Receipts	Increase (+)/ decrease (-) over the previous year	Percentage of increase (+)/ decrease (-)
1993-94	2860.87	3317.46	(+) 704.23	26.95
1994-95	3315.00	2961.41	(-) 356.05	(-) 10.73
1995-96	4174.11	3375.74	(+) 414.33	14.00
1996-97	4273.50	3855.81	(+) 480.07	14.22
1997-98	4721.43	4325.65	(+)469.84	12.19

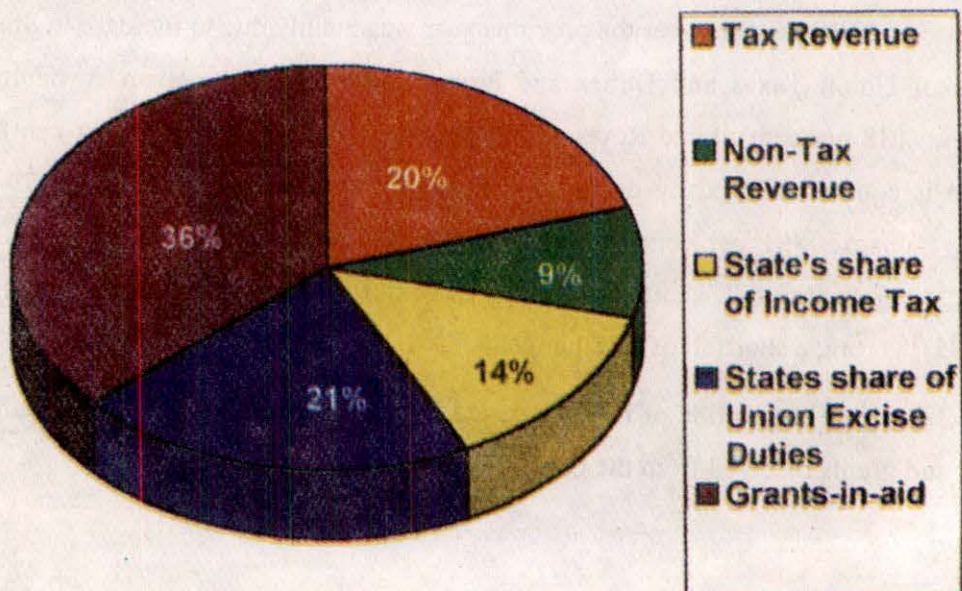
Revenue receipts increased from Rs.3317.46 crore in 1993-94 to Rs.4325.65 crore in 1997-98 which constituted an increase of 30.39 per cent. The increase of 12.19 per cent over the previous year was mainly due to increase in State's Share of Union Taxes and Duties and higher collection of taxes on Agricultural Income (138 per cent), Land Revenue (56 per cent), State Excise (164 per cent) etc which is counterbalanced by decrease of receipt under Roads and Bridges (79 per cent), Industries (91 per cent), Forestry and Wildlife (55 per cent). The Revenue receipts, however, fell short of budget estimates (including supplementary) by Rs.395.78 crore, a shortfall of 8.38 per cent.

The position of revenue raised by the State and of the State's share of taxes and grants received from the Government of India was as under:

(Rupees in crore)

	1993-94	1994-95	1995-96	1996-97	1997-98
I. Revenue raised by the State Government					
a) Tax Revenue	612.81	632.21	702.45	766.90	881.94
b) Non-Tax Revenue	348.99	326.50	335.60	322.13	381.21
Total	961.80	958.71	1038.05	1089.03	1263.15
II. Receipts from Government of India					
a) State's share of Income Tax	215.40	225.21	302.71	376.71	587.84
b) State's share of Union Excise Duties	561.98	595.30	610.78	798.85	887.41
c) Grants-in-aid	1578.28	1182.19	1424.20	1591.22	1587.25
Total	2355.66	2002.70	2337.69	2766.78	3062.50
III. Total Receipt of State Government (Revenue Account)	3317.46	2961.41	3375.74	3855.81	4325.65
IV. Percentage of receipts from Government of India to total receipts	71.01	67.63	69.25	71.76	70.80
V. Percentage of revenue raised to total receipts	28.99	32.37	30.75	28.24	29.20

REVENUE RECEIPTS 1997-98



1.4.1 Tax Revenue

The growth of Tax Revenue mobilised by the State Government during the last five years (1993-98) was as under:

(Rupees in crore)

Year	Budget Estimate	Tax Revenue (Actual)	Percentage growth over the previous year	As percentage of revenue receipts
1993-94	520.70	612.81	18.37	18.47
1994-95	664.78	632.21	03.17	21.35
1995-96	826.30	702.45	11.11	20.81
1996-97	838.10	766.90	09.18	19.89
1997-98	965.03	881.94	15.00	20.39

Tax revenue increased from Rs.612.81 crore in 1993-94 to Rs.881.94 crore in 1997-98 registering an increase of 43.92 per cent, higher than the increase in revenue receipts of 30.39 per cent over the period.

Even though tax revenue increased by 15.00 per cent over the previous year, it fell short of budget estimates by Rs.83.09 crore, or 8.61 per cent.

Analysis of tax revenue raised by the State Government is given below:

(Rupees in crore)

Sl. No.		1993-94	1994-95	1995-96	1996-97	1997-98
1.	Sales tax	368.88 (60)	407.90 (64)	464.05 (66)	517.41 (67)	507.66 (58)
2.	Taxes on Agricultural Income	50.75 (8)	38.68 (6)	46.97 (7)	35.36 (5)	84.31 (9)
3.	State Excise	23.07 (4)	26.49 (4)	28.95 (4)	29.42 (4)	77.73 (9)
4.	Taxes on Vehicles	29.22 (4)	37.88 (6)	39.98 (5)	51.98 (7)	43.26 (5)
5.	Stamps and Registration	16.06 (3)	18.45 (3)	21.42 (3)	22.56 (3)	24.50 (3)

(Rupees in crore)

Sl. No.		1993-94	1994-95	1995-96	1996-97	1997-98
6.	Land Revenue	74.67 (12)	48.96 (8)	40.51 (6)	38.97 (5)	60.89 (7)
7.	Taxes and Duties on Electricity	01.63 (1)	01.85 (1)	01.65 (1)	02.29 (-)	01.86 (-)
8.	Other Taxes	48.53 (8)	52.00 (8)	58.92 (8)	68.91 (9)	81.73 (9)
	Total :	612.81 (100)	632.21 (100)	702.45 (100)	766.90 (100)	881.94 (100)

Note : Percentage share of individual taxes to the total is given in the brackets.

1.4.2 Non-tax Revenue

The growth/decline of Non-Tax Revenue during the last five years was as under:

(Rupees in crore)

Year	Budget Estimates	Non-Tax Revenue	Percentage growth over the previous year	Percentage with reference to revenue receipts
1993-94	322.16	348.99	(-)24.22	10.52
1994-95	374.78	326.50	(-)6.44	11.03
1995-96	423.86	335.60	(+)2.79	9.94
1996-97	381.29	322.13	(-)4.01	8.35
1997-98	364.51	381.21	(+)18.34	8.81

It will be seen that the growth of non-tax revenue had been erratic during the period 1993-94 to 1997-98. The increase of Rs.59.08 crore or 18.34 per cent during 1997-98 over the previous year was mainly due increase in collection under Police, Public Works, Other Administrative Services, Petroleum, Village and Small Industries.

1.4.3 State's share of Union taxes and duties and grants-in-aid from the Central Government

Trend of State's share of Union taxes and duties and the Central grants-in-aid for the last five years was as under :

(Rupees in crore)

Year	State's share of		Grants-in-aid	Total	As percentage of total	
	Taxes on income other than corporation tax	Union Excise Duties			Revenue receipts	Revenue expenditure
1993-94	215.40	561.98	1578.28	2355.66	71.01	81.20
1994-95	225.21	595.30	1182.19	2002.70	67.63	61.23
1995-96	302.71	610.78	1424.20	2337.69	69.25	65.38
1996-97	376.71	798.85	1591.22	2766.78	71.76	77.47
1997-98	587.84	887.41	1587.25	3062.50	70.80	75.83

The aggregate of State's share of Union excise duty, Income tax and grants-in-aid from the Central Government during the year 1997-98 was 70.80 per cent of the revenue receipts against 71.76 per cent during the year 1996-97 and 71.01 per cent in 1993-94. These receipts financed 75.83 per cent of the revenue expenditure of the State. The transfer of grants, which was a major source of the receipts of the state, increased from Rs.1578.28 crore in 1993-94 to Rs.1587.25 crore in 1997-98 registering an increase of 0.57 per cent only.

1.4.4 Arrears of revenue

Position of arrears of revenue, as per information available, for the last five years was as under :

(Rupees in crore)

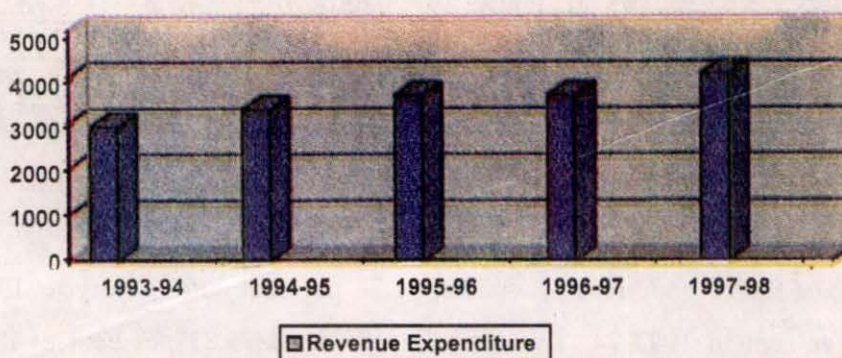
Year	Arrears of revenue
1993-94	111.17
1994-95	137.76
1995-96	160.50
1996-97	229.52
1997-98	208.40

1.5 Revenue Expenditure

Trend of revenue expenditure of the State during the five years period ending 1997-98 was as under :

(Rupees in crore)

Year	Budget Estimates		Actuals			Increase (+)/ decrease (-) over the previous year
	Plan	Non-Plan	Plan	Non-Plan	Total	
1993-94	802.02	1995.43	731.11	2170.06	2901.17	(+)450.24
1994-95	1048.24	2259.18	851.10	2419.60	3270.70	(+)369.53
1995-96	1377.42	2716.76	879.86	2695.90	3575.76	(+)305.06
1996-97	2487.11	3992.41	856.14	2715.16	3571.30	(-) 4.46
1997-98	1363.07	3481.89	973.05	3065.50	4038.55	(+)467.25



Revenue expenditure (both plan and non-plan) went up from Rs. 2901.17 crore in 1993-94 to Rs. 4038.55 crore in 1997-98 showing an increase of 39.20 per cent. The expenditure under Non plan increased during these years by Rs. 895.44 crore (41.26 per cent) while that under Plan went up by Rs. 241.94 crore (33.09 per cent).

In the government accounts, transactions are accounted under various heads, which in turn are grouped into sectors. The revenue expenditure heads are grouped into General Services, Social Services and Economic Services.

The sector wise trend of expenditure for the last five years was as under :

Sector-wise Revenue Expenditure of the State Government

(Rupees in crore)

Sector*	1993-94	1994-95	1995-96	1996-97	1997-98
General Services	1037.05 (36)	1213.21 (37)	1221.35 (34)	1316.39 (37)	1558.20 (39)
Social Service	1215.63 (42)	1312.03 (40)	1456.74 (41)	1553.34 (43)	1745.28 (43)
Economic Services	639.01 (22)	739.63 (23)	888.11 (25)	697.51 (20)	735.07 (18)

(Figures in bracket indicates percentage of total revenue expenditure.)

Expenditure on General Services increased from Rs.1037.05 crore in 1993-94 to Rs.1558.20 crore which constituted an increase of 50.25 per cent whereas the increase on Social Services was 43.57 per cent. However, expenditure on Economic Services rose by 15.03 per cent only over the same period.

1.5.1 Interest payments

Trend of interest payments during the last five years was as under:-

(Rupees in crore)

Year	Interest paid on					Interest payments as a Percentage of tax revenue
	Internal Debt	Loans received from Central Government	Small savings, provident funds etc.	Others	Total	
1993-94	51.71	412.33	25.99	0.01	490.04	79.97
1994-95	95.77	464.71	28.85	---	589.33	93.22
1995-96	101.95	352.76	32.90	---	487.61	69.42
1996-97	131.19	383.88	44.83	---	559.90	73.01
1997-98	161.70	426.85	50.38	---	638.93	72.45

* The classification excludes grants-in-aid and contributions to local bodies and others.

Total interest payments increased from Rs.559.90 crore in 1996-97 to Rs.638.93 crore in 1997-98 which constituted 1.96 per cent of the revenue expenditure. The percentage growth of revenue expenditure from the year 1993-94 to 1997-98 was 39.20 per cent. On the other hand percentage growth of interest payments was 30.38 per cent over the same period.

Over a period of five years, the payment of interest on internal debt increased from Rs.51.71 crore in 1993-94 to Rs.161.70 crore in 1997-98 showing an increase of 212.71 per cent and that on Small Savings, Provident Funds, etc. indicated an increase of 93.84 per cent.

The major categories of interest payment were interest on market loans (Rs.135.13 crore) , interest on loans from Central Government for non-plan schemes (Rs.235.34 crore) and interest on Loans for State/Union Territory Plan Schemes (Rs.81.67 crore).

The gap between interest payment and interest receipts (including interest received from departmental commercial undertakings) was widening and the net burden on revenue ranged from Rs.487.66 crore (14.70 per cent of the total revenue receipts) to Rs.636.79 crore (14.72 per cent of the total revenue receipts) during the period 1993-94 to 1997-98 as indicated in the table below:

(Rupees in crore)				
Year	Interest payments	Interest receipts	Net burden on revenue	Percentage to revenue receipts
1993-94	490.04	2.38	487.66	14.70
1994-95	589.33	2.15	587.18	19.83
1995-96	487.61	2.44	485.17	14.37
1996-97	559.90	2.15	557.75	14.47
1997-98	638.93	2.14	636.79	14.72

1.5.2 (i) Loans and Advances by the State Government

The State Government has been advancing loans to Government Companies, Corporations, autonomous bodies, Co-operatives, non-Government institutions etc., for developmental and non-developmental activities.

The position of such loans for the five years 1993-94 to 1997-98 is given below :

	(Rupees in crore)				
	1993-94	1994-95	1995-96	1996-97	1997-98
Opening balance	1756.80	1904.44	2028.55	2180.02	2296.11
Amount advanced during the year	153.45	131.13	159.97	124.26	109.01
Amount repaid during the year	5.81	7.03	8.50	8.17	9.13
Closing balance	1904.44	2028.54	2180.02	2296.11	2395.99
Net addition	147.64	124.10	151.47	116.09	99.88
Interest received and credited to revenue	0.18	0.38	0.37	0.40	0.51

(ii) Recoveries in arrears

In respect of loans and advances, the detailed accounts of which are maintained by the various departments of the State Government, information about arrears as on 31 March 1998 in recovery of principal and of interest of advance to cultivators, loans to panchayats, loans under community development programme, loans and advances to displaced persons, had not been received (October 1998).

Out of loans and advances to Municipalities, Local bodies etc., the detailed accounts of which are maintained by the Accountant General (A&E) recovery of Rs.18.21 crore (principal Rs.15.42 crore and interest Rs.2.79 crore) was overdue at the end of 1997-98.

(Rupees in crore)

Years in which amounts fell due for recovery	Principal	Interest	Total
1989-90 and earlier years	9.67	2.01	11.68
1990-91	0.71	0.09	00.80
1991-92	0.45	0.06	00.51
1992-93	2.56	0.29	02.85
1993-94	0.07	0.02	00.09
1994-95	0.66	0.08	00.74
1995-96	0.65	0.08	00.73
1996-97	0.65	0.08	00.73
1997-98	-	0.08	00.08
Total :	15.42	2.79	18.21

In respect of loans, the detailed accounts of which were maintained by the departmental officers, the controlling officers were required to furnish to the Accountant General (A&E) a statement showing details of arrears in recovery of loan installments and interest by June every year. The information had however not been received (October 1998).

1.6 Capital Expenditure

Assets are created mostly out of capital expenditure. In addition, financial assets arise from moneys invested in institutions or undertakings outside Government (i.e. Public Sector Undertakings (PSUs), Corporations etc.) and loans and advances. Trend of capital expenditure for the last five years was as under:

(Rupees in crore)

Year	Budget (including supplementary)	Capital expenditure (excluding loans & advances & Public Debt)			Percentage increase (+)/ decrease (-) over the previous year	Percentage of capital expenditure with reference to total expenditure*
		Plan	Non-Plan	Total		
1993-94	319.84	206.03	44.77	250.80	5.72	6.38
1994-95	358.83	229.73	47.45	277.18	10.52	5.91
1995-96	440.01	283.72	16.97	300.69	8.48	6.40
1996-97	430.22	219.92	22.27	242.19	(-)19.46	4.91
1997-98	514.77	309.85	19.46	329.31	35.97	5.89



Capital expenditure increased by 31.30 per cent from Rs. 250.80 crore in 1993-94 to Rs. 329.31 crore in 1997-98. The capital expenditure during 1997-98 was much lower than budget estimates of Rs.514.77 crore (including supplementary) disclosing a shortfall in expenditure of Rs.185.46 crore.

The sector-wise trend of capital expenditure for the last five years was as under:

(Rupees in crore)

Sector	1993-94	1994-95	1995-96	1996-97	1997-98
General Services	6.64 (2)	9.86 (4)	15.73 (5)	4.84 (2)	6.08 (2)
Social Service	26.95 (11)	33.30 (12)	39.95 (13)	16.35 (7)	28.00 (8)
Economic service	217.21 (87)	234.02 (84)	245.01 (82)	221.00 (91)	295.23 (90)

(Figures in bracket indicate percentage of total capital expenditure.)

* Revenue expenditure and capital expenditure including loans and advances and public debt.

Expenditure on General Service decreased from Rs. 6.64 crore in 1993-94 to Rs.6.08 crore in 1997-98 which constituted decrease of 8.43 per cent whereas the increase of expenditure under Social Service was 3.90 per cent. However, expenditure on Economic Service increased by 35.92 per cent over the same period. As a proportion of total capital expenditure, the share of General Services remained between 2 and 5 per cent from 1993-94 to 1997-98. While the share of Social Services to total capital expenditure decreased from 11 per cent in 1993-94 to 8 per cent in 1997-98, the share of Economic Services increased from 87 per cent in 1993-94 to 90 per cent in 1997-98.

1.6.1 Investment and return

In 1997-98, Government invested Rs. 14.04 crore (Net) in the share capital of Statutory Corporations (Rs. 13.36 crore), Government Companies (Rs.0.64 crore) and Co-operative Societies (Rs. 0.05 crore).

The investment of the Government in the share capital and debentures of different concerns at the end of each year from 1993-94 to 1997-98 and the return in the form of interest/dividends are indicated below:

(Rupees in crore)

Year	Amount invested upto the end of the year	Return on investment	
		Amount	As percentage of investment
1993-94	276.59	0.08	0.03
1994-95	321.31	0.05	0.02
1995-96	364.52	0.03	0.01
1996-97	401.94	0.37	0.09
1997-98	415.98	0.35	0.08

The negligible return on investment during the period 1993-98, ranged between 0.01 per cent and 0.09 per cent of the total investment upto end of the respective years is to be viewed against the rates of interest which varied from 7.50 per cent to 14 per cent for Government borrowings during the period. The accumulated loss of 24 Companies/Corporations etc., in which Government

investment as on 31 March 1998 of Rs. 294.74 crore as disclosed in the accounts rendered by them for the various years from 1973-74 to 1997-98 was Rs. 120.87 crore (vide Appendix -I).

1.7 Deficit/Surplus

1.7.1 Revenue Deficit/Surplus

The revenue deficit/surplus is the gap between revenue receipts and revenue expenditure. Trend of revenue deficit/surplus for the last five years was as under:

(Rupees in crore)

Year	Budget Estimates	Revised Estimates	Actual Revenue Deficit (-) Surplus(+)	Revenue deficit as a percentage of fiscal deficit
1993-94	181.82	71.80	(+)416.29	-
1994-95	441.29	73.12	(-)309.29	43.53
1995-96	26.98	199.31	(-)200.02	30.67
1996-97	278.61	52.34	(+)284.51	-
1997-98	(-)185.43	(-)37.97	(+)287.10	-

Due to altering of the pattern of Central assistance to 90 per cent grant and 10 per cent loan there was revenue surplus from 1991-92 onward. This trend was, however, reversed during 1994-95 and 1995-96 due to less allocation of grants by the Central Government. In 1996-97 and 1997-98 there was again a revenue surplus of Rs.284.51 crore and Rs. 287.10 which was mainly due to increase in Central grants and State share of Taxes and Union Excise Duties. Central grants rose from Rs.1182.19 crore in 1994-95 to Rs. 1587.25 crore in 1997-98 and State's share of Taxes and Union Excise Duties rose from Rs.820.51 crore to Rs. 1475.25 crore during the same period.

1.7.2 Fiscal deficit

The fiscal deficit is the excess of revenue and capital expenditure (including net loans given) over the revenue receipts (including grants-in-aids).

Position of fiscal deficit for the last five years was as under :

(Rupees in crore)

Year	Fiscal deficit/surplus
1993-94	(+) 17.84
1994-95	(-) 710.57
1995-96	(-) 652.19
1996-97	(-) 73.77
1997-98	(-) 142.09

Despite increase in share of Taxes on income and Union Excise Duty, the Fiscal Deficit had increased by 93 per cent in 1997-98 with reference to previous year.

1.8 Public Debt

Public Debt comprises internal and external debt. It has vital link with all aspects of Public Finance, taxation and expenditure policies, budget surplus and deficits, trade and balance of payments, development expenditure and economic growth.

1.8.1 Internal Debt

Position of internal debt for the last five years was as under:

(Rupees in crore)

Year	Addition during the year	Repayment during the year			Percentage of Col.5 to Col.2
		Debt	Interest	Total	
(1)	(2)	(3)	(4)	(5)	(6)
1993-94	876.80	751.67	51.71	803.38	91.63
1994-95	1593.77	1420.51	95.77	1516.28	95.14
1995-96	2643.05	2288.27	101.95	2390.22	90.43
1996-97	2683.76	2491.70	131.19	2622.89	97.73
1997-98	3143.27	3000.66	161.70	3162.36	100.60

It would be observed from the above table that there was a quantum jump in internal debt receipts, which increased from Rs. 876.80 crore in 1993-94 to Rs. 3143.27 crore in 1997-98, an increase of 258.49 per cent over the five year period.

1.8.2 Other liabilities

Apart from the borrowing accounted for in the Consolidated Fund of the State, there are Small Savings, Provident Funds, Reserve Funds and deposits which are kept in a separate Public Account. The balances of Public Account are carried forward annually. These amounts add substantially to the liabilities of the State Government. The trend of these liabilities for the last five years was as under:

(Rupees in crore)

Year	Addition during the year	Discharge during the year			Percentage of Col.5 to Col.2
		Debt	Interest	Total	
(1)	(2)	(3)	(4)	(5)	(6)
1993-94	495.46	343.32	26.00	369.32	74.54
1994-95	864.79	539.56	28.85	568.41	65.72
1995-96	989.06	603.54	32.90	634.44	64.14
1996-97	448.97	601.22	44.83	646.05	143.89
1997-98	588.46	668.65	50.38	719.03	122.19

It would be seen from the above table that the additions in small savings, provident funds, etc. increased from Rs. 495.46 crore in 1993-94 to Rs.588.46 crore in 1997-98, an increase of 18.77 per cent over the five years period. The abrupt rise under other liabilities during 1994-95 and 1995-96 was due to the transfer of large amounts of unutilized financial resources to revenue deposit from the Consolidated Fund.

1.8.3 Loans and advances from Central Government

Position of loans and advances from the Government of India for the last five years was as under:

(Rupees in crore)

Year	Additions during the year	Repayment during the year			Net flow	Percentage of Col.5 to Col.2
		Principal	Interest	Total		
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1993-94	255.84	297.33	412.32	709.65	(-)453.81	277.38
1994-95	509.35	316.88	464.71	781.59	(-)272.24	153.45
1995-96	665.13	351.54	352.76	704.30	(-) 39.17	105.89
1996-97	445.26	311.23	383.88	695.11	(-)249.86	156.11
1997-98	671.63	517.84	426.85	944.69	(-)273.06	140.66

Thus it could be seen that the entire loan received from the Government of India had been consumed for repayment of loans and interest thereon.

1.8.4 Guarantees given by the State Government

The particulars showing the maximum amount guaranteed by the State Government up to the end of 31 March 1998 have not been received from the Government. The contingent liabilities, if any, on that account of Consolidated Fund of the State could not, therefore be shown (October 1998).

1.9 Delay in submission of accounts

Delay in submission of accounts results in corresponding delay in the compilation of Civil Accounts. When the delay is inordinate, the accounts have to be excluded from the Monthly Civil Accounts of the month concerned and thus the month's accounts fail to present a complete picture of financial transactions of the State. Such belated submission of accounts by treasuries and divisions not only renders the monthly accounts incomplete but also deprives the Government of the help rendered by accounts in exercising proper budgetary control and in monitoring progress of various development schemes. Besides, preparation and submission of the Appropriation Accounts and the Finance Accounts and Audit Reports thereon of the State and its presentation to the Legislature are also delayed.

The extent of delay in submission of accounts as of March 1998 is given below:

Particulars of accounts rendering units	No. of units delayed in submission of accounts	(Number of units)		
		Extent of Delay		
		Below 30 days	30 to 90 days	91 to 180 days
Treasuries	28	14	14	-
Forest Divisions	89	28	61	-
Soil Conservation Divisions	28	8	20	-
Public Works Divisions	15	2	13	-
Public Health Engineering Divisions	5	1	4	-
Irrigation Divisions	67	43	23	1
Flood Control Division	3	2	-	1
Total	235	98	135	2

Thus it could be seen that there had been delay over 30 days in respect of 137 units including 2 units where delay had exceeded 90 days.

1.10 Ways and Means Advances and overdraft

Under an agreement with the Reserve Bank of India, the Government of Assam has to maintain with the Bank a minimum balance of Rs. 40 lakh on all days. If this balance falls on any day below the agreed minimum, the deficiency is made good either by taking ways and means advances or overdraft from the Reserve Bank.

The extent to which the Government maintained the minimum balance with the Bank during the period 1993-94 to 1997-98 is given below:

	1993-94	1994-95	1995-96	1996-97	1997-98
i) Number of days on which minimum balance was maintained					
a) Without obtaining any advances	251	193	291	178	159
b) By obtaining ways and means advances	52	98	34	51	69
ii) Number of days on which overdraft was taken	62	74	41	136	137
iii) Number of days on which there was shortfall from minimum balance after taking ways and means advances and no overdraft was taken	-	-	-	-	-

The position of ways and means advances/overdraft taken by the State Government and interest paid thereon during 1993-94 to 1997-98 is detailed below:

(Rupees in crore)

	1993-94	1994-95	1995-96	1996-97	1997-98
<u>Ways and Means Advances</u>					
i) Taken during the year	329.59	699.45	333.13	692.90	568.16
ii) Outstanding at the end of year	17.28	20.82	46.40	80.00	80.00
iii) Interest paid	1.48	2.95	2.88	5.84	6.48
<u>Overdraft</u>					
i) Taken during the year	422.09	722.74	2139.77	1811.97	2360.62
ii) Outstanding at the end of year	-	-	161.99	160.59	117.58
iii) Interest paid	0.79	3.32	8.57	5.50	9.51

The position indicates poor cash management by the State Government leading to drawal of huge amount of Ways and Means advances and overdrafts and consequent payment of interest thereon. The annual interest liability has increased from Rs. 2.27crore in 1993-94 to Rs. 15.99 crore in 1997-98.

CHAPTER – II
APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

2.1 General

The summarised position of actual expenditure during 1997-98 against grants/ appropriations is as under:

(Rupees in crore)

	Original Grant/Appropriation	Supplementary	Total	Actual expenditure	Variation Saving (-) Excess (+)
1. Revenue Voted	4063.07	167.64	4230.71	3404.56	(-)826.15
Charged	690.02	2.15	692.17	646.35	(-)45.82
2. Capital Voted	480.07	34.92	514.99	329.31	(-)185.68
Charged	--	0.67	0.67	--	(-)0.67
3. Public Debt Charged	900.30	--	900.30	3518.50	(+)2618.20
4. Loans and Advances. Voted	152.73	--	152.73	109.01	(-)43.72
5. Others Inter-State Settlement Charged.	0.01		0.01	--	(-)0.01
Grant Total	6286.20	205.38	6491.58	8007.73	(+)1516.15

2.2 Results of Appropriation Audit

The broad results emerging from Appropriation Audit are set out in the following paragraphs:

2.2.1 Supplementary provision

Supplementary provision obtained during the year constituted 3.27 per cent of the original grant/appropriation as against 0.36 per cent in the preceding year.

2.2.2 Unnecessary/no supplementary provision

Supplementary provision of Rs.147.40 crore (Revenue: Rs.125.00 crore; Capital: Rs.22.40 crore) in 52 cases involving 44 grants as detailed in Appendix-II proved unnecessary. In two cases (involving one grant and one appropriation) as detailed in Appendix - III, although the original budget provision was exceeded by more than Rs.25 lakh in each case and by Rs.2622.32 crore in aggregate (Revenue: Rs.4.12 crore; Capital: Rs.2618.20 crore) supplementary grants were either not obtained or proved inadequate.

2.2.3 Saving/excess over provision

The saving of Rs.1106.17 crore in 71 cases of grants (Rs.1059.67 crore) and 30 cases of appropriations (Rs.46.50 crore) was offset by excess of Rs.2622.32 crore (Appendix-IV) in one grant (Rs.4.12 crore) and one appropriation (Rs.2618.20 crore) resulting in net excess expenditure of Rs.1516.15 crore. The excess of Rs. 2622.32 crore required regularisation under Article 205 of the Constitution.

2.2.4 Unutilised provision

In certain grants/appropriations the expenditure fell short by more than Rs.1 crore and also by more than 10 per cent of the total provision resulting in non-utilisation of budget provision of Rs.1035.80 crore. The details are given in Appendix-V.

2.2.5 Significant cases of saving under schemes/programmes

In certain grants/appropriations the saving was more than Rs.1 crore and also in excess of 10 per cent of total provision, owing to non-implementation or slow implementation of Plan Schemes/ Programmes as detailed in Appendix-VI.

2.2.6 Persistent savings

Saving exceeding Rs.25 lakh and also by more than 10 per cent of the total provision were noticed persistently in all the three years from 1995-96 in the following grants/appropriations.

Sl. No.	Description of grants/appropriations	Amount of saving (Rupees in lakh) and its percentage (in brackets)		
		<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>
1.	2-Council of Ministers (Revenue) Voted	251.59 (50)	108.04 (38)	60.33 (17)
2.	3-Administration of Justice (Revenue) Voted	231.54 (16)	307.34 (18)	379.96 (19)
3.	4-Election (Revenue)Voted	351.58 (14)	1021.04 (52)	500.48 (13)
4.	6-Land Revenue and Land Ceiling (Revenue) Voted	991.55 (23)	2094.98 (36)	2074.34 (35)
5.	11-Secretariat and Attached Offices (Revenue) Voted	1930.75 (21)	1410.09 (22)	878.15 (13)
6.	12-District Administration (Revenue)Voted	1095.65 (31)	1390.60 (38)	1580.53 (38)

Sl. No.	Description of grants/appropriations	Amount of saving (Rupees in lakh) and its percentage (in brackets)		
		<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>
7.	17-Administrative and Functional Buildings (Capital)Voted	2083.67 (39)	1462.25 (48)	1006.45 (39)
8.	19-Vigilance Commission and Others (Revenue)Voted	82.81 (25)	52.13 (16)	156.01 (39)
9.	22-Administrative Training (Revenue)Voted	44.24 (28)	56.60 (35)	71.10 (47)
10.	24-Aid Materials (Revenue) Voted	703.86 (100)	1078.00 (100)	1078.00 (100)
11.	25-State Lotteries and Others (Revenue)Voted	3207.76 (95)	151.06 (99)	86.74 (16)
12.	30-Water Supply and Sanitation (Revenue) Voted	2145.06 (19)	2841.98 (23)	1609.54 (13)
13.	31-Urban Development (Town & Country Planning) (Revenue) Voted	560.95 (40)	602.45 (51)	767.01 (54)
	(Capital) Voted	564.60 (100)	52.00 (59)	96.64 (67)
14.	32-Housing Schemes (Revenue)Voted	58.82 (10)	417.00 (65)	195.14 (31)
	(Capital) Voted	241.10 (78)	80.48 (49)	42.64 (27)

Sl. No.	Description of grants/appropriations	Amount of saving (Rupees in lakh) and its percentage (in brackets)		
		<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>
15.	33-Residential Buildings			
	(Revenue) Voted	551.13 (65)	662.83 (65)	763.82 (69)
	(Capital) Voted	338.43 (35)	381.76 (61)	224.25 (45)
16.	34-Urban Development			
	(Revenue) Voted	689.68 (68)	639.10 (46)	653.37 (49)
	(Capital) Voted	328.69 (14)	241.24 (22)	330.09 (31)
17.	35-Information and Publicity			
	(Revenue) Voted	115.51 (13)	291.50 (40)	246.61 (32)
18.	36-Labour and Employment			
	(Revenue) Voted	475.73 (21)	557.50 (23)	514.33 (20)
19.	38-Welfare of Scheduled Caste/Scheduled Tribes & Other Backward Classes			
	(Revenue) Voted	832.92 (16)	2981.24 (48)	3782.94 (54)
	(Capital) Voted	57.27 (63)	67.74 (79)	57.34 (67)
20.	39-Social Security Welfare and Nutrition			
	(Revenue) Voted	2562.66 (48)	1716.76 (37)	1610.18 (34)
21.	40-Freedom Fighters, Rajya Sainik Board, Relief Programme etc.			
	(Revenue) Voted	259.49 (18)	3633.81 (46)	1348.82 (29)
22.	41-Natural Calamities			
	(Revenue) Voted	5246.52 (56)	5325.98 (53)	5548.76 (44)

Sl. No.	Description of grants/appropriations	Amount of saving (Rupees in lakh) and its percentage (in brackets)		
		<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>
23.	43-Co-operation (Revenue) Voted	528.48 (10)	1261.80 (21)	792.52 (18)
	(Capital) Voted	1306.99 (55)	1261.80 (21)	1660.02 (99)
24.	44-North Eastern Council Schemes (Capital) Voted	516.95 (26)	1321.97 (92)	735.09 (38)
25.	48-Agriculture (Revenue) Voted	3816.47 (29)	4389.47 (32)	3115.13 (22)
	(Capital) Voted	660.00 (100)	449.50 (100)	400.00 (100)
26.	49-Irrigation (Revenue)Voted	368.74 (21)	342.03 (16)	276.75 (12)
27.	50-Other Special Areas Programmes (Revenue) Voted	263.72 (20)	626.02 (84)	667.50 (48)
28.	51-Soil and Water Conservation (Revenue)Voted	272.75 (22)	306.24 (23)	305.97 (22)
29.	52-Animal Husbandry (Revenue)Voted	1817.64 (33)	2458.56 (38)	1838.04 (28)
30.	53-Dairy Development (Revenue) Voted	485.23 (45)	474.99 (46)	464.47 (44)
31.	54-Fisheries (Revenue) Voted	634.99 (40)	994.72 (47)	478.71 (25)
32.	55-Forestry and Wildlife (Revenue) Voted	1423.78 (17)	934.00 (11)	1227.23 (15)

Sl. No.	Description of grants/appropriations	Amount of saving (Rupees in lakh) and its percentage (in brackets)		
		<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>
33.	56-Rural Development (Panchayat) (Revenue) Voted	1431.65 (25)	3446.90 (36)	3461.70 (36)
34.	57-Rural Development (Revenue) Voted	10145.42 (62)	1719.94 (23)	3267.34 (44)
35.	58-Industries (Revenue) Voted (Capital) Voted	5480.18 (73) 1185.20 (35)	3941.73 (81) 1106.39 (29)	3302.19 (75) 478.51 (13)
36.	59-Sericulture and Weaving (Revenue) Voted (Capital) Voted	1643.05 (26) 84.25 (83)	3641.02 (56) 60.78 (83)	2568.22 (39) 74.14 (87)
37.	60-Cottage Industries (Capital) Voted	54.72 (17)	120.07 (62)	54.39 (43)
38.	61-Mines and Minerals (Revenue) Voted	116.06 (25)	158.90 (36)	89.12 (22)
39.	62-Power (Electricity) (Capital) Voted	4667.72 (28)	3288.00 (27)	3454.00 (30)
40.	63-Flood Control (Capital) Voted	3234.52 (66)	2167.72 (47)	65.34 (14)
41.	64-Roads and Bridges (Capital) Voted	4409.16 (33)	7038.38 (52)	9292.42 (54)
42.	65-Tourism (Revenue) Voted (Capital) Voted	160.70 (39) 425.29 (90)	138.06 (37) 90.15 (62)	60.66 (15) 219.07 (81)

Sl. No.	Description of grants/appropriations	Amount of saving (Rupees in lakh) and its percentage (in brackets)		
		<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>
43.	66-Payment of Compensation and Assignment to local Bodies and Panchayat Raj Institutions (Revenue) Voted	316.93 (25)	804.56 (66)	1254.09 (100)
44.	67-Assam Capital Construction (Capital) Voted	620.34 (36)	1340.99 (94)	1625.77 (90)
45.	69-Scientific Services and Research (Revenue) Voted	259.59 (43)	264.16 (66)	270.03 (72)
46.	70-Hills Areas (Capital) Voted	73.10 (43)	250.54 (58)	190.00 (100)

2.2.7 Significant cases of excess

In the following appropriation the expenditure exceeded the approved provision by more than Rs.1 crore and also by more than 10 per cent of the total provision.

Sl. No.	Name of Appropriation	Amount of excess (Rupees in crore) and its percentage (in bracket)	Main reasons for excess
1.	Public Debt and servicing of Debt (Capital) Charged	2618.20 (290)	Excess was due to drawal and repayment of Ways and Means Advances to Reserve Bank of India much larger than budgeted.

2.2.8 Surrender of savings

In the following grants/appropriations savings exceeding Rs. 1 crore each remained to be surrendered at the end of 1997-98:

Sl. No.	Number and name of grant/appropriation	Total grant	Total saving	Amount surrendered	Unsurrendered saving and its percentage to total saving (in brackets)
(Rupees in crore)					
1.	1-State Legislature (Revenue)	14.46	3.53	0.88	2.65 (75)
2.	3-Administration of Justice (Revenue) Voted	19.65	3.80	-	3.80 (100)
	(Revenue) Charged	7.11	2.54	-	2.54 (100)
3.	4-Election (Revenue)	38.47	5.00	-	5.00 (100)
4.	6-Land Revenue and Land Ceiling (Revenue)	59.47	20.74	-	20.74 (100)
5.	7-Stamps and Registration (Revenue)	4.15	1.33	-	1.33 (100)
6.	9-Transport Services (Revenue)	32.85	10.39	-	10.39 (100)
7.	11-Secretariat and Attached Offices (Revenue)	67.18	8.78	0.03	8.75 (99)
8.	12-District Administration (Revenue)	41.36	15.81	-	15.81 (100)
9.	14-Police (Revenue)	457.18	54.21	-	54.21 (100)
	(Capital)	21.03	7.19	-	7.19 (100)
10.	15-Jails (Revenue)	12.33	1.80	0.54	1.26 (70)

Sl. No.	Number and name of grant/appropriation	Total grant	Total saving	Amount surrendered	Unsurrendered saving and its percentage to total saving (in brackets)
11.	16-Stationery and Printing (Revenue)	8.30	2.45	-	2.45 (100)
12.	17-Administration and Functional Building (Revenue)	40.46	6.42	-	6.42 (100)
13.	18-Fire services (Revenue)	11.63	2.66	-	2.66 (100)
14.	19-Vigilance Commission and others (Revenue)	4.00	1.56	-	1.56 (100)
15.	20-Civil Defence and Home Guards (Revenue)	21.78	2.51	-	2.51 (100)
16.	23-Pension and other retirement benefits (Revenue)	250.56	3.02	-	3.02 (100)
17.	24-Aid materials(Revenue)	10.78	10.78	-	10.78 (100)
18.	26-Education (Revenue)	153.36	23.32	-	23.32 (100)
19.	27-Art and Culture (Revenue)	29.00	12.66	-	12.66 (100)
20.	30-Water Supply and Sanitation (Revenue)	124.06	16.10	-	16.10 (100)
21.	31-Urban Development (Town and Country Planning) (Revenue)	14.16	7.67	6.43	1.24 (16)
22.	32-Housing (Revenue)	6.38	1.95	-	1.95 (100)
23.	33-Residential buildings (Revenue)	11.09	7.64	-	7.64 (100)
	(Capital)	4.97	2.24	-	2.24 (100)
24.	35-Information and Publicity (Revenue)	7.63	2.47	-	2.47 (100)

Sl. No.	Number and name of grant/appropriation	Total grant	Total saving	Amount surrendered	Unsurrendered saving and its percentage to total saving (in brackets)
25.	36-Labour and Employment (Revenue)	25.37	5.14	0.04	5.10 (99)
26.	37-Food Storage Warehousing and Civil Supplies (Revenue)	22.67	14.25	-	14.25 (100)
27.	38-Welfare of Scheduled Caste/Scheduled Tribe and Other Backward Classes (Revenue)	69.99	37.83	-	37.83 (100)
28.	39-Social Security Welfare and Nutrition (Revenue)	46.69	16.10	-	16.10 (100)
29.	40-Freedom Fighters Rajya Sainik Board, Relief Programme etc.(Revenue)	46.59	13.49	-	13.49 (100)
30.	41-Natural Calamities (Revenue)	127.05	55.49	-	55.49 (100)
31.	43-Co-operation(Revenue)	44.49	7.93	-	7.93 (100)
	(Capital)	16.79	16.60	-	16.60 (100)
32.	44-North Eastern Council Schemes (Revenue)	6.80	2.26	-	2.26 (100)
	(Capital)	19.28	7.35	-	7.35 (100)
33.	45-Census surveys and Statistics (Revenue)	9.32	1.99	-	1.99 (100)
34.	48-Agriculture (Revenue)	143.91	31.15	-	31.15 (100)
	(Capital)	4.00	4.00	-	4.00 (100)

Sl. No.	Number and name of grant/appropriation	Total grant	Total saving	Amount surrendered	Unsurrendered saving and its percentage to total saving (in brackets)
35.	49-Irrigation (Revenue)	23.59	2.77	-	2.77 (100)
	(Capital)	131.19	11.37	-	11.37 (100)
36.	50-Other Special Areas Programmes (Revenue)	13.77	6.68	-	6.68 (100)
37.	51-Soil and Water Conservation (Revenue)	14.04	3.06	-	3.06 (100)
38.	52-Animal Husbandry (Revenue)	65.56	18.38	-	18.38 (100)
39.	53-Dairy Development (Revenue)	10.55	4.64	-	4.64 (100)
40.	54-Fisheries (Revenue)	19.42	4.79	-	4.79 (100)
41.	55-Forestry & Wildlife (Revenue)	83.86	12.27	-	12.27 (100)
42.	56-Rural Development (Panchayat) (Revenue)	96.12	34.62	-	36.62 (100)
43.	58-Industries (Revenue)	43.77	33.02	-	33.02 (100)
	(Capital)	37.39	4.79	-	4.79 (100)
44.	59-Sericulture & Weaving (Revenue)	65.80	25.68	-	25.68 (100)
45.	63-Flood Control (Revenue)	57.02	9.25	-	9.25 (100)
	(Capital)	45.52	6.50	-	6.50 (100)
46.	64-Roads & Bridges (Revenue)	154.08	38.62	-	38.62 (100)
	(Capital)	171.76	92.92	-	92.92 (100)

Sl. No.	Number and name of grant/appropriation	Total grant	Total saving	Amount surrendered	Unsurrendered saving and its percentage to total saving (in brackets)
47.	65-Tourism (Capital)	2.70	2.19	0.81	1.38 (63)
48.	66-Payment of compensation & assignment to local bodies and Panchayati Raj institutions (Revenue)	12.54	12.54	-	12.54 (100)
49.	67-Assam Capital Construction (Capital)	17.98	16.26	0.01	16.25 (99)
50.	Appropriation-Public Debt & Servicing of Debt (Revenue)	680.07	41.14	-	41.14 (100)
51.	68-Loans & Advances to Government servants (Capital)	16.58	1.37	-	1.37 (100)
52.	69-Scientific Services & Research (Revenue)	3.75	2.70	0.30	2.40 (89)
53.	70-Hill Areas (Revenue)	3.43	2.02	-	2.02 (100)
	(Capital)	1.90	1.90	-	1.90 (100)
54.	71-Education (Elementary) (Revenue)	1174.89	158.31	-	158.31 (100)

2.3 Injudicious/unnecessary re-appropriation

Funds from one sub-head of appropriation to another sub-head where additional funds are needed can be transferred by re-appropriation. Scrutiny of re-appropriation orders revealed that a few such orders issued during 1997-98 proved to be injudicious on account of either expected saving not materialising under the head

of account from which funds were transferred or the actual expenditure falling short of even the original provision under the head to which additional funds were transferred. The details of such cases where re-appropriation of sums exceeding Rs.25 lakh each turned out to be injudicious are given below :-

(Rupees in crore)

Sl. No.	No. and name of grant/appropriation and head of account	Provision (Original plus Supplementary)	Re-appropriation	Total	Actual expenditure	Excess (+) Savings (-)
1.	14-Police 2055-Police 101 Criminal Investigation and vigilance (b) Special Branch	2729.82	(+) 85.00	2814.82	2544.58	(-) 270.24
	111. Railway Police (c) Order Police	164.72	(+) 40.00	204.72	145.51	(-) 59.21
	114 (i) Wireless and Computers General	2468.12	(+)120.00	2588.12	1862.96	(-) 725.16
2.	Appropriation – Public Debt And Servicing of Debt. 2049 Interest payment 107 Interest on Pre 84-85 loan (i) 1979-84 Consolidated loan	2524.90	(+) 55.53	2580.43	-	(-) 2580.43

2.4 Trend of recoveries and credits

Under the system of gross budgeting followed by Government, the Demands for Grants presented to the Legislature are for gross expenditure and exclude all credits and recoveries, which are adjusted in the accounts as reduction of

expenditure, the anticipated recoveries and credits are being shown separately in the Budget estimates. During the year 1997-98 such recoveries were anticipated at Rs.71.95 crore against which actual recoveries were Rs.12.36 crore. The shortfall in recoveries was mainly under (i)17- Administrative and Functional Buildings (Rs.12.66 crore), (ii) 24-Aid Materials (Rs.10.78 crore), (iii) 30-Water Supply and Sanitation (Rs.6.83 crore), (iv) 55-Forestry and Wild Life (Rs.5.50 crore), (v) 56-Rural Development- Panchayat (Rs. 2.09 crore),(vi) 63-Flood Control (Rs. 1.30 crore), (vii) 64-Roads and Bridges (Rs.19.77 crore).

2.5 Delay in regularisation of excess expenditure

Under Article 205 of the Constitution, expenditure in excess of grants/charged appropriations authorised by the Legislature is to be regularised in the manner prescribed by the Constitution. Three hundred and twenty four cases of excess over voted grants/charged appropriations relating to the period 1983-84 to 1996-97 were pending regularisation (October1998).

The year-wise position is given below:

Year	Number of cases		Amount of excess		Total
	Voted	Charged Appropriation	Voted	Charged Appropriation	
(Rupees in crore)					
1983-84	23	--	16.77	--	16.77
1984-85	29	4	50.83	85.79	136.62
1985-86	22	2	51.18	--	51.18
1986-87	28	--	59.69	--	59.69
1987-88	26	2	100.86	5.05	105.91
1988-89	14	2	75.06	0.76	75.82
1989-90	27	1	64.00	0.26	64.26
1990-91	18	1	71.78	864.68	936.46
1991-92	30	--	187.07	--	187.07
1992-93	17	2	114.20	108.63	222.83
1993-94	35	1	191.49	67.66	259.15
1994-95	18	4	164.99	874.74	1039.73
1995-96	10	2	39.73	1765.83	1805.56
1996-97	4	2	21.08	1803.15	1824.23
Total	301	23	1208.73	5576.55	6785.28

* Rupees 858.00 only

2.6 Rush of expenditure at the fag end of the year

Rush of expenditure at the fag end of the financial year was commented upon in the Audit Report for the year 1995-96 and 1996-97. Some instances of such rush of expenditure at the fag end of the financial year 1997-98 are mentioned below :

(Rupees in crore)

Sl.No.	Head of account (Grant number)	Total provision (Original and Supple- mentary)	Total expen- diture	Expen- diture during March 1998	Percentage of expenditure during March 1998 to	
					Total provi- sion	Total expen- diture
1.	2015-Election (4)	38.47	33.47	16.31	42	49
2.	2216-Housing (32,33 & 43)	177.30	7.87	4.43	03	56
3.	2236-Nutrition (39 & 56)	11.52	8.03	6.26	54	78
4.	2245-Relies on account of Natural Calamities (41)	127.05	71.56	58.55	46	82
5.	2252-Other Social Services (42)	0.33	0.08	0.06	18	75
6.	2403-Animal Husbandry (43 & 52)	65.54	47.09	45.07	69	96
7.	2405-Fisheries (43 & 54)	19.12	14.54	7.71	40	53
8.	2501-Special Programmes for Rural Development (57,69 & 70)	73.71	41.03	28.73	39	70
9.	2515-Hill Areas (56)	82.24	50.78	24.80	30	49
10.	2575-Other Special Areas Programme (50)	13.77	7.09	6.67	48	94

REVENUE (GENERAL) DEPARTMENT

2.7 Calamity Relief Fund and National Fund for Calamity Relief

Based on the recommendations of Ninth Finance Commission, the "Calamity Relief Fund (CRF)" was established during 1990-91 for a period of 5 years up to March 1995. The Scheme was extended for another 5 years up to March 2000 AD as per recommendations of Tenth Finance Commission. The Scheme aimed at meeting expenditure on relief measures in the wake of natural calamities such as drought, flood, cyclone, fire, earthquake etc.

Annual contributions to CRF the size of which was decided by the Central Government, were to be made by the Central and the State Government in the ratio 75 : 25. At the end of the year 1999-2000, unspent balances in the Fund will be available to the State Government for use as resource for the next plan.

In addition to CRF, another Scheme "National Fund for Calamity Relief (NFCR) was introduced (1995-96) by the Government of India to deal with natural calamities of rare severity. Contributions to NFCR was to be shared by the Centre and the States in the same ratio 75:25.

The periodic contributions as well as other income of the Fund were required to be kept outside the General revenues of the State by withdrawal from the Fund and making suitable investment in Government Securities, Treasury Bills, Public Sector Banks, State Co-operative Banks and Public Sector Bonds and Units, to be accounted for under "Calamity Relief Fund – Investment Account".

In this connection the following irregularities were noticed.

(a) (i) Short/Non-transfer of contribution to CRF

During the period from 1990-91 to 1997-98 the Central Government released its share aggregating Rs.224.99 crore to the State Government, of which Rs.152.08 crore along with State's share of Rs.50.69 crore (Total : Rs.202.77 crore) were actually transferred to the Fund in 1990-91 to 1994-95 and 1997-98.

The Central share of Rs.72.91 crore received by the State in 1995-96 (Rs.35.40 crore) and 1996-97 (Rs.37.51 crore) and State's shares of Rs.24.30 crores (1995-96 : Rs.11.80 crore and 1996-97 : Rs.12.50 crore) for the two years totalling Rs.97.21 crore were not transferred to the Fund although budget provisions for equal amounts had been made in those two years. This resulted in non-contribution of State's share of Rs.24.30 crore to the Fund. Besides, the Central share of Rs.72.91 crore remained merged in the general balance of the State (under Consolidated Fund) and utilised otherwise than the purpose for which the amount was released by the Centre.

(ii) Non-contribution of State's share to NFCR

According to schedule of contribution set forth in the Scheme, the State Government was to pay Rs.2.54 crore^{*}, being its 25 per cent share, during 1995-96 to 1997-98 towards the corpus of NFCR, of which the State Government paid Rs.0.51 crore only for 1997-98 and did not pay its share contribution (Rs.2.03 crore) to NFCR for the years 1995-96 and 1996-97; the reasons for which were not stated.

Government stated (October 1998) that the annual contributions of Rs.97.21 crores (along with State's share of Rs.24.30 crore) in 1995-96 and 1996-97 were not transferred to the fund through oversight.

(b) Unspent balances of the Fund

Only an amount of Rs.5.11 crore was withdrawn from the Fund in 1990-91 and spent for relief measures. No amount was withdrawn from the Fund

*

1995-96	Rs. 1.52 crore
1996-97	Rs. 0.51 crore
1997-98	Rs. 0.51 crore
Total :	Rs. 2.54 crore

during 1991-92 to 1997-98 and spent towards relief measures in accordance with the provision laid down in the scheme.

On this being pointed out, the Government stated (October 1998) that the amount of Rs.201.70 crore booked under the Major head "2245-01/02 - Drought, Floods, Cyclones, etc.," under "Other Non-Plan Schemes" during 1991-92 to 1997-98 as reflected in the Finance Accounts was infact incurred out of the CRF and that only an amount of Rs. 93.17 crore was lying unspent as of March 1998.

The contention of the Government is not tenable when viewed with reference to the annual budgets. Against the total budget provision of Rs.598.21 crore under the above head of account during 1991-92 to 1997-98, an amount of Rs.201.70 crore was spent on relief measure and a provision of Rs.292 crore was made for transfer to CRF/NFCR.

A study of the closing cash balances of the Government with Reserve Bank of India (RBI) as well as the number of days on which either Ways & Means Advances or Overdraft had been obtained by the State (Table at Appendix-VII) from RBI revealed that the amounts available for CRF which were notionally transferred to the Public Account were actually not available. This was further corroborated by Government's demands (July 1998 and September 1998) for more funds from the Central Government in connection with relief operations necessitated by 1998 flood damages.

It can be inferred from Appendix-VIII that out of the amount of Rs.224.99 crore received during 1990-91 to 1997-98 from the Central Government, Rs. 219.88 crore were diverted by the State to meet its cash requirements. Apart from this, the State's share of Rs.74.99 crore was also not contributed.

(c) Non-investment of contribution -loss of interest to the Fund

On receipt of the contributions from the Government, the SLC was to invest the amount through the branch of Reserve Bank of India (RBI) located at the

Headquarter of the State in accordance with the pattern* of investment prescribed in the Scheme.

Although annual contribution of CRF ranging from Rs.24.89 crore to Rs.50.01 crore (including amounts due in 1995-96 and 1996-97) was available for investment at the end of each year from 1990-91 to 1996-97, the SLC did not invest any amount as per provision of the Scheme, instead it allowed the amounts to accumulate in the Fund as non-interest bearing reserves. This not only showed lack of sound and judicious financial management but also resulted in loss of income to the Fund from interest that would have accrued to Rs.85.86 crore as of March 1998 from such investment of contributions aggregating Rs.242.10 crore (including Rs.97.21 crore due in 1995-96 and 1996-97) at an average interest rate of 10 per cent per annum.

Government admitted (October 1998) that the amount had not been invested in any form because of extremely bad ways and means position of the State during the period.

(d) Non-utilisation of assistance released from NFCR

In 1996-97, the Government of India released an assistance of Rs.21.00 crore from NFCR to the State Government. The amount remained unutilised as of June 1998. This not only deprived the people of the benefit of relief assistance but also rendered the assistance unnecessary and unfruitful. The reasons for non-utilisation of the central assistance were not available on records.

Government stated (October 1998) that the amount (Rs. 21.00 crore) was lying merged with State fund and remained unutilised.

* Government dated Securities : 10 per cent ; State Government Securities : 10 per-cent; Auctioned Treasury Bills : 25 per cent ; Interest earning deposits and certificates: 30 per cent ; State Co-operative Banks : 15 per cent ; Public Sector Bonds and Units: 10 per cent.

**AGRICULTURE/ANIMAL HUSBANDRY AND VETERINARY
DEPARTMENT**

2.8 Drawal of funds in advance of requirement

Withdrawal of money in violation of financial Rules led to locking up of Rs. 65.71 lakh .

According to subsidiary order 50 read with Rule 16 of Assam Treasury Rules, no money should be drawn from the treasury unless it is required for immediate disbursement or to avoid lapse of budget grant.

(i) Test-check (March 1995) of records of the District Agriculture Officer (DAO) Kokrajhar revealed that out of the amounts drawn for implementation of various agricultural schemes between November 1982 and February 1995, the accumulated unspent balances stood at Rs.22.20 lakh as on the date of audit of which Rs.18.29 lakh were over 5 years old. The unspent balances were kept as Deposit-at-Call Receipts (DCR). Details for unspent balances of Rs.10.11 lakh could not be furnished to audit. The remaining unspent balance (Rs.12.09 lakh) represented amounts drawn (between March 1988 and March 1990) for installation of shallow tube wells, cost of input materials etc.

In reply Government stated (June 1998) that Rs.2.05 lakh had since been refunded to treasury and Rs.5.91 lakh utilised between April 1995 and April 1998 in schemes leaving an unspent balance of Rs.14.24 lakh which was due to adverse law and order situation in the district. The reply is not acceptable as in case there was no scope for utilisation, the money could have been refunded to the treasury instead of retaining as DCR. Drawal of funds in advance of requirement was not only violative of Rules but also led to locking up of Government money which could have been utilised for other developmental activities.

(ii) For improvement and upgrading of livestock production through insemination programme under World Bank Project, the Government in February

1996 accorded sanction of Rs.56 lakh for procurement of 7 lakh doses of semen including transportation cost and for repair of printing machine.

Scrutiny (November 1997 to January 1998) of records of the Project Director, Assam Rural Infrastructure and Agricultural Service Project (ARIASP) revealed that the Director of Animal Husbandry and Veterinary drew Rs. 56.00 lakh in March 1996 on Abstract Contingent (AC) bill and kept the amount in Revenue Deposit (March 1996). In August 1996, the entire amount was withdrawn. Of this only Rs. 4.53 lakh was spent (December 1996) towards purchase of 70,933 doses of Frozen semen from Sabarmati Ashram, Gujrat. The balance amount of Rs. 51.47 lakh was retained in hand in the form of bank draft as of October 1998. The doses of semen were however, not collected by the Project Director ARIASP for utilisation.

This was attributed by the Project Director, ARIASP to lack of storage facilities.

Thus, improper planning and drawal of funds in advance of requirement resulted in locking up of funds of Rs. 56.00 lakh. Besides retention of Rs. 51.47 lakh in hand even after 2 years of drawal of funds as of May 1998 was highly irregular.

The matter was reported to Government in May 1998; their reply had not been received (November 1998).

CHAPTER – III
CIVIL DEPEARTMENTS

CULTURAL AFFAIRS DEPARTMENT

3.1 Gross irregularities in purchase of portable steel structure stages

Non-transparent procedures were followed in procurement of 30 portable stages at a cost of Rs. 3.98 crore, 12 stages were damaged due to lack of storing space and the balance were rarely used.

During 1995-96 the Director of Cultural Affairs , Assam without any indent from cultural centres purchased 30 steel fabricated mobile stages and other paraphernalia for 30 cultural centres of the State at a total cost of Rs.3.98 crore for seminars, festivals and cultural functions besides hiring to public and earn revenue. A test-check (February-March 1998) of the records in the Directorate of Cultural Affairs and information collected from the various centres revealed the following:

(i) Supply and over payment

The rates quoted (25 December 1993) by New Delhi firm and recommended (28 December 1993) by the Director and approved by the Government for each portable stage and other paraphernalia were as under:

a.	Fabrication of portable steel structure with three-stair cases with flame proof paint.	Rs. 9,81,500
b.	Back stage material with flame proof paint	Rs. 95,000
c.	Gypsy hut two numbers with flame proof paint	Rs. 1,63,000
d.	Stage light	Rs. 87,000
TOTAL		Rs.13,26,500

The supply order was placed with the firm on 18 May 1994 for the four items as above for each of the thirty stages with the instruction to supply portable steel structure with two stair cases and only one gypsy hut against three stair cases and two gypsy huts as quoted by the supplier. The firm accordingly supplied two staircases and one hut (green room) for each stage. However, while making the final payment of Rs 3.98 crore after adjustment of advance (April 1996) to the supplier

proportionate deduction was not made for reduced number of stair cases and gypsy hut. While proportionate value of thirty stair cases and charges for painting could not be ascertained, there was an over payment of Rs.24.45 lakh for 30 gypsy huts not supplied calculated at Rs. 81,500 per hut (half of Rs. 1,63,000 quoted for 2 huts).

(ii) Utilisation of Stages

Though the stages were to be used for cultural functions and for hiring most centres reported that the stages were being rarely used for government functions or functions of the centre. Fourteen out of sixteen centres test-checked reported that the stages were being let out to public free of cost . This was contrary to the original proposal submitted by the Director, which envisaged generation of revenue from rental of these stages. The Director had also not fixed any hire charge for recovery from public nor intimated to centre about hiring of stages on rental basis.

Information collected from the centres revealed that in 12 centre, the stage and ancillary materials had been damaged due to lack of storing space resulting in complete loss of Rs.1.59 crore.

Thus, the entire expenditure of Rs.3.98 crore on procurement of stages was avoidable as in most of the centres test-checked, these were neither used for cultural functions by the department nor recovery of hire charges effected as envisaged. Of this, the expenditure of Rs. 1.59 crore proved to be a total loss.

The matter was reported to Government in May 1998; their reply had not been received (November 1998).

EDUCATION DEPARTMENT

3.2 **Fraudulent drawal by Headmasters, Block Elementary Education Officers and District Inspector of Schools**

Non observance of codal procedures by the DDOs and Treasury Officer resulted in fraudulent drawal of Rs. 43.39 lakh.

As per provisions contained in Appendix II to Assam Treasury Rules and Subsidiary Orders the salary bills of Provincialised Middle Schools Teachers are

prepared by the Headmasters of the respective schools and drawn from Treasury after getting the bill countersigned by the Block Elementary Education Officers (BEEO).

A scrutiny (July – September 1997) of Treasury vouchers, payment schedules, token registers and Bank scrolls of Hailakandi Treasury disclosed that 22 Headmasters, 3 BEEOs and 1 Deputy Inspector of Schools (DIS) had drawn Rs. 43.39 lakh between April 1991 and March 1995 in 89 bills. The amounts were neither accounted for by the BEEOs/DIS in their bill Registers and cash books nor shown by Headmasters in their drawal and disbursement statements in violation of codal provisions. The Headmasters and BEEOs/DIS denied (February 1998) the drawal of the above amounts by them, although, Treasury Officer of Hailakandi Treasury confirmed (February 1998) with reference to subsidiary register that the Headmasters and BEEOs/DIS had actually drawn the amounts.

The District Elementary Education Officer (DEEO), Hailakandi placed 24 Headmasters under suspension (including 22 Headmasters involved in fraudulent drawal) for the period from February 1994 to September 1996 on the basis of police report for their alleged involvement in such fraudulent drawals and unauthorisedly recruited 24 teachers in their place (without obtaining approval from the competent authority) and paid Rs. 15.12 lakh to those teachers as pay and allowances for 634 months at the minimum of pay scale. It could not be verified in audit whether the sanctioned strength of teachers exceeded at any point of time owing to non-availability of information.

Departmental proceedings were not drawn by the DEEO and the Director against the delinquent Headmasters and the BEEOs/DIS even after 4 years as of March 1998 on the other hand 20 Headmasters out of 24 placed under suspension were reinstated (between December 1995 to September 1996).

Non-observance of prescribed procedure such as maintenance of Treasury Transit Registers, Cross-checking of bill extracts with figures noted in Cash Books by drawing officers and bill countersigning officers and also non-verification of bank daily payment sheets by the Treasury Officer with all appertaining vouchers

submitted by the Bank facilitated fraudulent drawal Rs. 43.39 lakh. Unauthorised recruitment of fresh teachers in place of suspended Headmasters also entailed extra expenditure of Rs. 15.12 lakh.

The matter was reported to Government in June 1998; their reply had not been received (November 1998).

3.3 Pay and allowances for idle staff under Adult Education Programme

Engagement of services of four operators against one defective cinema projector resulted in infructuous expenditure of Rs. 14.09 lakh.

Test-check (November 1997) of records of District Adult Education Officer, Kamrup revealed that the Cinema Projector meant for audio visual programme on adult education was lying out of order since November 1988. Steps were, however, not taken to transfer the services of the 4 idle cinema projector operators to other offices. Instead one more operator was appointed from October 1993 against the same projector.

The District Adult Education Officer stated in April 1998 that the services of the operators were being utilised in supervising activities of Adult Literacy Programme. The reply is not tenable as no documents in support of allotment of such work or its actual execution was produced to audit. The pay and allowances of Rs. 14.09 lakh paid to the five operators from November 1988 to March 1998 was thus infructuous. This includes expenditure of Rs. 1.19 lakh incurred on one operator irregularly appointed in 1993.

The matter was reported to Government in May 1998; their reply had not been received (November 1998).

FOREST DEPARTMENT**3.4 Nugatory expenditure on plantation schemes in Social Forestry Divisions**

Failure of plantations led to infructuous expenditure of Rs. 63.59 lakh.

According to Chief Conservator of Forests, Social Forestry, Assam a survival rate of 60 to 80 percent is expected for a successful social forestry plantation.

Between 1986-87 and 1996-97 five Social Forestry Divisions (Sibsagar, Goalpara, Mangaldai, Sonitpur and Diphu) incurred a total expenditure of Rs.63.59 lakh (including watch and ward) on Social Forestry Plantation under schemes (ranging from 8 to 30) involving 1531 hectares of land. Test-check (February 1997 to September 1997) of records of the above 5 Divisions revealed that the above plantations failed to reach even the minimum survival level of 60 percent. The actual survival reported by the Range Officers was between zero and 50 percent. This included cent percent failure of plantation in Sibsagar Social Forestry Division where expenditure of Rs.15.35 lakh was incurred. The reasons adduced by 3 Divisions for low percentage of survival were damaged by cattle/miscreants, unauthorised encroachment by public and fire. Range Officer of Mangaldai Division held that the failure of plantation was due to non-release of fund in time for maintenance and watch and ward. The Goalpara Division could not furnish any reason for the low survival.

Thus, the entire expenditure of Rs.63.59 lakh without adequate protection measures to ensure minimum acceptable rate of survival resulted in unsuccessful plantation rendering the expenditure nugatory.

The matter was reported to the Government in April 1998; their reply had not been received (November 1998).

HEALTH AND FAMILY WELFARE DEPARTMENT

3.5 Control over expenditure in Health and Family Welfare Department

3.5.1 Introduction

Comprehensive health care services to the people of the State is provided by the Department of Health and Family Welfare through various schemes and programmes. Several of these schemes are sponsored and funded by Government of India. Financial resources for implementation of these schemes and programmes are made available to the Department through the budget voted by the Assam Legislative Assembly. Given the scarcity of financial resources available to the State, control of expenditure particularly its apportionment among the various schemes and programmes in accordance with the priorities established by the Legislative Assembly is of utmost importance.

3.5.2 Organisational set up for expenditure control

The three Directors under Health and Family Welfare Department viz. Director of Health Services (General), Director of Health Services (Family Welfare) and Director of Medical Education are primarily responsible for control over expenditure in the Department. It is, however, ultimately the responsibility of the Secretary, Health and Family Welfare Department, as the administrative head, to ensure that the expenditure is contained within the budgetary provisions and the allotments and ceilings authorised by the Finance Department. Tight control over non-salary items of expenditure is designed to be enforced through a system of Letter of Credit (LOC) whereby Finance Department releases only a part of the amount of

All abbreviations used in this review are expanded in the Glossary vide Appendix – XVII at page 208.

approved budget to the Department each time and the same, apportioned to all the DDOs through the Controlling Officers (Directors). Expenditure in excess of the LOC cannot be incurred. Further drawals can be made after receipt of a fresh LOC. Each DDO under the Directorate is also responsible for expenditure and budgetary control for his office.

In implementing health care services, schemes/programmes, the DHS (General) at State level is assisted by Additional Directors (3), Joint Directors (9), Controller (1) and at District level by Joint Directors (24), Superintendents, chest and mental hospitals (2) Zonal Additional Directors (2).

3.5.3 Audit coverage

The records relating to transactions occurring under the major head of account "2210 Medical and Public Health" for the period from 1993-94 to 1997-98 were test-checked by Audit between January and May 1998 in the Directorates of Health Services and Medical Education at Guwahati and in the offices of the 7 Joint DHSs (Kamrup, Nagaon, Sibsagar, Jorhat, Nalbari, Dhubri, Kokrajhar).

3.5.4 Highlights

-- **Medicines costing Rs.172.28 crore were purchased through the Central Government Medical Store Depot during 1993-94 to 1997-98 without any budget provisions and also violating the directive of the State Government to stop purchases from MSD.**

(Paragraphs 3.5.5, 3.5.6)

-- **Expenditure control was not exercised by the countersigning authorities on indents placed by purchasing officers for procurement of medicines through MSD.**

(Paragraph 3.5.6.2)

-- Test-check of records relating to storage, physical verification and distribution of medicines in 7 districts revealed widespread and serious deficiencies such as non-accountal, absence of physical verification etc. As such audit is not in a position to provide any assurance regarding the end use of the huge quantity of medicines supplied by MSD aggregating Rs.172.28 crore.

(Paragraph 3.5.8)

3.5.5 Budget and expenditure

While there was no significant excess of expenditure in the Major Head- Medical & Public Health, Rs.186.18 crore in excess of budgetary appropriation was incurred on purchase of medicines through MSD financed out of savings under Central Plan Schemes.

The following table presents an overall view of the actual expenditure vis-à-vis voted grants in respect of major head of account "2210 Medical and Public Health" under grant No.29 during the years 1993-94 to 1997-98.

(Rupees in crore)

Year	Final grant	Expenditure	Percentage of Excess (+) Saving (-)
1993-94	109.26	136.55	(+) 25.00
1994-95	157.13	161.83	(+) 3.00
1995-96	197.87	176.94	(-) 11.00
1996-97	192.70	193.58	(+) 0.45
1997-98	204.69	220.08	(+) 8.00

It appears from the table that there were no significant excesses or savings under the major head '2210 Medical and Public Health' during these years except during 1993-94. The excess during 1993-94 may be attributed to a significantly low final grant in comparison to earlier and subsequent years (1991-92 : Rs.114.97 crore; 1992-93 : Rs. 134.87 crore).

However, the disaggregated picture is entirely different. In respect of 4 detailed heads there was excess aggregating Rs. 186.18 crore during the years 1993-94 to 1996-97 as detailed below:

(Rupees in crore)

Detailed Heads of Account	Total Budget appropriation during 1993-94 to 1996-97	Total excess expenditure during 1993-94 to 1996-97	Percent -age of excess
(i) 104-District Medical Stores	1.20	45.12	3752
(ii) 110(g)-General Hospitals	46.67	73.02	154
(iii) 103(a)-Primary Health Centre	70.99	63.37	89
(iv) 01-110(b)-GMCH, Guwahati	20.50	4.67	23
Total :	139.36	186.18	133

Further scrutiny of records and cross verification with account figures revealed that these excesses were mostly attributable to the debits on account of procurement of medicines from the Central Government Medical Store Depot (MSD).

An analysis of the savings reveals that majority of the savings was from plan schemes that either formed part of the State Plan or was funded by the GOI as Central Sector or Centrally Sponsored Schemes. (both State and Central). There was a saving of Rs.209.12 crore during the period. Of this Rs.143.22 crore relates to the assistance received from the Government of India for Central Sector (CS) and Centrally Sponsored Schemes (CSS). The balance of Rs.65.90 crore was under various State Plan Schemes. The excess expenditure on purchases through MSD got financed by these huge savings.

Consequently, the objectives of the Central Sector/ Centrally Sponsored Schemes and Cancer treatment facilities under State Plan Scheme for

providing and strengthening health infrastructure in the State remained almost totally unrealised for a period ranging between 1 to 4 years during 1993-94 to 1996-97.

3.5.6 Subversion of budgetary control in purchase of medicines

In spite of utilisation of the central budgetary allotment for direct local purchase of medicines, indents for purchase of additional medicines were placed with MSD. This led to systematic subversion of the LOC system of expenditure control which was not applicable to payments against claims raised by Central Government Pay & Accounts Offices.

As per the Rules for the Management of Medical Store 1978, medicines may be procured by DHS, Jt. DHS in the District and Principal/Superintendent of Medical College and Hospitals either from ASIDC or from local manufacturers approved by the State Purchase Board at the approved rates. Budgetary authorisation for such purchases are issued by the Government in the form of LOCs thereby ensuring that expenditure on medicines is contained within budgetary appropriations.

The Rules further stipulate that medicine not available from local manufacturers or IDPL (a Central PSU) may be procured through the Medical Stores Depot of the Central Government (MSD) based on indents placed by purchasing officers and countersigned by DHS. The budget allotment was to be indicated in the indent and expenditure watched by countersigning authority. Payments in respect of supplies made to the Assam Government by the MSD are directly made by the AG(A&E) Assam against properly vouched claims. Therefore, expenditure control through the system of LOC does not apply to such transactions.

3.5.6.1 Funds available under the budget fully utilised through direct purchases

A test-check of records of 10 sample purchasing offices[@] in 7 districts out of a total 31 in 23 districts revealed that these 10 offices (1/3rd of the total number) had purchased medicines for a total amount of Rs. 24.89 crore during the 5 years under review. This amounts to more than half of the total voted budget of Rs. 49.49 crore earmarked for materials and supplies for the Department for these five years.

If we consider that 10 offices of the Health Department had spent Rs.24.89 crore on local purchase of medicines during the five years which is 50% of the total of Rs.49.49 crore available for material & supplies for these five years it is most likely that the entire amount of funds would have been utilised for purchase of medicines etc. directly by the various purchasing offices from firms approved by the Purchase Board or ASIDC. Funds for this purpose would have been released by the Government to these purchasing offices through the LOC mechanism.

It can therefore be inferred that no budgetary resources were set aside for obtaining medicine supplies from the MSD.

3.5.6.2 Procurement from MSD without any budgetary resources

Account figures for the years 1993-94 to 1997-98 revealed that supplies of huge quantities of medicines far in excess of budgetary appropriations earmarked for materials and supplies as indicated above were obtained from the MSD as under:

[@] Joint Director of Health Services, Jorhat, Sibsagar, Nagaon, Dhubri, Kokrajhar, Kamrup, Nalbari, Superintendents, Guwahati Medical College Hospital, Mahendra Mohan Civil Hospital Guwahati and Director of Health Services, Assam, Guwahati.

(Rupees in crore)	
Year	Adjustments made for supplies from MSD
1993-94	23.64
1994-95	27.31
1995-96	44.09
1996-97	54.62
1997-98	22.62
Total :	172.28

In addition to the above an amount of Rs.10.10 crore was also reported (March 1998) by the Assistant Controller of Accounts, Ministry of Health & Family Welfare, New Delhi, to be outstanding from the Government of Assam as of February 1998.

It is apparent that large indents were placed on the MSD without taking into account the budgetary constraints. The control of expenditure through indents against the grants was also not carried out as the respective columns in the indents were left blank. Test-check also showed that most of the medicines procured from the MSD were also available on the approved lists of local manufacturers. As per the Rules these should only have been bought from local manufacturers. The option for procurement from the MSD was exercised not to obtain medicines which were not locally available but to subvert control over expenditure enforced by the Government through the LOC system.

Vide WT Message dated 28 September 1992, the State Government advised the Director of Health Services to stop all purchases of drugs from MSD. Over-ruling the direction of the Government, the then Director of Health Services alongwith the Director of Medical Education, Superintendent, Guwahati Medical College, and the Chief Medical and Health Officer, Kamrup, decided on 27 October 1992 to carry on placing indents with the MSD. There was no evidence in the records of the Government or the Directorate that this reversal of policy was approved by the Government. On the contrary, the Government expressed its serious concern to the

Director of Health Services on 23 February 1993 that indents were being placed on MSD despite the ban. The Director of Health Services was also directed to strictly enforce the ban.

Ironically the Government did not communicate its decision of banning purchases from MSD to the appropriate authorities in the Health Ministry of the Central Government so as to prevent the MSDs from entertaining indents received from the Assam DHS. There was also no evidence in records that the aforesaid orders were communicated to the Accountant General (A&E) who finally received the claims duly passed by PAO, Ministry of Health & Family Welfare and made payments. Therefore, the entire expenditure of Rs. 172.28 crore for procurement of medicines through MSD during the period 1993-94 to 1997-98 was not only without budget for specific purpose voted by the Legislative authority but was also violative of Government instructions.

In response to a query regarding budgetary control over purchases made through the MSD, the DHS who is also the controlling officer for the Health Department conceded that there was no separate budget provision for this purpose and these transactions were also outside LOC system of expenditure control.

3.5.7 Drawal of Rs. 2.31 crore in excess of LOC/FOC

The Jt. DHS, Tinsukia, drew Rs.2.31 crore in excess of LOC. The excess drawals were made by manipulating/forging the figures of LOC. The DHS as controlling officer and Treasury Officer failed to exercise their regulatory control over expenditure and checking of bills.

In the course of audit (December 1996) of the accounts of Jt. DHS, Tinsukia prima facie evidence of drawals for contingent expenditure including purchase of medicines in excess of LOC issued by DHS was detected. Cross verification and further scrutiny (May 1997) of the records of the Director of Health Services (DHS) Assam, Joint Director of Health Services, Tinsukia and Treasury

Officer Tinsukia revealed that against the issue of LOC/FOC amounting to Rs. 1.39 crore by the DHS for non-salary components, the Jt. DHS, Tinsukia had drawn Rs. 3.70 crore resulting in excess drawal of Rs. 2.31 crore over the LOC issued by DHS during 1991-92 to 1995-96.

The excess drawals were made by manipulation/ forging of amounts stated in LOCs since the TO accepted photocopies/cyclostyled copies of LOC which were not signed in ink. The fraudulent drawals were facilitated due to following lapses:

- (a) Failure of DHS as Controlling Officer to obtain monthly expenditure statement .
- (b) Failure of TO to exercise regulatory control and checking of bills with reference to sanction, and LOC/FOC.
- (c) The Joint DHS had purchased medicines far in excess of his delegated financial powers (Rs.50,000 in each case) by splitting up bills so as to keep each one below Rs.50,000.

3.5.8 Receipt, Storage and distribution of Medicines

A test-check of records of 7 of the 23 Jt. DHS, at Kamrup, Nalbari, Dhubri, Kokrajhar, Nagaon, Jorhat and Sibsagar for this purpose revealed widespread and serious irregularities as detailed in the succeeding paragraphs:

- a) While the rules for the management of medical stores stipulate hundred per cent physical checking of District Medical Stores (DMS) every month by the Medical Officer, quarterly verification by Sub-divisional Medical and Health Officer and six monthly verification by Jt. DHS,

no such verification had actually been carried out in any of the test checked offices.

- b) At the time of audit (May 1998) the stock book of DMS Kokrajhar was completed only upto 14 November 1997. Stock book of DMS Nalbari was not produced to audit.
- c) Receipt vouchers and guard file of indents in none of the DMS had been maintained properly. Therefore, receipt, stocking, distribution and utilisation of medical stores by District hospitals, CHCs, PHCs and other health units with reference to records of DMS are suspect because no verification is possible in audit.
- d) The District Hospitals/PHCs/CHCs and other health units under the Jt.DHS had not produced stock books of medical stores covering the entire period from 1993-94 to 1997-98. No reasons were stated. The stock books for broken periods produced to audit did not contain complete and updated entries of receipt and distribution of medical stores.
- e) Patient registers of District Hospitals/CHCs were not made available for verification by audit in most cases. Entries in Patient Registers produced to audit were very sketchy and illegible. For instance, copy of OPD Register obtained by audit in respect of Dagaon PHC under Jt. DHS Nagaon revealed that except serial number of register, entries against other columns i.e. name of patient, sex, age, name of disease and medicine prescribed etc., were hardly legible. This rendered them useless for any verification.
- f) Indents placed by the health units in 12 cases (Sibsagar-2, Jornat-2, Nagaon-8) contained incorrect figures of closing stock or balance in

stock was shown as nil even though there was substantial stock balance.

- g) In 13 cases (Nalbari-3, Sibsagar-2, Jorhat-5, Nagaon-2, Kamrup-1) medicines were issued to health units in excess of quantities indented without indents and through a separate list ignoring the indents of original users.
- h) Instances of non-entry/short entry of medical stores and utilisation of medicines by the peripheries in excess of existing stock were also noticed in respect of peripheries under Jt. DHS at Jorhat and Nagaon.
- i) In 4 health institutions under Jt.DHS, Jorhat and Sibsagar, medicines worth over Rs.7.35 lakh remained unutilised for a period ranging from 2 months to 60 months.
- j) In 7 health peripheries under Jt. DHS, Sibsagar (6.) and Jorhat (1), medicines worth Rs.3.42 lakh issued from respective DMS between May 1993 and March 1998 had not been accounted for by the peripheries.
- k) Drugs worth Rs.37.34 lakh supplied by MSD had not been received and accounted for during 1995-96 and 1996-97 by 4 of the 7 Jt. DHS of the districts (Nalbari: Rs.16.81 lakh; Kokrajhar :Rs.4.78 lakh; Jorhat : Rs.8.44 lakh; Sibsagar: Rs.7.31 lakh).

In view of the foregoing, audit is not in a position to provide any assurance that the huge quantities of medicines procured through the MSD aggregating Rs.172.28 crore were actually utilised towards improving public health in the State of Assam.

3.5.9 Other points of interest

(i) Non-submission of Detailed Countersigned Contingent (DCC) bills

Rupees 4.84 crore was drawn in Abstract Contingent bills for miscellaneous purchases, but the Detailed Countersigned Contingent bills, which were required to be submitted by the 2nd of the following month, had not been submitted to the controlling officer even after delays ranging from 4 months to 49 months.

Paragraph 21 of the Contingency Manual of Assam Government stipulates that when abstract bills have been cashed the detailed bills in the prescribed form should be forwarded to the Controlling Officer by the 2nd of the following month.

Test-check of records of DME, Assam revealed that between March 1994 and December 1997 a total amount of Rs. 4.84 crore was drawn by the DME in abstract contingent bills for purchase of equipment, ambulance etc. The amounts were paid to concerned suppliers as advance against their proforma bills. The detailed bills in adjustment of the amounts drawn in abstract contingent bills had not been submitted to the Controlling Officer as of May 1998 in violation of the Rules. The delay ranged from 4 to 49 months. In the absence of detailed bills actual utilisation of the amounts could not be verified in audit.

(ii) Utilisation of departmental receipts for departmental expenditure

Instead of remitting the entire departmental receipts of Rs. 1.66 crore into treasury by 5 DDOs, Rs. 1.27 crore was utilised for purchase of medicines, repairing of vehicles etc., Rs. 7.11 lakh kept in hand and only Rs. 31.51 lakh was remitted into treasury.

Rule 7 of the Assam Treasury Rules stipulates that all moneys received on account of the revenues of the State shall without undue delay be paid in full into

Treasury. Appropriation of departmental receipts for departmental expenditure and retention of either full or part of such receipts in hand is not permissible.

Test-check of records of the offices mentioned below disclosed that between April 1992 and February 1998 the above provision of the rule had not been followed:

(Rupees in lakh)					
Name of the DDO	Period of collection	Amount collected	Amount remitted into Treasury	Amount spent towards departmental expenditure	Amount retained in hand
Superintendent, MMCH, Guwahati	April 1995 to February 1998	27.46	21.18	6.28	--
Principal, GMC, Guwahati	April 1992 to December 1994	9.15	0.34	8.81	--
Do	April 1994 to September 1997	14.33	Nil	14.33	--
Superintendent, GMCH, Guwahati	April 1995 to October 1996	36.09	8.35	23.80	3.94
Principal, AMC, Dibrugarh	November 1996 to October 1997	1.97	0.67	1.30	--
Superintendent, AMCH, Dibrugarh	November 1996 to November 1997	61.55	0.97	59.94	0.64
Principal Regional Dental College Guwahati	February 1994 to September 1997	14.95	Nil	12.42	2.53
Total		165.50 Say Rs. 1.66 crore	31.51	126.88 1.27 crore	7.11

Thus, it could be seen that departmental receipts of Rs.1.27 crore were utilised for departmental expenditure.

The Superintendent, AMCH without furnishing any details of expenditure, stated in April 1997 that departmental receipts had to be appropriated for

unavoidable purchase of medicines, POL etc. and inadequate provision of funds for maintenance of vehicles. No reply had been received from other DDOs.

3.5.10 Internal Audit

The Director, Health Services, Assam stated (June 1997) that 3 posts of Internal Auditors in the Directorate are lying vacant for last few years and therefore, the Internal Audit Wing was not functioning. Director had not however, stated about any action taken to make the Internal Audit Wing functional till June 1998.

3.5.11 The above observations were communicated to Government in August 1998; their reply had not been received (November 1998).

3.6 National Malaria Eradication Programme

3.6.1 Introduction

The National Malaria Eradication Programme (NMEP) a Centrally Sponsored Scheme was introduced in 1958. In view of increase in the incidence of Malaria, a Modified Plan of Operation (MPO) was undertaken from 1977-78. During 1994 due to resurgence of malaria the programme was reviewed and the Modified Action Programme (MAP) was launched from 1995. The programme envisaged:-

- Surveillance by the programme staff and by medical institutions to collect blood smears of fever patients on a large scale and test incidence of malaria and identification of risk areas;
- Treatment of malaria positive cases;
- Contact and mass survey in affected areas;
- Spraying with insecticides like DDT, BHE and Malathion;

All abbreviations used in this review are expanded in the Glossary vide Appendix – XVII at page 208.

- Urban malaria control by spraying larvicides, to destroy larva spreading the disease;
- Vector susceptibility test to determine the type of insecticides to be used.

3.6.2 Audit coverage

The records of the Health and Family Welfare Department, Directorate of Health Services, Joint Director of Health Services (Malaria) at State headquarter, and 6 out of 17 District Malaria Officers (Nagaon, Jorhat, Dibrugarh, Karbi Anglong, Goalpara and Tezpur) for the period from 1992-93 to 1997-98 were test- checked in audit during March & April 1998 and the points noticed are given in the succeeding paragraphs.

3.6.3 Organisational set up

Responsibility for the implementation of the scheme in the State is vested with the Health and Family Welfare Department. The Joint Director of Health Services (Malaria), Health and Family Welfare Department is in overall charge of implementation of the programme. He is assisted by a Deputy Director of Health Services (Malaria) at State headquarter and three Joint Directors of Health Services as Zonal Officers. At the district level programme is implemented by the District Malaria Officer.

3.6.4 Highlights

- **Out of Central Assistance (cash) Rs. 21.98 crore released by the Government of India for implementation of the Programme between 1992-93 and 1997-98, the State Government released only Rs. 13.06 crore. Of the amount released only Rs.10.25 crore was actually spent on the programme and more than half of the Central Assistance was therefore diverted. Test-check also**

revealed that Rs.1.35 crore was used for buying materials etc. not related to Malaria eradication.

(Paragraph 3.6.5 {a} & {c})

- Central Assistance (kind) worth Rs. 48.36 crore was provided by the Government of India between 1992-93 and 1997-98 but their actual utilisation could not be ascertained in the Directorate due to non-maintenance of proper records. However, test-check of records of districts revealed that materials valued of Rs.13.45 lakh were lying unutilised.

(Paragraph 3.6.5 {b}{c})

- Vector control measures for arresting incidence of Malaria could not be adequately augmented by spraying insecticide. Shortfall in covering population under spray operation during 1992 and 1997 ranged from 4.47 to 45.60 per cent for first round and 25.91 to 100 per cent for second round. This included certain districts where second round of spray was not carried out.

(Paragraph 3.6.6 {a})

- In spite of substantial assistance received from Government of India to fight malaria, the incidence of malaria continued to rise in comparison to the position existed in 1992. Highest numbers of two hundred and two death cases were reported in 1995.

(Paragraph 3.6.6 {b})

- Adequate action was not taken at periphery level for early case detection and prompt treatment of malaria cases.

(Paragraph 3.6.6 {d})

- Required number of staff were not provided for the programme which was one of the reasons for tardy implementation of the programme.

(Paragraph 3.6.6 {e})

- Central Assistance of Rs.18.83 lakh received in kind during 1992-93 to 1997-98 under Urban Malaria Scheme was utilised in the areas other than urban area.

(Paragraph 3.6.7)

3.6.5 Finance and expenditure

Of the Rs. 21.98 crore received from the Central Government the State Government released only Rs. 13.06 crore, of which the Department could utilise only Rs. 10.25 crore. Thus the Government diverted Rs. 11.73 crore for other purposes. Further Central assistance of Rs. 1.35 crore was utilised on purchase of materials not related to the scheme. Stock account of Central assistance received in kind could not be made available to audit.

Funds for the National Malaria Eradication Programme (NMEP) was to be shared in the ratio 50 : 50 between Central and State Government. However, materials and equipment are to be supplied in kind. To intensify the antimalarial activities, the North Eastern States were being given 100 per cent Central assistance from December 1994.

(a) Short/non-release and under utilisation of Central assistance

Cash assistance provided by the Government of India (GOI) during the years 1992-93 to 1997-98, subsequent release of fund by the State Government to the programme implementing officers and expenditure there against was as under:

(Rupees in lakh)

Year	Central Assistance Received	Funds released by State Government	Percentage	Expenditure incurred	Expenditure as percentage of Central Assistance Received
1992-93	5.75	Nil		--	--
1993-94	5.00	Nil		--	--
1994-95	38.69	Nil		--	--
1995-96	710.00	488.20	68.76	364.63	51.36
1996-97	701.91	284.64	40.55	211.62	30.15
1997-98	736.20	533.34	72.45	449.05	61.00
Total	2197.55	1306.18	-	1025.30	-

From the above table, it would be seen that no expenditure was incurred on NMEP during 1992-93 to 1994-95. During 1995-96 to 1997-98, the Central assistance was not released in full for implementation of the programme. The amount released also, however, could not be fully utilised by the implementing department during 1996-97. The percentage of expenditure incurred during 1995-96 and 1997-98 on implementation of the programme varied from 30 to 61 per cent of the Central assistance.

In spite of receipt of Central assistance of Rs.21.98 crore the State actually spent only Rs.10.25 crore (46.63 per cent) on NMEP. More than half the amount viz Rs.11.73 crore was diverted for other purposes. The non/short release and under utilisation of Central assistance by the State Government adversely affected implementation of the programme as detailed in succeeding paragraphs.

(b) Central assistance in kind

Assistance worth Rs. 48.36 crore was received in kind viz. drugs, pricking needles, pesticides and spray pumps etc. from the Government of India between 1992-93 and 1997-98 as detailed below:

Year	Assistance in kind (Rupees in crore)
1992-93	1.54
1993-94	4.31
1994-95	5.02
1995-96	13.04
1996-97	9.59
1997-98	14.86
	48.36

Records (except stock account of insecticide) relating to release of this assistance in kind to the implementing authority were not made available to audit. The stock accounts were also not complete or up to date. As such actual receipt and utilisation of assistance in kind could not be ascertained in audit. The Joint Director of Health Service (Malaria) stated (September 1998) that there were no stock lying unutilised in their store, but there was no such document in support of this statement.

(c) Expenditure on item not related to Malaria eradication

i) Audit scrutiny revealed that the Joint Director of Health Services (Malaria) purchased various materials* worth Rs. 1.35 crore as shown in Appendix- IX out of Central assistance for NMEP but was not actually related to the programme. The materials were purchased without any indents from Zonal/District authorities. The materials were issued to districts. Test-check of records of six districts out of 23 districts revealed that materials worth Rs. 13.45 lakh were lying unutilised.

ii) All antimalarial drugs were to be supplied by the Government of India through Medical Stores Depot (MSD). Test-check of records of Joint Director of Health Services (M) Guwahati revealed that drugs valued Rs. 31.87 lakh were purchased out of Central cash assistance without obtaining approval from the Government of India. Test-check further revealed that out of the drugs purchased, two drugs (Eri thromycia and Ampicilin : Rs. 6.63 lakh) were not antimalarial drugs. The action of the Joint Director was therefore irregular.

* Materials like chemicals, blankets and I.V. sets.

3.6.6 Implementation

Second round of DDT spraying was not carried out in some of the districts due to delay in sanction of spraying squads. Spraying operation was not at all carried in Kokrajhar district during 1992 and 1993. As a result inspite of sufficient Central assistance for eradication of malaria, the incidence of malaria continued to be on rise in comparison to 1992, highest being in Kokrajhar district. Required number of staff was not provided for the programme leading to slow implementation.

Under the Modified Plan of Operation (MPO), the programme was to be implemented on the basis of Annual Parasite Index (API) per thousand of population of the areas assessed in the surveillance operations. Areas recording API-2 and above per thousand population were to be given a regular cyclic spray of insecticides (two rounds) while areas recording API of less than 2 are to be subjected to focal spray only around the positive cases. Entomological studies were to be strengthened to provide intelligence regarding the susceptibility level of vector carrier of disease to insecticides to decide the right type of insecticide to be used for spray.

It was stated by the Directorate that vector control measures were not adequately augmented by spraying insecticide due to inadequate and untrained field staff, want of fund and lack of transport facilities. Besides mobile teams were not constituted by the authority for immediately arresting the outbreak. All these, however, could have been accomplished if the central assistance were utilised fully without diverting it for other purposes.

Due to non/short release of funds by the State Government and under utilisation of funds by the implementing Department, there was marked shortfall in implementation as detailed below:

(a) Spraying operations

As per MPO, spray operations were the responsibility of District Malaria Officers (DMO) under overall supervision of Joint Director of Health

Services in the districts. On the basis of epidemiological data of preceding three years, the DMOs were selecting the areas to be covered by spray operation. Required insecticide of choice i.e. DDT was provided by the Government of India. Considering the transmission period of malaria parasites, the programme for spraying was fixed by the Government as April to June (1st round) and July to September (2nd round).

The above schedule could not be adhered to in most of the districts. The first round was commenced from July and second round from October because of delay in sanction of spraying squads by the Department.

Total population to be covered with both rounds of spray operations (Areas with AP1-2 and above) and actually covered was as under:

(Population in million numbers)

Year	Population to be covered with spray operation	Population actually covered		Shortfall in percentage	
		1 st round	2 nd round	1 st round	2 nd round
1992	5.38	4.30	2.95	20.07	45.17
1993	5.79	3.15	1.76	45.60	69.60
1994	7.56	5.11	1.87	32.40	75.26
1995	11.47	10.89	5.63	5.05	50.92
1996	9.84	9.40	7.29	4.47	25.91
1997	17.03	10.33	-	39.35	100.00

The shortfall ranged between 4.47 to 45.60 per cent in first round and 25.91 to 100 per cent in second round.

Only one round of spray operation was done in some of the districts detailed below due to non-availability of required staff and provision of funds by the Directorate. This resulted in high incidence of malaria in these districts during the years.

Year	Districts where only 1 st round of spray operation done	Incidence of malaria per thousand
1992	Lakhimpur, Bongaigoan	6.66
1993	Dhubri, Darrang, Morigoan	22.84
1994	Kokrajhar, Goalpara, Bongaigoan, Hailakandi, Dibrugarh.	28.60
1995	Sonitpur	13.75
1996	Barpeta	2.30
1997	Goalpara, Sonitpur, Nagaon, Karbi Anglong, Jorhat	34.52

Spraying operation (1st and 2nd round) was not carried out in Kokrajhar district during 1992 and 1993. The incidence of malaria was very high in this district ranging from 25.08 per thousand (1994) to 15.11 per thousand (1996).

(b) Incidence of Malaria

Incidence of Malaria cases during 1992 to 1997 was as under:

Year	Population	Population actually screened	Malaria cases (Positive)	PF cases	Incidence of Malaria per thousand	Reported death cases	Percentage of PF cases
1992	2,38,78,389	23,43,332	95,168	62,248	3.99	20	65.40
1993	2,42,13,646	26,84,250	1,18,403	78,504	4.89	48	66.30
1994	2,44,79,339	27,45,256	1,60,538	1,05,495	6.56	69	65.70
1995	2,47,66,670	32,54,121	2,30,702	1,45,153	9.32	202	63.00
1996	2,47,71,213	29,87,382	1,76,622	1,07,742	7.13	58	61.00
1997	2,54,88,552	NA	1,23,650	76,511	4.85	27	61.88

Information regarding cross check of blood smear examination required to be carried out was not available.

Though the modified plan of operation was being implemented in the State since April 1977 and substantial assistance was received from Government of India between 1992-93 and 1997-98 (Cash : Rs. 21.98 crore; kind : Rs. 48.36 crore) the incidence of malaria had not brought down the API level to that of 1992.

In 1995, there was outbreak of Malaria in the State with 202 reported death cases. The main reasons for malaria outbreak in the State was inadequate surveillance and insecticidal spray, weak infrastructure, poor facilities for treatment and prolonged rainy seasons. Adequate steps were not taken to arrest the increasing trend by utilising available resources.

(c) Short receipt of DDT from Government of India and excess utilisation

Between 1992 and 1996, the State Government indented for 6635 tonnes of DDT from Government of India. Records of the Joint Director of Health Services (M), Guwahati revealed that against 4763.50 tonnes of DDT shown as

delivered by the Government of India, the Department actually received 4514 tonnes of DDT during the period. Reasons and actions taken for short receipt of 249.50 tonnes of DDT valued at Rs.1.65 crore @ Rs.66,044.15 per tonne (including duties & taxes but excluding transportation charges) could not be explained to audit. The short receipt was not brought to the notice of Government of India.

Scrutiny of records further revealed that against the requirement of 4363.39 tonnes* of 50% DDT during 1992-97 the department utilised 4890.93 tonnes resulting in utilisation of 527.54 tonnes of 50% DDT in excess of requirement, value of which was Rs.3.48 crore at the above rate.

(d) Case detection and management

As per MPO case detection and management of malaria cases was a single important activity at the periphery for preventing mortality due to Malaria. For this purpose work schedule was to be prepared for workers at different levels specifying their role and responsibilities. The Jt. DHS(M) stated (September 1998) that for preventing the malaria mortality 12 days advance programme was prepared. But the contention of Jt.DHS was not tenable as it was found from the records that work schedules were not prepared at any stage, which resulted in lack of proper actions at periphery for early case detection and prompt treatment.

(e) Non-availability of required staff

Under MPO greater emphasis was laid down on the development of primary health care system. The basic requirement under the system was laboratories for examination of blood smears for determination of malarial parasites. Staffing pattern of laboratories and shortfall in different categories of staff was as under:

* The requirement as per norm was 75 tonnes per 10,000 populations.

Categories	Requirement as per MPO	Sanctioned	Short-fall
i) Entomologist/Asstt. Entomologist	4	4	-
ii) Senior Field Worker (12 months)	46	39	7
iii) Field Worker (12 months)	115	99	16
iv) Insect collector	8	8	-
v) Sr. Laboratory Technicians/ Lab Technicians/Lab Assistants	633	182	451
vi) Surveillance Worker/ Surveillance Field Worker (5 months)	5819	3877	1942
vii) DMO	23	17	6

It could be seen that required staff was not provided for the programme, which was one of the reasons for tardy implementation of the programme.

3.6.7 Urban Malaria Scheme

Urban Malaria Scheme was not sanctioned by the Government of India and assistance received in kind was utilised in other areas.

Urban Malaria Scheme submitted by the Department to the Director, NMEP, New Delhi in February 1998 had not yet been sanctioned (May 1998). Between 1992-93 and 1997-98 the Department, however, received cash assistance of Rs.8.15 lakh and assistance in kind worth Rs.18.83 lakh from Government of India. While cash assistance of Rs.8.15 lakh remained unutilised (March 1998), the assistance received in kind (Rs.18.83 lakh) were utilised in areas other than urban areas without approval from the Government of India. The diversion and retention of assistance was irregular.

3.6.8 Other points of interest

(a) Use of shelf expired insecticide

Test-check of records of District Malaria Officer, Dibrugarh revealed that 27 tonnes of DDT (50 %) was received in September 1995, of which shelf life of

9 tonnes of DDT expired in August-September 1995. However, these were issued to PHCs in October 1995 and utilised in spraying operation. Thus insecticides valued at Rs.5.94 lakh (@ Rs.66044.15 per tonne) were used beyond its expiry date. It was stated that the insecticide was issued as directed by Director, NMEP, Government of India.

(b) Short receipt of drugs and other items

Test-check of records of District Malaria Officers at Nagaon, Jorhat, Dibrugarh, Karbi Anglong, Goalpara, Tezpur and other civil hospitals with reference to the entries made in the stock books maintained by the Joint Director of Health Services (M), Guwahati revealed that drugs and other items valued at Rs. 4.77 lakh were received short by the Districts and hospital authorities. The matter was not reported to the concerned authorities.

3.6.9 Monitoring and evaluation

The implementation of the programme had not been evaluated so far. Except furnishing reports and returns to the Directorate, no action was taken by the programme Implementing Officers to assess the activities. During 1992 to 1996 the Department had not identified any 'high risk area'.

3.6.10 Control mechanism prescribed by the Central Government not followed

The Government of India prescribed the following reports/returns to be submitted by the State Government to ensure effective control of expenditure against release of assistance under the scheme.

- i) Monthly expenditure statement.
- ii) Departmental expenditure statement for the first quarter of each year as a per-requisite to secure release of remaining installments of Central Assistance.

- iii) Performance/implementation of the programme on various aspects i.e, surveillance, spray data, month-wise distribution data of positive cases etc.
- iv) Annual audited expenditure statement (Audited by Accountant General) within two months from the close of the previous financial year.
- v) Utilisation certificate of cash and kind required to be furnished at the close every year.

Test-check revealed the following deficiencies:

- i) The submission of monthly expenditure statement to the Government of India was pending from March 1996 to March 1998 and the Government of India released the Central Assistance to the State Government despite non-submission of monthly expenditure statements since February 1996.
- ii) Audited annual expenditure statement were never obtained by the State Government from the Accountant General (Audit).
- iii) The submission of utilisation certificate for the year 1997-98 was pending as of July 1998.
- iv) The submission of performance/implementation reports to the Government of India was pending since April 1997.

3.6.11 The above observations were reported to Government in July 1998; their reply had not been received (November 1998).

HOME (POLICE) DEPARTMENT

3.7 Injudicious procurement and distribution of clothing material

Excess issue of grey terry cotton cloth worth Rs. 11.71 lakh remained unutilised for over 2 years.

A test-check (May 1997) of records of the Inspector General of Police, Special Branch (IGP-SB), Guwahati revealed that 24,777.90 metres of grey terry cotton cloth was received during 1995-96 and 1996-97 from the Director General of Police (DGP) against his indent for 10,777.90 metres of grey terry cotton cloth. The IGP-SB could, however, utilise only 12,738 metres of cloth as of March 1998 and the balance 12,039.90 metres cloth valued at Rs.11.71 lakh (@ Rs. 97.25 per metre) were lying in stock.

Thus issue of cloth in excess of requirement by the DGP resulted in locking up of Government funds to the extent of Rs.11.71 lakh.

The matter was reported to Government in May 1998 ; their reply had not been received (November 1998).

INDUSTRIES DEPARTMENT

3.8 Diversion of funds

Loan of Rs. 46.32 lakh given to ASIDC for revival of a sick industrial unit was utilised for disbursement as salaries to their employees.

For revival of the Cachar Textile Industries, a sick industrial unit, the Government sanctioned (March 1995) a loan of Rs.46.32 lakh to Assam Small Industries Development Corporation (ASIDC). The sanction order stipulated that the amount after drawal by the Director of Industries was to be kept in Revenue Deposit and approval of the Public Investment Board (PIB) obtained before releasing the amount to ASIDC for taking up the rehabilitation programme. The loan was repayable

in ten equal installments from the date of disbursement with interest at the rate of 17 per cent per annum. In addition penal interest at the rate of 2.75 per cent was leviable in case of default in payment of principal with interest.

It was noticed in audit (October – December 1997) that the Director of Industries drew Rs.46.32 lakh in March 1995 and kept it in Revenue Deposit. Thereafter in September 1995 the amount was withdrawn from Revenue Deposit and paid to ASIDC without preparing a rehabilitation programme and obtaining its approval from the PIB which was violative of the conditions stipulated in the sanction. Further scrutiny revealed that instead of utilising the funds on revival of the sick unit the ASIDC spent it towards pay and allowances of its own employees and for meeting other expenditure, thereby frustrating the purpose for which the loan was sanctioned. Till March 1998 an amount of Rs.16.36 lakh being interest (normal & penal) together with principal amount (Rs.46.32 lakh) stood recoverable from the ASIDC. Action, if any, taken by the Government to fix responsibility and to recover the amount were not on record produced to Audit.

The matter was reported to Government in April 1998; their reply had not been received (November 1998).

3.9 Outstanding rent on Industrial sheds and open lands

Failure of the department to take timely action against the defaulting tenants resulted in rent of Rs. 18.86 lakh on 87 industrial units remaining unrealised.

Mention was made in Para 3.23 of the Audit Report of 1989-90 regarding huge accumulation of outstanding rent on industrial sheds and open lands remaining unrealised upto March 1990.

As per Deed of Lease executed at the time of allotment of shed, monthly rent shall be paid by the tenants on or before the ninth day of the subsequent

month but no effective step was taken by the department to realise huge outstanding rent as over all position of rent had further deteriorated and unsatisfactory.

Test-check (July 1997) of the accounts of the Engineer, in-charge Central Workshop and Manager, Industrial Estate, Guwahati revealed that position had further deteriorated and rent amounting to Rs. 18.86 lakh remained unrealised upto March 1998 from 87 industrial units leased out between January 1960 and May 1995 for a term of 30 years from the date of execution of lease deeds. Although it was stated by the Manager (May 1998) that cases against defaulters had already been referred to Bakijai Officer for early realisation and taking action for eviction from the Factory sheds, realisation of rent or eviction had not taken place even in a single case.

The matter was reported to Government in June 1998; their reply had not been received (November 1998).

POWERS, MINES AND MINERALS DEPARTMENT

3.10 Extra liability and locking up of fund due to delay in the execution of work

Inordinate delay in the execution of construction works by the State Government Undertaking led to additional liability and locking up funds of Rs. 21.49 lakh.

The Director, Geology and Mining by an agreement made on 9 September 1994 awarded the work "Construction of Administrative building for the Directorate of Geology and Mining" to the Assam Government Construction Corporation, a government undertaking, at an estimated cost of Rs.19.50 lakh. The work was to be completed within 12 months commencing 15 days from the date of agreement. The agreement which was not in standard PWD form, with provision for extension of time, penalty at 1 per cent of estimated cost for delay in execution of work through another agency at the risk and cost of the contractor etc. An amount of Rs. 10 lakh was paid to the Corporation in December 1995 as advance payment.

Test-check (May 1997) of records of the Director, Geology and Mining revealed that except earth work which had not been measured (estimated cost as per original agreement was Rs.7.78 lakh),no work was done by the Corporation and a fresh agreement (not in the standard form) was drawn up on 10 December 1996 between the Director and the Corporation raising the estimated cost of the work to Rs. 30.89 lakh, an increase of almost 60 per cent. The work was to be completed by December 1997. The Director stated in February 1998 that for reasons not known to them, the Corporation had delayed the construction works in spite of repeated requests for early completion. He, however, was not able to provide any justification for signing a fresh agreement at a revised cost 60 per cent higher than the original contracted amount without any increase in the scope of work.

It was observed that under Rules Regulating Departmental Construction of Public Buildings when work is to be done by contractor a deed of contract in the standard form should be executed. But this was not done. It was further seen that no extension was demanded by the Corporation. On the contrary, the department entered into fresh agreement resulting in unauthorised financial benefit to the corporation and an extra liability of Rs.11.39 lakh to the Department. Besides this also led to locking up of funds to the tune of Rs.10 lakh as the work had not been completed even according to the period specified under the fresh agreement.

The matter was reported to Government in April 1998; their reply had not been received (November 1998).

REVENUE DEPARTMENT

3.11 Extra expenditure on purchase of rice for relief operations

Purchase of rice through STATFED at higher rates resulted in extra expenditure of Rs.1.16 crore.

In June 1990 the Government instructed the Managing Director, State Co-operative Marketing and Consumers' Federation Limited (STATFED), Guwahati,

to supply only common variety of rice for relief operations instead of superior variety of rice. The order was endorsed (June 1990) to all the Sub-Divisional Officers.

Scrutiny (June 1997) of the records of the Sub-Divisional Officers (SDO) Civil, Gossaigaon revealed that SDO purchased 1,32,534.24 Qtls. of superior varieties of rice (Superfine : 53, 287.37 Qtls; Fine: 65,549.09 Qtls and Commercial: 13,697.78 Qtls) at a cost of Rs. 9.60 crore through STATFED during June 1996 to May 1997 for distribution among the arson victims following disturbances in May 1996 in Kokrajhar district. The quantities of rice was procured by STATFED from Food Corporation of India which also had 79,995.05 Qtls of common variety of rice available in stock during that period. The price of the common variety of rice was much lower at Rs. 602 per quintal.

The purchase of superior varieties of rice through STATFED at higher rates (ranging from Rs. 689 to 900 per qtl.) instead of available common rice with Food Corporation of India, Kokrajhar branch resulted in extra expenditure of Rs.1.16 crore.

The matter was reported to Government in June 1998 ; their reply had not been received (November 1998).

SECRETARIAT ADMINISTRATION, HOME (POLICE) AND AGRICULTURE DEPARTMENTS

3.12 Sanction, procurement and utilisation of vehicles in Government departments.

3.12.1 Introduction

In order to cope with the growing activities of various departments, Government provides vehicles to its officers at various levels for discharge of their official duties effectively. This review pertains to the sanction, procurement and utilisation of vehicles in departments of Secretariat Administration, Police and

All abbreviations used in this review are expanded in the Glossary vide Appendix-XVII at page 208.

Agriculture and aims at ascertaining economy and efficiency in procurement and utilisation of Government vehicles.

3.12.2 Organisational set-up

Expenditure sanction for purchase of vehicles is accorded by respective Administrative Departments of the Government after obtaining concurrence from the Finance Department. The responsibility towards incurring expenditure on repairs and maintenance including petrol-oil-lubricants (POL) as well as maintenance of proper vehicles records rests with the respective Head of the Department and subordinate officers under whose charge the vehicles are placed.

3.12.3 Audit coverage

The records of sanction, procurement and utilisation of vehicles relating to Secretariat Administration, Police and Agriculture Departments of the Government of Assam, the three largest users of vehicles, for the period from 1992-93 to 1997-98 were test-checked during May to August 1997 and March to May 1998.

3.12.4 Highlights

-- **Out of Rs. 14.70 crore released by the Government of India during 1993-94 as a special financial assistance for purchase of vehicles, equipment and ammunition to meet insurgency / extremist problems, Rs.7.10 crore was diverted for payment of hire charges and POL expenses of vehicles requisitioned for the army and cost of operations against militants.**

(Paragraph 3.12.5-i)

-- **Detailed countersigned contingent bills had not been submitted for utilisation of Rs.5.81 crore drawn between 1993 and 1998 by the Police Department on 15 Abstract Contingent bills.**

(Paragraph 3.12.5-ii)

-- Between 1992-93 and 1997-98, the Secretariat Administration Department maintained 21 to 38 vehicles in excess of requirement. The expenditure on purchase of these surplus vehicles ranged from Rs. 44.31 lakh to Rs. 80.18 lakh. Besides, Rs. 48.61 lakh was spent on their repair and maintenance.

(Paragraph 3.12.6)

-- The Director General of Police maintained a car pool of 78 vehicles (including 8 motor cycles) in his establishment and utilised Rs.5 crore on POL and repairs out of office expenses and funds provided for subordinate offices in the districts/battalions.

(Paragraph 3.12.7.(b))

-- In 6 test-checked units of Police Department it was observed that 44 vehicles required to be condemned as per norms were continued to be used at an extra expenditure of Rs.1.50 crore during 1992-93 to 1997-98 on repair and maintenance as compared to cost on such items prior to condemnation period of these vehicles.

(Paragraph 3.12.8(a))

3.12.5 Financial Control

Extremely poor financial control was evident from diversion of Central assistance (Rs. 7.10 crore), non-submission of DCC bills in respect of Rs.5.81 crore drawn against AC bills even after lapse of 1 to 53 months and accumulation of outstanding liability of Rs. 20.55 crore towards purchase of spare parts/POL etc.

(i) Diversion of funds

Government of India (Ministry of Home Affairs) released Rs. 14.70 crore during 1993-94 as a special financial assistance (grants-in-aid) to the State Government (Home Department) for purchase of vehicles, equipments and ammunitions, etc. for meeting the problems created due to insurgency and extremist activities. Of the above, Rs. 2 crore was specifically earmarked for purchase of

vehicles. The State Government sanctioned only Rs.1.36 crore for purchase of vehicles and diverted Rs. 7.10 crore towards payment of hire charges of vehicles requisitioned from private sources for the army (Rs. 1.50 crore), operations against militants (Rs.2 crore) and for payment of POL bills for the requisitioned vehicles for operations against militants (Rs. 3.60 crore). The State Government asked (June 1995) the Director General of Police (DGP), Assam for a proposal for regularisation of the funds diverted. The item-wise utilisation of assistance called for by Government of India (January 1997) had not been submitted (August 1998) and the unauthorised diversion was still to be got regularised.

(ii) Non-submission of detailed countersigned contingent (DCC) bills

An amount of Rs.5.81 crore was drawn on 15 Abstract Contingent (AC) bills between November 1993 and March 1998 by the Police Department for purchase of vehicles. This included an amount of Rs.3.71 crore drawn in 1997-98 by Police Department without submission of DCC bills for the amount of Rs.2.10 crore drawn between 1993 and 1997. Even though paragraph 21 of Contingency Manual of Assam Government stipulates submission of DCC bills within one month such bills in adjustment of the aforesaid AC bills had not been submitted to the Controlling Officer till May 1998. There was delay ranging between 1 to 53 months. In the absence of DCC bills it was not possible to verify the actual utilisation of these amounts.

The Department replied (May 1998) that the DCC bills could not be prepared for want of final bills from the dealers.

It was seen from the records made available to audit that the departmental officers had procured spare parts/POL for repairs and maintenance of vehicles as well as hired vehicles on requisition regularly in excess of funds available. This resulted in accumulation of committed liabilities totalling Rs.20.55 crore payable to private parties/firms as on 31 March 1998.

3.12.6 Procurement of vehicles by Secretariat Administration Department (SAD)

Purchase of vehicles without proper assessment resulted in avoidable expenditure of Rs.3.74 crore being the cost of surplus vehicles and Rs.48.61 lakh on maintenance.

(a) Accumulation of surplus vehicles due to unplanned purchases

The SAD (Vehicles Cell) was created for providing conveyances facilities to Ministers, the Chief Secretary and the Secretary SAD. As per Assam Ministries Salaries & Allowance Act, 1958 a Minister is entitled to a suitable conveyance during the period of his tenure. SAD provides one vehicle to each Honourable Minister and also vehicles to Chief Minister's (C.M) car cade as per requirement.

Between 1992-93 and 1997-98 the SAD procured 92 vehicles (excluding 5 vehicles*) at a cost of Rs.2.34 crore as against steady requirement of 45 vehicles each year from 1992-93 to 1995-96 (Ministers 38, Car cade 5 & Officials 2) and 33 vehicles during 1996-97 and 1997-98 (Ministers 27, Car cade 4 & Official 2 vehicles). The details are shown below:-

* Taken on loan from other Department (GAD).

(Rupees in lakh)

Year	Vehicles at the beginning of the year	Vehicles on road after transfer/condemnation	Vehicles condemned/transferred	Vehicle purchased		Vehicles on road during the year	Vehicles required during the year	Surplus vehicles during the year	Cost of surplus vehicles	Expenditure on repairing of surplus vehicles
				Number	Price					
1992-93	67	55	12	11	22.18	66	45	21	44.31	3.00
1993-94	66	63	3	17	32.67	80	45	35	73.85	4.30
1994-95	80	46	34	25	54.08	71	45	26	54.86	5.77
1995-96	71	62	9	10	24.30	72	45	27	56.97	10.91
1996-97	72	63	9	NIL	NIL	63	33	30	63.30	5.25
1997-98	63	42	21	29	100.76	71	33	38	80.18	19.38
TOTAL			88	92	233.99				373.47	48.61

It is apparent that there was an excess of 21 vehicles available at the beginning of 1992-93. During the six years under review the SAD bought 92 new vehicles against 88 condemned/transferred during the period.

The department had 21 to 38 vehicles in excess of requirement between 1992-93 and 1997-98. This indicated absence of proper assessment before procuring vehicles. The price of surplus vehicles ranged between Rs. 44.31 lakh to Rs. 80.18 lakh at the average rate of Rs. 2.11 lakh per vehicle. The annual cost of repairing and maintenance of these vehicles ranged from Rs. 3.00 lakh in 1992-93 to Rs. 19.38 lakh in 1997-98 involving a total expenditure of Rs. 48.61 lakh upto 1997-98.

Thus, it could be seen that the department incurred expenditure of Rs.3.73 crore due to procurement of vehicles in excess of requirement. Besides, Rs.0.48 crore was incurred on their maintenance.

3.12.7 Utilisation of vehicles

In Secretariat Administration Department 21 surplus vehicles were utilised by persons either not entitled to Government vehicles or in excess of their entitlement. In Police Department vehicles were allotted to non-entitled officers/MPs and 78 vehicles were withdrawn from Districts/Battalions and utilised in DGP's car pool. In Agriculture Department 10 vehicles purchased under different schemes were utilised for other purposes.

(a) Secretariat Administration Department

Utilisation of surplus vehicles in violation of norms

Twenty one surplus vehicles were utilised by persons either not entitled to SAD vehicles or in excess of their entitlement. Total use of these vehicles between August 1994 and March 1998 was for 7816 days. Hire charges of Rs. 11.72 lakh @ Rs. 150 per day per vehicle (hire charge of vehicles paid by the Government departments) were recoverable from these people. Besides, 11 vehicles were kept as reserves for which no provision exists.

(b) Police Department

(i) Diversion of vehicles

A car pool in the establishment of Director General of Police (DGP), Assam had been functioning since creation of the DGP's establishment in 1975 and there was a fleet of 78 vehicles (includes 8 motor cycles) as of 31 March 1998. However, Government order for creation of a car pool in the DGP's establishment was not produced to audit. Test-check of records disclosed that no separate budget provision either for procurement of vehicles or their maintenance/repairing including POL was made for the said car pool till date (July 1998). Instead the vehicles purchased out of the budgeted amount provided for district/battalions/schemes were retained in this pool. Between 1992-93 and 1997-98, the expenditure on repairs and

maintenance and POL for the said vehicles was met from office expenses (Rs. 3.20 crore) and from fund provided to district/battalions/schemes (Rs.1.80 crore).

It was stated by the department (July 1998) that the DGP, Assam is the controlling authority of Police Department in Assam and as such could utilise vehicles drawn from subordinate establishments for maintenance of law and order. The reply is not tenable as vehicles for subordinate establishments in different districts and under different programmes were procured for specific purposes. These purposes remained unfulfilled when vehicles purchased for the purpose were taken out for DGP's car pool for utilisation otherwise.

(ii) Irregular utilisation of vehicles

According to instructions of DGP no vehicle should be earmarked for junior level officers and they are allowed to use pool vehicles for official duties only when required. Besides there was no provision for providing police vehicles to M.P's, Joint Secretary and Deputy Secretary of Home Department.

Test-check of records revealed that three pool vehicles were specifically earmarked for three Junior level officers (Registrar, Finance & Accounts officer and Assistant Engineer) in violation of the criteria fixed for use of pool vehicles. Between April 1992 and March 1998, an amount of Rs. 22.35 lakh had been spent towards repair and maintenance (including POL) of these vehicles.

Similarly two vehicles from DGP's pool car and one vehicle from S.P, City Police were being utilised by MP, Joint Deputy Secretary Home between March 1993 and March 1998 and an expenditure of Rs.8.70 lakh was incurred.

(iii) Particulars of utilisation not recorded

In respect of 29 vehicles under DGP's car pool and 22 vehicles under S.P, City Police (on permanent requisition) detailed particulars of utilisation was not recorded and as such extent of gainful utilisation of these vehicles could not be ascertained. These vehicles were stated to have been utilised as pool car on miscellaneous duty. The cost of repair, maintenance and POL of the 29 vehicles

during the period 1992-93 to 1997-98 was Rs. 1.70 crore. The hire charges of 22 vehicles (Rs. 72.27 lakh), Drivers allowances (Rs. 14.45 lakh) and POL (Rs. 95.59 lakh) for the period 1992-93 to 1997-98 amounted to Rs. 1.82 crore.

(c) **Agriculture Department**

Utilisation of vehicles for other purposes

Test-check of the vehicle register maintained by the office of the Director of Agriculture, Assam revealed that 10 vehicles purchased for Rs.18.79 lakh for implementation of various agricultural programmes were being utilised for other purpose during the period 1992-93 to 1997-98. The utilisation was therefore unauthorised and irregular.

3.12.8 Repairs and maintenance of vehicles in Police Department

Uneconomical and old vehicles were retained beyond the period of condemnation by the Police Department leading to avoidable expenditure of Rs. 1.50 crore on their maintenance and repairs. Besides, Rs. 5.07 crore was spent in excess of the prescribed ceiling for maintenance and repair of vehicles. Spare parts of vehicles costing Rs. 19.86 lakh were purchased by splitting up bills to avoid sanction from higher authority.

(a) **Retention of old fleet of vehicles fit for condemnation leading to substantial excess expenditure on repairs**

Finance Department instructions (September 1989) stipulate condemnation of vehicles where repair costs exceeded the cost price or which had run more than 1.50 lakh kilometres after preparation of cash flow analysis to justify further repairs to be economical or otherwise.

Audit scrutiny of the records of 6 units of the Police Department out of total 70 units revealed that they used 44 vehicles during 1992-93 to 1997-98 which fulfilled the norms of condemnation at the beginning of the period. These selected units were Superintendents of Police, Kamrup, City Police, Guwahati, Cachar,

Karimganj, Commandant 4 APBN, Kahilipara and Inspector General of Police (SB), Guwahati. The average cost of spares and repairs on these vehicles during 1992-93 to 1997-98 was Rs. 4.98 lakh per vehicle at Rs. 0.83 lakh per annum. This was more than 3 times the cost of repairs (Rs. 0.26 lakh per vehicle per annum) prior to attaining the norms of condemnation. It is apparent that the total extra expenditure of Rs.1.50 crore* during the six years on repairs could have been utilised for replacement of vehicles.

The department stated (May 1998) that it was compelled to maintain uneconomical vehicles with heavy maintenance costs and higher propulsion in order to maintain law and order due to non-replacement of old vehicles for want of funds. The reply is not tenable since huge amounts had been spent on repairs which could have been gainfully used to replace vehicles. Besides, there were surplus vehicles with Secretariat Administration.

(b) Splitting up of supply orders/Bills

Under Assam Delegation of Financial Power Rules, 1960, the financial power of Superintendents of Police/Commandants is limited to Rs. 2000 in each case for repair and maintenance of vehicles.

Instances of splitting up of supply order in three establishment (Superintendent of Police (S.P.) city police Guwahati, Karimganj and Commandant 4th APBN, Guwahati) came to notice where purchase orders for spare parts (including repairs) in respect of 17 (seventeen) vehicles were split into 1149 supply orders on 77 occasions between 20 October 1992 and 17 February 1998 (each within Rs. 2000) amounting to Rs. 19.86 lakh (S.P. City: Rs. 8.97 lakh, S.P. Karimganj: Rs. 1.25 lakh and Commandant 4th APBN: Rs. 9.64 lakh). The action was irregular.

* Expenditure on repair of 44 vehicles for 9 years during 1983-84 to 1991-92 = Rs.1.03 crore
i.e Rs.0.26 lakh per vehicle per annum.
Expenditure on repairing of 44 vehicles for 6 years during 1992-93 to 1997-98 = Rs.2.19 crore
i.e Rs.0.83 lakh per vehicle.
Extra expenditure = Rs.0.83 lakh - Rs.0.26 lakh = Rs.0.57 lakh X 44X 6 = Rs.1.50 crore.

(c) Expenditure on repairs and maintenance of vehicle in excess of prescribed ceiling

Government of Assam, Finance Department in September 1989 prescribed ceiling of expenditure on maintenance and repair of vehicles at Rs. 5000 per year for first 3 years from the date of purchase and thereafter at Rs. 7000 per year per vehicle till the expenditure exceeds the cost price of the vehicle or Rs. one lakh or when the vehicle had run at least 1,50,000 km. Further repair should be done after obtaining certificate from the technical expert about the economical viability of repair.

Test-check of records of 105 vehicles maintained by 5 offices of Police Department disclosed that the above norms were not followed and expenditure of Rs.551.14 lakh was incurred during 1992-93 to 1997-98 on these vehicles against admissible amount of Rs.44.10 lakh. Thus an average expenditure of Rs. 4.25 lakh was incurred on each vehicle from 1992-93 to 1997-98 and an excess of Rs. 5.07 crore (92 per cent) over norms was incurred on maintenance.

Interestingly the repair expenditure of two vehicles, viz one Ambassador (Commandant, 4th APBN) and one Maruti Gypsy (S.P. City, Guwahati), during 1992-98 were as high as Rs.14.17 lakh and Rs.10.26 lakh respectively which were approximately equal to the cost of 4 (Four) new vehicles of each category at 1998 price. (Ambassador Rs.3.11 lakh and Maruti Gypsy Rs.2.52 lakh). The department had not furnished any reply for such huge expenditure on repairs.

(d) Procurement of spare parts, tyres and tubes at varying rates

It was seen in audit that no uniform rate was approved by the Government for procurement of spare parts required for repairing of similar types of vehicles used by different department. Various departments and their subordinate offices though located in the same station (Guwahati) procured spare parts at different rates approved by the respective Head of office through annual tender.

Test-check of records of five Guwahati based offices of 3 departments for the year 1997-98 revealed wide range of variations in approved rates of spare parts of two particular category of vehicles namely Ambassador car and Maruti Gypsy. Variation between lowest rates of spare parts approved by the offices ranged from 163 to 433 per cent and 236 to 784 per cent respectively. The extra expenditure incurred on procurement of spare parts at different higher rate could not be ascertained in audit due to either non maintenance of spare parts register or incomplete maintenance of History sheet of vehicles by the departments. The extra expenditure could have been avoided by centralising the purchase of spare parts of vehicles of respective department at the same station.

3.12.9 Fuel consumption by vehicles of Police Department

Consumption of petrol/diesel exceeded the prescribed norms mainly due to permanent requisition of uneconomical vehicles led to excess consumption of 13.69 lakh litres petrol/diesel costing Rs. 2.49 crore. Due to non-maintenance of POL consumption register, expenditure of Rs. 1.41 crore could not be verified in audit.

(a) Extra expenditure on fuel consumption due to permanent requisition of uneconomical vehicles

Superintendent of Police, City, Guwahati had 148 vehicles on requisition (Ambassadors and Buses/Trucks-25) since long (prior to April 1992) in addition to the departmental vehicles as well as vehicles on temporary requisition from time to time to discharge the functions entrusted to them.

Audit scrutiny of car diary of vehicles and the vehicle's statement furnished by the Motor Transport Officer, City Police, Guwahati in respect of permanent requisition vehicle for the period from April 1992 to March 1998 disclosed that the consumption of petrol/diesel by all the 148 vehicles had exceeded the normal specified norms (average km run per litre of petrol/diesel per vehicle:-Ambassador / Taxi 10 km. and Bus/Truck 5 km.). This resulted in excess consumption of

13.69 lakh litres petrol/diesel valued at Rs.2.49 crore (calculated at an average rate of Rs.19.84 and Rs.8.84 per litre of petrol and diesel respectively.).

Thus, it was evident that ordinary prudence was not exercised while entertaining huge number of vehicles where consumption of petrol/diesel was abnormally high. Besides there was no record to exhibit prescribed periodical inspection by the Motor Vehicle Inspector (MVI) to judge economic viability of vehicles so as to replace the uneconomical one.

(b) Consumption of POL remained to be verified due to non-maintenance of proper records

Scrutiny of the vehicle statement furnished by the Assistant Inspector General (Admn) of Police in respect of DGP's Pool Car, showed that POL worth Rs.1.51 crore was consumed as on 31 March 1998 in respect of 78 vehicles (including 8 Motor cycles) entertained by the Pool Car. Out of 78 vehicles, car diary in respect of only 4 vehicles (POL consumption valued at Rs.10.26 lakh) could be made available to audit. In the absence of car diary of the remaining 74 vehicles the consumption of POL vis-a-vis the kilometre run, utilisation of vehicle for bonafide public duties, economic viability of vehicle in consumption of POL. etc could not be verified in audit. Thus, the expenditure of Rs.1.41 crore incurred during from 1992-98 on consumption of POL could not be certified in Audit.

The department stated (June 1998) that action is being taken to maintain car diary in respect of all departmental vehicles.

3.12.10 Deficiencies in maintenance of records/disposal of vehicles

Recording in the vehicles stock register were incomplete, Log books and history sheets of vehicles were not maintained, condemned vehicles were pending for disposal.

(i) Records of SAD disclosed that no stock register was maintained by the Department.

(ii) SAD and Director of Agriculture, Assam did not maintain any log book for vehicles. In the police Department, although "Car Diary" had been maintained instead of 'Log Book', they remained incomplete in many respects.

(iii) Director of Agriculture did not maintain any history sheet of their vehicles. The history sheet maintained by the SAD and Police Department were incomplete and vital information viz. Km covered, progressive total of expenditure incurred on maintenance and repairs as per requirement of history sheet was not recorded therein.

(iv) Register of unserviceable spares was not maintained by the DGP's Pool vehicle and Directorate of Agriculture.

(v) Vehicles condemnation committee of the police department condemned 235 vehicles between 1992-93 and 1997-98 (date of condemnation could not be furnished by Department). Of this, 88 vehicles were disposed of and 147 vehicles remained to be disposed of (May 1998). The reason for non-disposal of the 147 condemned vehicles through public auction were not stated.

3.12.11 Monitoring and Evaluation

Monitoring and evaluation system was non-existent in SAD and Agriculture Departments.

The system of monitoring was not evolved in SAD and Agriculture Department to monitor the POL consumption, expenditure on repair etc. vis-a-vis fruitful utilisation of the Department vehicles. In police department a system to monitor the monthly consumption of POL/DOL with reference to distance covered was introduced in February 1997 at DGP's level through submission of monthly reports/returns by subordinate units. Test-check of records revealed that reports/returns were received only from ten units for February 1998 and eight units for March 1998 out of 70 units. These too were left unattended at DGP's office. The department stated (May 1998) that action are being taken for effective monitoring and economic utilisation of vehicle.

3.12.12 The above findings were reported to Government in July 1998; their reply had not been received (November 1998).

SOIL CONSERVATION DEPARTMENT

3.13 **Loan and interest remained to be realised from Assam Plantation Crops Development Corporation Limited**

Due to lack of proper planning and co-ordination between the Government department and APCDC Rs. 3.01 crore remained unutilised for 17 years.

The Government of Assam, Department of Soil Conservation released loans amounting to Rs.1.15 crore to the Managing Director, Assam Plantation Crops Development Corporation Ltd. (MD, APCDC) during the years 1981-82 to 1983-84 for the implementation of Scheme of Rubber and Coffee plantation on the private land of jhumiyas under the following terms and conditions:

(i) Loan would carry interest @ 9.5% for the year 1981-82 and 11.5% for 1982-83 and 1983-84.

ii) The loan alongwith interest would be repaid within 10 years failing which penal rates of interest would be charged.

Scrutiny of records (April/May 1998) of the Director, Soil Conservation, Assam revealed that there was total lack of planning and co-ordination between the Soil Conservation Department and APCDC, and there was no achievement on the scheme even after nearly 17 years. Although the entire loan alongwith interest should have been recovered no action was taken by the department to recover the amount. The outstanding amount alongwith interest (without the penal interest) worked out to Rs.3.01 crore as of March 1998. The APCDC stated (May 1998) that amount remained unutilised as of date as the necessary schemes and terms and conditions for recovery of the loan from the jhumiyas had not been finalised.

The APCDC on the other hand, earned interest on fixed deposit of this fund @ 6% - 7% per annum and had requested Government of Assam to convert the entire amount into grant with effect from date of sanctioning the loan.

Thus, Rs. 1.15 crore remained locked up with the corporation for 15-17 years.

The matter was reported to Government in May 1998; their reply had not been received (November 1998).

TRANSPORT DEPARTMENT

3.14 Non levy of penalty and undue financial aid to ship building firms

Penalty of Rs. 17.88 lakh was not levied to ship building firms for failing to deliver vessels after lapse of 1 to 8 years and payment of Rs. 90.15 lakh to firms was not commensurate with the value of work done resulting in unauthorised financial aid.

Mention was made in paragraph 4.15.7 of the review on "Working of the Inland Water Transport Directorate" appearing in Audit Report (Civil) 1991-92 about non delivery of vessels by the ship building firms. Further to the observation made in the review it was found that the Director, Inland Water Transport (IWT) Assam awarded (between March 1987 and March 1996) the construction of 97 vessels of different types at a tendered value of Rs. 18.97 crore to 21 local ship building firms with the stipulation to deliver the vessels between June 1990 and June 1997. Rs. 7.72 crore was paid to the firms upto April 1998 depending on the progress of work. As per terms and condition of payment 10 per cent of the contract price was to be paid in advance after observation of all formalities, 85 per cent were to be made in 7 installments depending on the progress of works. Balance 5 per cent after expiry of six months guarantee period.

Test-check (January-February 1997) of the records of the Director, IWT revealed the following:

(a) Out of 97 vessels, only 20 vessels were delivered between November 1995 and February 1998 after delay ranging from 2 to 4 years. The dates of delivery of the 5 vessels were not furnished by the department. The stipulated dates of delivery of these vessels were June 1992 to May 1995. Remaining 77 vessels were not delivered as of May 1998 even after lapse of 1 to 8 years. As per tender agreement a penalty of Rs.17.88 lakh at 10 per cent of tendered value was leviable on 6 firms for failing to deliver the vessels on stipulated dates as shown in Appendix-X but no such penalty was levied.

(b) Further, it was seen that Rs.3.67 crore had been paid upto April 1998 to 7 firms though value of works executed by them in respect of 22 vessels was Rs.2.77 crore. This was tantamount to undue financial aid of Rs.90.15 lakh to the above firms.

The matter was reported to Government in June 1998; their reply had not been received (November 1998).

3.15 Locking up of funds on procurement of machinery in advance of requirement

Machinery worth Rs. 80.75 lakh purchased for vessels and slipway under construction remained unutilised for 2 to 6 years.

Test-check (January – February 1997) of the records of the Director, Inland Water Transport (IWT) Assam revealed that the Director purchased machinery (gear boxes, diesel engines and pumping machines) worth Rs. 48.52 lakh between April 1992 and July 1996 for fitting in the vessels (97) under construction. The stipulated dates of delivery of the vessels were between June 1990 and June 1997.

In addition machinery (drilling, shaping, milling machines and accessories) worth Rs.32.23 lakh were also purchased during 1991-92 and

1992-93 for implementation of the project "Slipway" at Pandu. The work of Slipway construction, installation and commissioning of haulage system was awarded (March 1992) to a local firm of Guwahati at tendered cost of Rs. 2.79 crore with the stipulation to complete the work by March 1997. An amount of Rs.2.71 crore (97 per cent) was paid to the firm as of January 1997 against 60 per cent physical progress.

The machinery purchased above would be required only after completion of construction of Vessels and Slipway which were still incomplete as of May 1998 and there were no definite plan of action in the Directorate to complete the works in the near future.

Thus, injudicious procurement of machinery in advance had resulted in locking up of Government funds to the extent of Rs. 80.75 lakh for a period of 2 to 6 years.

The Director, IWT stated (September 1998) that the machinery purchased against the Slipway Project were kept at workshop building but due to non-engagement of staff as well as completion of Project work, repairing of vessels and boats etc. could not be started and the machinery remained unutilised.

The matter was reported to Government June 1998; their reply had not been received (November 1998).

3.16 Loss due to sinking of boats under construction

Failure to adequately protect Government financial interests in respect of 2 vessels under construction led to loss of Rs. 12.72 lakh.

Test-check (January-February 1997) of the records of the Director, Inland Water Transport (IWT) Assam revealed that the Director awarded (March 1989) the work " Construction and Supply of 2 (Two) 17 metre long 8 ton capacity steel hulled with wooden superstructure single boat on the river Barak" to a local firm

at a tendered cost of Rs. 7.95 lakh each with stipulation to deliver the boats by September 1989.

Subsequently, the Executive Engineer, (IWT) Silchar Division informed (June 1996) the Director that on 13 May 1996, at 0430 hours both the boats sank in the river due to strong wind and heavy rain and that they could not be removed as the hulls were covered with silt. As on that date only 60 per cent of the work was completed.

Inspection report (October 1997) of the Director, Financial Inspection, Finance Department, reported that the velocity of the surface wind as reported by the Meteorology Department, Government of India for 13 May 1996 was not so forceful to sink the boats. So, the report of the Director, IWT justifying the sinkage of the boats was not tenable.

The department had paid Rs. 12.72 lakh to the firm for the boats (80 per cent of the tendered value) against 60 per cent physical progress of the construction.

Since the insurance policies of the boats expired on 30 September 1992 and no action was taken to renew them no amount could be claimed. The bank guarantees also expired on 12 March 1991.

In spite of assurance given (August 1996) by the Managing Director of the firm to Government to rebuild the boats, works of reconstruction of boats had not started (April 1998).

Due to negligence of the department to get the insurance policies and bank guarantees renewed in time and reluctance on the part of the firm to rebuild the boats the department had sustained a loss of Rs. 12.72 lakh.

The matter was reported to Government in June 1998; their reply had not been received (November 1998).

**WELFARE OF PLAIN TRIBES AND BACKWARD CLASSES
DEPARTMENT**

3.17 Special Central Assistance for Tribal Sub-Plan

3.17.1 Introduction

Special Central Assistance (SCA) is an additive grant to the State Plan and forms part of Tribal Sub-Plan (TSP) for Socio-Economic development of plain scheduled tribes and protection of tribals against exploitation.

The scheme was introduced by the Government of India during 1974-75. The State Governments were entrusted with utilisation of SCA according to local needs, conditions and priorities of the plain Scheduled Tribes population.

3.17.2 Organisational setup

The schemes under TSP are implemented by the department for Welfare of Plain Tribes and Backward Classes (WPT&BC) headed by the Commissioner and Secretary, as the State Co-ordinator to the agencies like Assam Plain Tribes Development Corporation (APTDC) and Assam Tribal Development Authority (ATDA) and the departments dealing with development activities like Industries, Fisheries, Co-operation etc.

The Project Director of Integrated Tribal Development Project (ITDP) and Sub-Divisional Welfare Officers of each district implement the programme at district level.

All abbreviation used in this review are expanded in the Glossary vide Appendix- XVII at page 208.

There is a State Level Advisory Council for the welfare of the plain Scheduled Tribes headed by the Minister of Welfare of Plain Tribes and Backward Classes as Chairman with all Scheduled Tribes MLAs and MPs as members.

3.17.3 Audit coverage

Records relating to implementation of programmes between 1992-93 and 1997-98 were test-checked (January 1998 to April 1998) in the department for Welfare of Plain Tribes and Backward Classes, Dairy Developments, Fisheries, Co-operation, Industries, Social Welfare and in the office of the Assam Plain Tribes Development Corporation (APTDC) and Assam Tribal Development Authority (ATDA). Records of 6* out of 19 Integrated Tribal Development Projects (ITDPs) and Sub-Divisional Welfare Officers were also reviewed.

3.17.4 Highlights

- Between 1992-93 and 1997-98 the Government of India released Special Central Assistance of Rs.78.08.crore. The State Government however released only Rs.58.77 crore to the various Implementing Agencies. Thus, Rs.22.85 crore including unreleased funds of Rs.3.54 crore of earlier years were diverted by the State Government.

(Paragraph 3.17.5 (a))

- Of the unspent balance of Rs.14.80 crore lying with the Implementing Agencies at the end of 1997-98 an amount of Rs. 3.08 crore was diverted towards administrative cost and the remaining amount retained in Deposit and current account in bank.

(Paragraph 3.17.5 (b))

* 1.Nalbari,2 Barpeta, 3 Marigoan,4.North Lakhimpur, 5.Dibrugarh and 6.Dhemaji

- Test-check revealed that Special Central Assistance of Rs. 6.49 crore was spent by the Implementing Agencies for purposes other than for which funds were provided.

(Paragraph 3.17.6.(a))

- The Implementing Agencies directly disbursed loans aggregating Rs.10.44 crore to the beneficiaries out of Special Central Assistance funds not permissible under the guidelines of the scheme as the loan was to be obtained from banks. This drastically reduced the number of beneficiaries that could be covered.

(Paragraph 3.17.6.(b))

- Rupees 4.03 crore was utilised for purchase of teaching aids which did not meet the parameters of eligible schemes and there was no evidence that these were actually distributed for the benefit of tribal population.

(Paragraph 3.17.6.(c))

- Ten per cent SCA funds were to be utilised for dispersed tribal group living in the State but there was no record to show that Rs.7.80 crore meant for the purpose were actually so utilised during 1992-93 to 1997-98.

(Paragraph 3.17.7)

3.17.5 Financial performance

Out of the Rs.78.08 crore received as Special Central Assistance Rs.22.85 crore was not released by State Government. Of the Rs.58.77 crore released, Rs.14.80 crore remained unutilised with implementing agencies. Expenditure figures reported to the Government of India were inflated. Delay in release of funds by the State Government delayed implementation of the programmes.

The year-wise position of funds released by the Government of India, funds released by the State Government and expenditure thereagainst is given in Appendix -XI.

(a) Diversion of SCA funds by the State Government

The Government of India released a total amount of Rs. 78.08 crore as Special Central Assistance during the years 1992-93 to 1997-98 for implementation of scheme under TSP in the State of Assam. During these years, the Government of Assam released only a sum of Rs. 58.77 crore to the various implementing agencies. Moreover, as reported in the Annual Plan 1997-98, an amount of Rs. 3.54 crore, was also available as an opening balance as on 1 April 1992. Therefore, a total amount of Rs. 22.85 crore had not been released to the implementing agencies. Besides, there was a balance of Rs. 15.55 crore as of 1 April 1992 with the implementing agencies. The reasons for not releasing these funds were not available on record produced to audit. In the context of the continuing and perpetual reliance of the State Government on ways and means advances and overdrafts these funds were apparently diverted to meet other expenditure under other programme.

(b) Non-utilisation of funds by implementing agencies/ departments

Scrutiny of records further revealed that at the end of March 1998, a total amount of Rs.14.80 crore out of the Rs.74.32.crore received under SCA by the implementing agencies/Government Departments remained unutilised:

(Rupees in core)

Name of the Agencies/Government Department	Total Assistance	Amount unutilised
APTDC	30.76	11.88
ATDA	32.02	1.56
Other Departments including Directorate of WPT & BC	11.54	1.36
Total	74.32	14.80

Out of unutilised balance of Rs.14.80 crore, Rs.3.08 crore was diverted towards administrative cost, etc., Rs.7.50 crore was in fixed deposit, Rs.1.00 crore

was in revenue deposit and the rest was in current account of banks and partly in cash in the form of deposit-at-call etc.

Reasons for non-utilisation were not on records produced to Audit.

(c) Inflated reporting of expenditure

In the Annual Reports submitted by the Department to the GOI for the year 1992-93 and 1993-94 the following amounts were shown as spent by the Government Departments.

(Rupees in lakh)		
Department	Year	Amount
Social Welfare	1992-93	2.04
	1993-94	6.00
Co-operation	1993-94	10.00
Total		18.04

Replies to the audit observations received from the concerned Departments however revealed that the amounts were not drawn by them. Thus Departmental projection of expenditure in the Annual Report was thus inflated by Rs.2.04 lakh and Rs.16 lakh in 1992-93 and 1993-94 respectively.

(d) Non-adjustment of unspent balances by GOI

In July 1993, the Government of India decided that in the event of failure by any State Government or Union Territory to utilise the Special Central Assistance in a year an amount equivalent to the unspent balance would be deducted from the amount due to be allocated to that State/Union Territory for subsequent year. This decision was, however, not implemented leading to diversion of Rs. 22.85 crore as of 1997-98 by the State Government.

(e) Delay in release of funds to Implementing Agencies

As per Government of India modified guidelines, SCA should be released to the implementing agencies by the State Government within a month from

the date of release by the GOI. Scrutiny of records, however, revealed that the State Government delayed the actual release of SCA funds to implementing agencies by 2 to 10 months resulting delay in implementation of the programmes.

3.17.6 Implementation

Of the Rs.59.52 crore shown as spent Rs.20.96 crore was not for the purposes for which Central Assistance was given.

Special Central Assistance funds of Rs. 74.32 crore was available for implementation of schemes under Tribal Sub-Plan (TSP) during 1992-93 to 1997-98. Test-check of records revealed that Rs. 6.49 crore had been spent for purposes outside the scope of SCA, Rs. 10.44 crore had been used for payment of loans not permitted out of SCA funds and Rs. 4.03 crore was utilised for purchase of teaching aids which did not meet the parametres of eligible schemes and there was no evidence that these were actually distributed for the benefit of tribal population.

Thus, of the Rs.59.52 crore actually shown as spent, Rs. 20.96 crore (35 per cent) was not for the purposes for which SCA was released by the Union Government. The details are narrated in the succeeding paragraphs:

(a) SCA funds utilised for other purposes/outside the scope of SCA

The scheme envisaged utilisation of SCA funds for Family Oriented Income Generation (FOIG) / Infrastructure Development (ID) Schemes specified in Annual Tribal Sub-Plan of the State. It also stipulates that activities of non-plan nature should not be catered to from the Special Central Assistance. According to Government of India guidelines of the scheme loan/advance was not permissible out of SCA funds. Test-check of records revealed that the following cases of utilisation did not fulfil these criterion.

(i) Discretionary medical assistance worth Rs.1.43 crore was disbursed to 3720 tribal beneficiaries by the Chairman (Chief minister), Vice-Chairman (Minister of WPT&BC), Minister, Tribal MLA's and Chairman of Project Implementation Committee (PIC) during the year 1993 to 1998. This was neither specified in the Annual plan of the Tribal Sub-Plan of the State nor in the Annual Plan of Assam Tribal Development Authority. The amounts were paid in cash on the strength of sanction order issued by Chief Executive Officer (CEO), ATDA. It could also not be categorised as either an Income Generation or Infrastructure Development Scheme.

(ii) The ATDA sanctioned inadmissible grants-in-aid and disbursed Rs. 36.48 lakh out of Special Central Assistance (SCA) to 228 non-government organisations like Club, Samiti and Sangha during 1993-94 to 1995-96.

The grants-in-aid to such non-government organisations were neither specified in the Annual Tribal Sub-Plan of the State nor in Annual Plan of ATDA. The utilisation certificates from the concerned non-government organisation were also not obtained till May 1998.

(iii) Similarly, the ATDA sanctioned and disbursed to Secretary, Community Centres through ITDP inadmissible grant of Rs. 25.59 lakh during 1992-93 out of SCA funds for construction of 25 Community halls at different places of Tribal areas.

(iv) The scheme provides for establishment of residential schools in tribal areas under the Educational Sector. The main thrust of the scheme was to provide residential educational facilities to the poor children of Plain Tribes families below the poverty line. However, Rs. 1.36 crore was spent during 1993-94 for construction of buildings of 137 schools inclusive of 5 Higher Secondary schools and 4 Colleges, where the State Education department exists for normal upkeepment/addition of infrastructural Development of the above schools etc and no residential schools were constructed. Thus the sanction and payment was not in conformity with the objective of the scheme.

(v) Scrutiny of records revealed that the APTDC diverted Rs.3.08 crore for purposes which were outside the scope of SCA. These included Rs 2.33 crore towards Administrative costs and other expenses of the Corporation, Rs. 50.99 lakh towards consumption loan, and Rs. 24.50 lakh for printing of booklet outside the ambit of SCA. These items were out of the scope of SCA.

The APTDC stated (April 1998) that diversion was made in view of the poor financial condition of the Corporation. The reply is not tenable as SCA funds were in the form of additive grant from the GOI meant for utilisation for the benefit of tribal population.

(b) Irregular Payment of loans out of SCA finds

Between 1992-93 and 1997-98 the ATDA was implementing a scheme 'Loan-cum-subsidy' under FOIGS for upliftment of economic condition and creation of self-employment among tribal population. The scheme envisaged payment of 50 per cent subsidy out of SCA funds against unit cost of Rs. 5000 each for purchase of assets like hand-cart, rickshaw, sewing machine etc. The loan component of 50 per cent was to be released by the banks. Between 1992-93 to 1997-98 the ATDA however directly disbursed Rs. 6.96 crore through its branches as loan apart from Rs. 6.73 crore as subsidy to 25911 beneficiaries against the target of 28,050 beneficiaries as of March 1998. The ATDA could recover only Rs.12.47 lakh out of loan amount of Rs.9.12 crore including 6 per cent interest per annum (till March 1998) due for recovery.

Similarly the APTDC was implementing a scheme 'Anti Poverty Simple Economic Assistance' since 1995-96 which provides for payment of subsidy and loan in the ratio 75:25. Till March 1998 the APTDC had disbursed Rs. 10.44 crore as subsidy and the entire amount of Rs. 3.48 crore of loan component to the beneficiaries. As per the sanction the loan was to be recovered in 10 years. The APTDC could recover only Rs. 87.52 lakh including 6 per cent interest per annum out of loan amount till March 1998.

The loan and subsidy was disbursed to the beneficiaries by way of cheque and no follow-up action was taken to ascertain its actual utilisation.

The payment of loan component of Rs. 10.44 crore out of SCA funds which were meant only for subsidy was in contravention of the guidelines of GOI which did not permit grant of loans/advances out of SCA funds. Moreover this drastically reduced the number of beneficiaries that could be covered. Poor loan recovery (10 per cent) has resulted in the loan components becoming like subsidy and reducing the reach of the scheme.

(c) Doubtful utilisation of SCA funds

During the period from October 1995 to November 1996, the Chief Executive Officer (CEO) Assam Tribal Development Authority spent Rs. 4.03 crore for purchase of teaching aids for distribution to educational institutions. The scheme could neither qualify as Family Oriented Income Generation Scheme or Infrastructure Development Scheme. There was also nothing on record to establish that any benefit was extended to the tribal population of the State. The details are given in para 3.24 of this Report.

3.17.7 Special Central Assistance not specifically allotted to targeted dispersed Tribal groups

Rupees 7.80 crore of Special Central Assistance were to be allocated to dispersed tribal population of the State. However, records did not show any allocation and actual utilisation for the purpose.

(a) Assam is a State under category 'B' with a total Scheduled Tribe population of 24.34 lakh (10.86 per cent) out of the total population of 224.14 lakh of the state as per 1991 census. Nineteen Integrated Tribal Development Projects (ITDP) of Assam cover 15.84 lakh of tribal population. The balance of 8.50 lakh fall under dispersed Tribal groups.

As per provisions of the scheme 10 per cent of SCA funds were meant for dispersed Tribal groups. During 1992-93 to 1997-98 Government of India released SCA funds of Rs. 78.08 crore out of which Rs. 7.80 crore were to be allocated to 8.50 lakh dispersed Tribals of the State.

Test-check of the records of Sub-Divisional Welfare Officers of 6 districts revealed that although few assets like looms, hand-cart, sewing machine, fishery, piggery, poultry and grocery etc. were distributed during 1995-96 to 1997-98 for dispersed Tribals of Assam the actual amount utilised for the purpose were not on records. No separate records were maintained by the State Government to show utilisation of SCA funds on dispersed plain tribals.

Thus the achievement of objective in respect of this component could not be verified in audit.

(b) Further, Government of India released SCA funds of Rs.1.78.crore during 1992-93 specifically for dispersed Tribal population living outside the Integrated Tribal Development Projects (ITDP) areas. It was found that neither SCA funds of Rs.1.78.crore were allocated specifically for dispersed Tribals nor any plan scheme were formulated under family oriented income generating scheme and infrastructural development scheme by the State Government during 1992-93.

3.17.8 Monitoring and Evaluation

Reports required to be sent to Government of India were neither sent on time nor in complete form.

At the State level, the department of Welfare of Plain Tribes and Backward Classes co-ordinates the formulation, approval and implementation of Tribal Sub-plan schemes under various departments which implement the Tribal Sub-plan (TSP) sectoral Plan schemes. To facilitate the discharge of those responsibilities there was an Evaluation and Monitoring Cell in the department for giving guidance from time to time to the departments concerning the implementation of Tribal Sub-

plan schemes. This Cell is responsible for obtaining data from departments to monitor periodically the progress of implementation of the schemes. These periodical progress reports (quarterly & annual) are to be submitted to the Ministry of Welfare, Government of India. The Government of India is to review these progress reports (4 quarterly & annual per year) relating to performance of utilisation of SCA funds, progress of implementation of schemes, number of Tribal families (below the poverty line) assisted etc. and release the subsequent installments of SCA funds. The department prescribed periodical concurrent evaluation (20 cases of implementation of scheme during May to August and 50 cases in remaining period).

Scrutiny of records revealed that neither the quarterly/annual report of performance nor the complete reports were sent to the Government of India by the required date. Out of 30 reports (24 quarterly and 6 annual) only 10 reports (5 quarterly and 5 annual) were submitted to the Ministry of Welfare, Government of India during the years 1992 to 1998.

Government of India, however, released SCA funds regularly inspite of diversion of SCA funds (Rs. 22.85 crore) by the State Government and availability of large unspent balances (Rs. 14.80 crore) with the implementing agencies at the end of 1997-98.

The department stated (February 1998) that the officers did not submit any concurrent evaluation reports during the period under report (1992-93 to 1997-98).

The scheme envisaged that for proper evaluation and monitoring, supervisory responsibilities were to be fixed. But it was observed that no such supervisory responsibilities were fixed. The department stated (February 1998) that the Secretary/Joint Secretary of the department generally used to inspect the implementation of schemes during their normal tours. But no separate records of inspection were maintained.

Information regarding number of Tribal families who were brought above the poverty line after introducing the scheme in 1974-75 was not available (May 1998) with the department.

3.17.9 The foregoing observations were reported to Government in July 1998; their reply had not been received (November 1998).

3.18 Gross irregularities in procurement and distribution of teaching aids for tribal students

1610 teaching kits were procured in complete violation of established government procedure. Payment of Rs. 4.03 crore included a minimum excess of Rs. 1.44 crore and proof of receipt by educational institution available only for 7 kits.

(a) Procurement

During the period from October 1995 to November 1996, the Chief Executive Officer (CEO), Assam Tribal Development Authority (ATDA) spent Rs.4.03 crore towards purchase of teaching aids comprising a set of Maps, Educational Charts, Black Boards, Globe, Geometry box etc. These were intended for supply to educational institutions having 50 per cent or more Scheduled Tribes (ST) students. The records relating to their procurement and distribution test-checked (March 1998) by Audit in the ATDA and in the Directorate for Welfare of Plains Tribes and Backward Classes (WPT&BC) revealed the following serious irregularities :

(i) Expenditure in excess of sanctioned amount

Against the sanction of Rs.1.50 crore accorded by the Government in May 1995, the CEO ATDA, incurred an expenditure of Rs.4.03 crore for 1610 sets of teaching aids at the rate of Rs.25,000 each set for issue to institutes at the rate of one set of 6 items. Of this Rs.2.75 crore was incurred between October 1995 and March

1996 and the balance between August 1996 and July 1997. Expenditure of Rs. 2.53 crore in excess of the sanction was unauthorised.

(ii) Lack of competition and transparency in procurement

Although the sanctioned amount for the scheme was Rs.1.50 crore and the final expenditure was Rs.4.03 crore through two supplies at the lowest quoted rates, quotations were invited by the ATDA against a short tender notice from 8 local firms without wide publicity in Newspaper. The vendors were given only 18 days to furnish their quotations. The basis of selection of the vendors or the reasons for rushing the purchase despite the large volume were not available on record.

The notice inviting quotations made no mention of the specific items that were proposed to be procured or the number of institutes to whom the supply was to be made, leaving it to the discretion of each vendor. However, almost all the quotations received indicated exactly the same items with similar technical details. The possibilities of collusion among the vendors can therefore not be ruled out.

Contrary to the normal procedure of sales tax and income tax clearance certificates to be attached while submitting quotations, this was not done by any of the vendors.

It was observed that even the institutes to whom the supply was to be made were not identified by the department.

Thus the procedure followed in giving tender notice and obtaining quotation was irregular.

(iii) Purchases made at exorbitant rates

In view of the obvious lack of transparency and competition in the process of inviting bids the retail prices of the items in the local market of Guwahati was ascertained and compared with those accepted by ATDA. A comparative

statement is at Appendix-XII. It would be seen therefrom that prices accepted by ATDA were on the average higher by 35.7 per cent. Based on this the additional payment involved amounted to Rs.1.44 crore or 55.5 per cent. In fact if the procurement of this volume was done in the wholesale market of a major centre like Delhi with substantial discounts the ATDA would have further reduced its expenditure.

(iv) Receipt and inspection of kits and payment of bills

Audit scrutiny of the records of ATDA revealed that contrary to the established practice of payment of bills after inspection of quantity and quality of goods received and recording a certificate of their entry in the stock register, the bills of the suppliers were paid without receipt of these kits by the ATDA. In fact, the purchase orders themselves stipulated that these kits be supplied directly to other agencies / individuals as detailed in sub paragraph- (b)(i). It is not clear as to how the ATDA satisfied itself regarding the quantity and quality of kits received before making payment. Since the ATDA did not take deliveries of these goods and allowed them to be sent to institutions directly they completely abdicated their responsibility in this regard.

(b) Distribution of teaching aids

(i) Improper distribution of teaching aids

From the information furnished by ATDA vide Appendix-XIII it would be seen that 931 sets (58 percent) valued Rs.2.33 crore out of 1610 sets were shown as delivered to Ministers/MLAs instead of directly to the beneficiary institutions. Delivery of the teaching aids intended for Ministers/MLAs was taken mostly at circuit houses, dakhungalows and at places other than the eligible institutions. The receipts issued on behalf of these dignitaries did not indicate any details of the aids actually received.

Of the total 1610 kits for which payment was made, record of receipt by educational institutions was available only in respect of 7. The ATDA had no information about the final recipients in respect of 1603 kits costing Rs.3.85 crore. It can not therefore be ascertained in audit as to whether these were actually supplied to and received by the eligible institutions, the aids were taken to stock or put to any use and as such the expenditure of Rs. 3.85 crore was not free from doubt.

In an illustrative case, 30 sets of teaching aids costing Rs.7.50 lakh were received by the then Speaker of Assam Legislative Assembly on 14 March 1996 at Kaki Police Station in Nagaon. This was left at the police station and remained there unattended till 19 December 1996 when it was lifted back by ATDA after repeated reminders by the District Administration. By this time 5 packets (each set containing 3) costing Rs.0.48 lakh got damaged. There was no record of distribution of these 30 sets valued Rs.7.50 lakh among beneficiary institutions.

(ii) Possible utilisation of teaching aids for election purposes

General elections to the Assam Legislative Assembly and the Parliament were held in May 1996. Records revealed that out of 931 sets issued to Ministers/MLAs, 594 sets costing Rs.1.48 crore were issued between December 1995 and March 1996 i.e., immediately before the general elections. The supply orders specifically stated that these kits be actually supplied to political leaders for distribution in their respective constituencies.

(iii) Issue of teaching aids to Non-Government organisations

The proposed scheme did not contemplate distribution of teaching aids to Non-Government Organisations (NGOs). However, payment for 117 sets costing Rs.29.25 lakh was made for supply of kits to NGOs.

There were no records to establish that these kits were eventually received by eligible educational institutions.

The foregoing observations were reported to Government in May 1998; their reply had not been received (November 1998).

**HOME (POLICE)/PANCHAYAT AND RURAL DEVELOPMENT
DEPARTMENT**

3.19 General

(a) Misappropriation, losses etc.

Two hundred and nine cases of misappropriation, losses, etc., involving Government money reported to audit upto the end of March 1998 were pending finalisation at the end of June 1998. Department-wise details of the cases are given in the Appendix -XIV. Year-wise analysis of the outstanding cases is given below:

Year	Number of cases	Amount (Rupees in lakh)
1980-90	186	177.14
1990-91	4	5.45
1991-92	1	10.60
1992-93	7	7.78
1993-94	1	0.22
1994-95	3	0.93
1995-96	2	6.12
1996-97	5	8.04
1997-98	Nil	Nil
Total	209	216.28

Reasons for pendency are indicated below:

	No. of cases	Amount (Rs. in lakh)
i) Awaiting departmental and criminal investigation	29	23.00
ii) Departmental criminal proceeding started but not yet finalised	93	63.16
iii) Criminal proceedings finalised but execution certificate/case for recovery pending	13	3.14
iv) Pending in court of law	22	6.06
v) Awaiting orders for recovery/write off	52	120.92
Total	209	216.28

The above table indicates that 135 cases involving Rs. 89.30 lakh in respect of serial number (i) to (iii) are pending due to delay in departmental action, investigation and recovery.

(b) Cases of misappropriation not reported to Audit

(i) During scrutiny (May 1997-July 1997) of the records of the Project Director, District Rural Development Agency (PD, DRDA), Kamrup it was revealed from the inspection notes of the Project Officer DRDA, Kamrup that Rs.5.53 lakh withdrawn by the then Block Development Officer (BDO), Boko Development Block from bank accounts were not recorded in the cash book of Block and in addition expenditure of Rs. 3.16 lakh incurred by the same BDO was not supported by any vouchers. As such total amount misappropriated came to Rs. 8.69 lakh. Relevant cash book, pass book of the bank accounts, vouchers etc. could not be verified in audit as the same were seized by Police following a FIR lodged (July 1995) at Boko Police Station. The department had not initiated departmental proceedings against the erring officer except placing him under suspension (June 1996).

(ii) The Superintendent of District Jail, Nagaon drew Rs. 18.72 lakh from treasury during March 1997 to February 1998 in 14 bills on different dates for salary, exgratia payments and interim relief etc. The entire amount was shown as disbursed in the cash book. Scrutiny (February 1998) of his records revealed that against Rs. 18.72 lakh drawn, Rs. 14.77 lakh was actually disbursed. The balance amount of Rs. 3.95 lakh was misappropriated.

Misappropriation was possible due to non-conducting of necessary checks and authentication of receipts and payments recorded in the cash book by the DDO as required under Financial Rules. At the instance of audit, the Superintendent of Jail, Jailor and Prison Welfare Officer were placed under suspension during February 1998 and April 1998. Departmental proceeding had been drawn against the delinquent officers but the decision had not been intimated (May 1998).

The fact of misappropriation of Government money amounting to Rs. 12.64 lakh had not been reported to audit as required under Rule 103 of Assam Financial Rules.

The forgoing observations were reported to Government in June 1998; their replies had not been received (November 1998).

CO-OPERATION/INDUSTRIES/SOCIAL WELFARE/WELFARE OF PLAIN TRIBES AND BACKWARD CLASSES DEPARTMENTS

3.20 Outstanding Inspection Reports

Audit observations on financial irregularities and defects in initial accounts noticed during the course of local audit and not settled on the spot are communicated to the heads of offices/next higher departmental authorities through the inspection reports for prompt compliance. The more important irregularities are reported to the Heads of Departments and the Government for compliance and comments.

A review of the outstanding audit paras included in the inspection reports issued upto 1997-98 and outstanding upto June 1998 relating to 4 (four) Departments viz. Co-operation, Industries, Social Welfare, Welfare of Plain Tribes and Backward Classes Departments revealed the position as under :

Department	Number of IR	Outstanding Paragraph	Period	Amount (Rupees in crore)
Co-operation	54	72	1979-80 to 1996-97	8.35
Industries	128	221	1982-83 to 1997-98	45.38
Social Welfare	27	28	1979-80 to 1997-98	15.39
Welfare of Plain Tribes and Backward Classes	18	22	1981-82 to 1997-98	10.64

The outstanding paragraphs pertained mainly to the following categories of irregularities committed by these departments:

Sl. No.	Nature of irregularities	Co-operation Department	Industries Department	Social Welfare Department	Welfare of Plain Tribes and Backward Classes Department
(1)	(2)	(3)	(4)	(5)	(6)
1.	Non-observance of rules relating to custody and handling of cash, maintenance of cash book and muster rolls, etc.	16	50	3	-
2.	Securities from persons holding cash and stores not obtained	-	-	-	1
3.	Stores not maintained properly, etc.	-	1	-	-
4.	Improper maintenance of log book	1	-	-	-
5.	Local purchase of stationery etc. in excess of authorised limit and expenditure incurred without proper sanction	4	1	-	1
6.	Delay in recovery and non-recovery of receipts, advances and other charges	27	132	-	-
7.	Payment of grants in excess of actual requirement	-	3	1	-
8.	Want of sanction to write off loan, losses, etc.	-	2	-	-
9.	Over-payments of amount disallowed in Audit not recovered	2	9	1	-
10.	Wanting utilisation certificates and audited accounts in respect of grants-in-aid	14	23	19	13
11.	Actual payee's receipts wanting	8	-	4	7
	Total outstanding paragraphs	72	221	28	22

The matter was reported to Government in September 1998; their reply had not been received (November 1998).

CHAPTER - IV

FLOOD CONTROL DEPARTMENT

4.1 Expenditure on idle staff engaged on defective Road Rollers and Motor Launch

Deployment of manpower against defective Road Rollers and Motor Launch led to infructuous expenditure of Rs. 15.38 lakh.

Test-check (July 1997) of records of the office of Executive Engineer, Guwahati Mechanical Division, Basistha, revealed that services of 8* employees (one since expired) whose salaries were being regularly drawn were not being utilised for any purpose since October 1986/June 1994. Their services could not be utilised as the two Road Rollers and one Motor Launch, to which they were attached, were lying out of order since then. There was nothing on record to show that any step was taken to utilise their services on alternate jobs.

As a result, Rs. 15.38 lakh paid as pay and allowances to these 8 employees since October 1986/June 1994 till March 1998 was infructuous.

The Government stated (September 1998) that the repair estimates of Road Rollers had been sanctioned (June 1998) while that of Motor Launch had been recommended (June 1998) by the Superintending Engineer for sanction. The repairing works of the machinery will be taken up as and when fund is received. The Government also stated that the staff meant for the machines were utilised for some other mechanical works and for safety and security of government property. The reply is not acceptable as it is not supported by any administrative order/posting orders of the competent authority

*Road Rollers : Driver 2 and Handymen 2
Motor launch : Crew 4 including driver.

IRRIGATION DEPARTMENT

4.2 **Infructuous expenditure on interest without utilisation of loan for the purpose**

Central assistance (Rs.1.38 crore) towards completion of irrigation scheme was released after 13 months, deducting Rs. 21.31 lakh for repayment of principal and interest which was not only a case of diversion but also a case of interest payment on loan not utilised .

In 1996-97, the Government of India, Ministry of Water Resources (MOWR) launched a scheme 'Accelerated Irrigation Benefit Programme' for early completion of major/minor irrigation projects which remained incomplete due to non-availability of funds for last several years.

Test-check (December 1997) of records of the Executive Engineer, Karbi Anglong (Irrigation) Division, Diphu revealed that MOWR released (November 1996) Rs. 1.38 crore (first instalment) being 50 per cent loan assistance against 2 irrigation projects* under Karbi Anglong Autonomous Council (KAAC), Diphu. The loan was repayable from 1997-98 (June 1997) in 20 yearly installments with 13 per cent simple interest per annum. But it was seen from records that the State Government released Rs. 1.16 crore to KAAC after 13 months in December 1997 after deducting at source Rs. 21.31 lakh (Rs. 3.44 lakh towards repayment of first instalment of loan and Rs. 17.87 lakh towards interest for one year). Payment of Rs.17.87 lakh as interest for the first year without actual utilisation of loan assistance in the projects was infructuous. This had resulted in irregular diversion of loan amount for repayment of loan and interest for which separate provision was made in the budget.

* Hawaipur LIP – Rs. 87.50 lakh and Liollong IP – Rs. 50 lakh

Government stated (September 1998) that the loan assistance could not be released to the project till December 1997 for want of budget allocation for the schemes during 1996-97 and 1997-98 and Rs 21.31 lakh was deducted at source for repayment of principal and interest which was obligatory. The reply is not tenable, as the amount received from Central Government should have been released in the same financial year. Moreover, repayment of loan and interest should be financed out of the budget of State rather than reduce the funds for completion of irrigation scheme.

4.3 Locking up of funds on irrigation schemes

Due to non-completion of irrigation projects for last 13/14 years, pump sets and electrical equipment procured at a cost of Rs.39.74 lakh remained idle.

Test-check of records (June 1997) of the Executive Engineer, Kaliabor and Integrated Kollong Electrical (Irrigation) Division, Nagaon revealed that 3 (three) lift point irrigation schemes* (estimated cost : Rs.30.30 lakh revised to Rs.79.59 lakh in April 1995) under Kollong Irrigation Project were approved by the Government in June 1984 with stipulated date of completion by March 1988. The schemes remained incomplete as of March 1998, after incurring an expenditure of Rs. 39.74 lakh on electrical equipments (Rs. 29.09 lakh) and pump sets (Rs. 10.65 lakh).

It was seen that the division procured (1985 and 1986) 12 pump sets (Valued at Rs. 10.65 lakh) against supply orders of the Chief Engineer, Irrigation; of which the sites for pump houses of 2 schemes were finalised only in July 1998 and pump sets in another scheme could not be installed due to non-execution of works of canals and water trough. Procurement of pump sets much in advance of actual requirement resulted into locking up funds of Rs. 10.65 lakh for last 13/14 years.

* Phulaguri L/B; Haldhoiti L/B; Sialmuri L/P.

Besides purchase of electrical equipment valued at Rs.29.09 lakh from time to time also remained idle resulting in locking up of fund.

The matter was reported to Government in June 1998; their reply had not been received (November 1998).

PUBLIC HEALTH ENGINEERING DEPARTMENT

4.4 Delay in achievement of objective in respect of water supply Schemes

Rupees 1.34 crore incurred on 12 water supply schemes proved unproductive as they could not be completed.

Government accorded sanctions during 1986-87 for 11 water supply schemes under minimum need programme (MNP). Another scheme under Tribal sub-plan (TSP) was sanctioned in January 1981. Total amount sanctioned to implement 12 schemes* was Rs. 1.38 crore. Administrative approval envisaged that schemes were to be completed within a period of 3 years from the date of sanctions.

Test-check (in September 1997) of records of Jorhat PHE Division No. 1 revealed that although the work of 10 schemes (MNP) started in 1987 and one T.S.P. scheme in 1982, the schemes remained incomplete even after incurring expenditure of Rs. 1.34 crore upto July 1997 due to shortage of funds, materials and power. Of the 12 schemes only one scheme is nearing completion as 70 per cent of the work has been done and in respect of the remaining schemes the work of under ground reservoir/pump house had not been taken up.

Thus, the expenditure incurred so far proved unproductive as the objective had not been achieved.

* Nawbaisha, Sonari Teleka, Ratanpur Nayabazar, Bongaon, Deberapara, Magroi Phukan, Bejalbari, Rajbahar Sonwal, Tiponia, Amtol, Rabibonai & Sareli

The matter was reported to Government in June 1998; their reply had not been received (November 1998).

4.5 Unauthorised expenditure on water supply scheme at Govindanagar

Against an estimated cost of Rs.9.73 lakh, Rs. 14.07 lakh including Rs. 10.48 lakh on contingent and work charged establishment was spent on a scheme without registering any physical progress.

Govindanagar Water Supply Scheme under Silchar PHE Division No. II was administratively approved by the Government in March 1985 at an estimated cost of Rs. 9.73 lakh for providing drinking water to 4700 persons under Minimum Needs Programme. The scheme was to be implemented in Govindanagar and Ranirghat by tapping ground water through deep tube well and was to be completed within three years from the date of administrative approval. The estimate of the scheme envisaged installation of 150mm X 100mm size deep tube well upto a depth of 120m because there was no good water bearing strata at shallow depth making hand tube well and ring well unsuccessful. Besides water contained excess iron beyond permissible limit which was hazardous to health.

Test-check (September 1997) of the accounts of the Executive Engineer, Silchar PHE Division No.-II revealed that the work was not awarded to any contractor due to dispute in selection of site. However the register of works maintained by the Division indicated that Rs. 14.07 lakh had been spent on the scheme as of June 1997, which included Rs. 10.48 lakh (107 per cent of the estimated cost) being expenditure on contingencies and work charged establishment of sub-divisional office against admissible 5 per cent (Rs. 0.46 lakh) as per estimate. The balance Rs. 3.59 lakh was shown as spent on purchase of materials (Rs. 2.74 lakh) for accommodation of staff and stores of other schemes (Rs. 0.53 lakh) and miscellaneous (Rs. 0.32 lakh). The work charged establishment consisted of 19 persons for the period between June 1990 and September 1998 against the sanctioned strength of

8 posts. The services of staff were stated (EE) to have been utilised for smooth maintenance of official works of Sub-Division.

Thus, against estimated cost of Rs. 9.73 lakh, an amount of Rs. 14.07 lakh had been spent without registering any physical progress.

The matter was reported to Government in May 1998; The reply had not been received (November 1998).

4.6 Unfruitful expenditure on piped water supply scheme

Rupees 71.77 lakh spent on 6 water supply schemes proved unfruitful as the water supplied without treatment plant was not acceptable to beneficiaries.

For supply of drinking water to villages/habitations, six piped water supply schemes were administratively approved for Rs. 54.57 lakh between September 1978 and March 1989. The schemes were to be completed within three years from the date of administrative approval.

Scrutiny (September 1997) of records of the Executive Engineer, PHE Division, North Lakhimpur revealed that the six schemes remained incomplete as of June 1997 after incurring expenditure of Rs. 71.77 lakh, as arrangement for water treatment plants could not be made. The schemes were as below:

(Rupees in lakh)			
Sl. No.	Name of the schemes	Amount	Expenditure upto June 1997
1.	Sankuchi DTW ARP	9.26	10.77
2.	Dhemagarh DTW TSP	7.42	12.70
3.	Merbil Harmuty ARP	9.87	15.42
4.	Kolakhanala Konwaspur ARP	7.65	11.52
5.	Gorsinga Konwarpur TSP	7.95	13.19
6.	Amtola Konwarpur MNP	12.43	8.17
	Total	54.57	71.77

Non-completion of the schemes was attributed by the division to non-availability of cement, mild steel rod etc. Raw water without treatment supplied under

the scheme was not accepted by the beneficiaries and as a result expenditure of Rs. 71.77 lakh incurred on the schemes had proved unfruitful so far. Besides there was a cost over run of Rs. 17.20 lakh due to delay in completion of the work.

The matter was reported to Government in May 1998; their reply had not been received (November 1998).

PUBLIC WORKS (BUILDINGS) DEPARTMENT

4.7 Avoidable expenditure on surcharge of bills for electrical energy

Due to non-payment of bills by due date the Department had to pay avoidable surcharge of Rs. 36.68 lakh.

Schedule of tariff of Assam State Electricity Board (ASEB) provides that the bill for consumption of electrical energy be paid in full within due date as mentioned in the bill and in case of failure by a consumer to pay the bill within due date, 2 per cent surcharge is to be levied for each 30 days of successive period of default or part thereof.

In course of test-check of records (April 1998) of the Estate Officer, Dispur it was seen that ASEB preferred bills for Rs.7.00 crore against the Department for the period from 31 December 1997 to 22 January 1998 including arrear of Rs.6.46 crore (period of arrear not specified) and surcharge of Rs.36.68 lakh. The claim for Rs.7.00 crore was paid to ASEB in February 1998. Audit observed that the payment of Rs.36.68 lakh was avoidable had the earlier bills been paid by due dates.

The matter was reported to Government in May 1998; their reply had not been received (November 1998).

4.8 Loss due to payment of electricity charges by the department

Payment of electricity consumption bills by the division on behalf of Government employees having separate meters resulted in loss of Rs. 26.00 lakh to Government.

In February 1994 Government of Assam (General Administration (B) Department) ordered that pending installation of electricity meters in each of the

residential accommodation allotted to Government employees, electricity charges be realised from the occupants at monthly fixed rates depending on the type of quarters provided to them.

Test-check (April 1998) of records and information collected subsequently from the Estate Officer, Dispur revealed that the Division paid (between February and June 1998) Rs. 29.09 lakh to the Assam State Electricity Board being charges (including surcharge on arrears) for electricity consumed by the occupants of 64 quarters (Rukmininagar, Dispur Capital Complex) for the period from September 1995 to May 1998 and realised Rs.3.09 lakh from the pay of the occupants for the aforesaid period. However, it was seen from the records that electricity meters were fitted in these quarters between May 1979 and March 1992 with separate consumer number against each occupant. As such, payment of electricity consumption bills by the division on behalf of the consumers having meters was in contravention to the orders *ibid* which resulted in a loss of Rs. 26.00 lakh (Rs. 29.09 lakh – Rs. 3.09 lakh) to the State exchequer.

The Estate Officer stated (July 1998) that electricity consumption bills were paid by the office against which charges were realised at flat rate, according to the type of quarter, as fixed by the Government from the monthly pay bills of the occupants.

The matter was reported to Government in June 1998; their reply had not been received (November 1998).

4.9 Unauthorised diversion of funds received under Deposit contribution work

Rupees 14.98 lakh was not utilised for the purpose for which it was deposited by the Education Department.

Administrative approval for construction of the two storeyed building of Directorate of State Council of Education, Research and Training (SCERT) at Kahilipara was accorded by the Education Department (March 1991) for

Rs. 34.85 lakh (revised to Rs. 73.44 lakh but not yet approved). The work was entrusted to Public Works Department (PWD) for execution as "Deposit Work". Accordingly the Director SCERT deposited Rs. 33 lakh with PWD in three installments between March 1991 and March 1993. The work remained incomplete (Physical progress being only 80 per cent of ground floor) as of April 1998. Of the deposited amount Rs.16.12 lakh were incurred on the work (including cost of materials and work contingencies) and Rs. 1.90 lakh was available in deposit account.

During test-check (April 1998) of records of the Executive Engineer, Magazine Division (executing the work), Guwahati it was seen that the division diverted Rs. 14.98 lakh for procurement of building materials for other works pertaining to Medical, PWD etc. which had not been recouped as yet (April 1998). In reply, the division stated that due to non availability of funds in other heads of accounts the amount was diverted under intimation to the Chief Engineer. The reply is not tenable as funds were not utilised for the purpose for which it was deposited and was thus unauthorised. Besides, the estimate of the work had to be revised due to escalation in cost on account of diversion.

The matter was reported to Government in June 1998; their reply had not been received (November 1998).

PUBLIC WORKS DEPARTMENT

4.10 Unauthorised payment for works on Hand Receipts

Rupees 2.07 crore were paid to the contractors through hand receipts resulting in unauthorised payments.

Mention was made in para 4.9.9.3 of Audit Report 1995-96 (Civil) – Government of Assam regarding irregular practice of payment of works bills on hand receipts in respect of National High Way works resulting in delay in preferring claims for reimbursement from Government of India besides non adjustment of recoveries

made from the contractors. In June 1996 the State Government issued instructions to stop making payment on hand receipts.

A test-check in audit revealed that between July 1996 and August 1997, 13 Public Works Divisions paid an amount of Rs. 2.07 crore on hand receipts resulting in unauthorised and irregular payments. These payments were made without recording references of passed and paid bills, measurement books and previous payments. As a result the correctness of these payments could not be verified in audit.

The matter was reported to Government in June 1998; their reply had not been received (November 1998).

PUBLIC WORKS (ROADS) DEPARTMENT

4.11 State roads in Assam

4.11.1 Introduction

State roads are broadly categorised as State Highways (SH), Major District Roads (MDR) and Other District Roads including village roads (ODR).

The total length of roads in Assam as on 31 March 1992 was 30754 Kilometres (kms) of which 27,514* kms. were State roads. The lengths of National Highways (NH) and State Highways were 2254 Kms[@] and 1810 Kms constituting only 7.33 and 5.89 Per cent respectively of total roads in the State. The master plan formulated by the working group at the instance of planning commission envisaged increase of the state roads to 61,808 Kilometres by 2001. The categorywise break-up of road length as on March 1992 and that proposed to be achieved by the year 2001 were as under :

All abbreviations used in this review are expanded in the Glossary vide Appendix-XVII at page 208.

* Excluding National Highways, North Eastern Council Roads and Border Roads
 @ Maintained by (1). State PWD: 2032 Kms. (2). BRTF : 222 Kms.

Category of roads	Road Length (in Kms)		
	In March 1992	To be achieved by 2001	Proposed increases by 2001
SH	1,810	3,140	1,330
MDR	4,706	6,283	1,577
ODR	20,998	52,385	31,387
Total	27,514	61,808	34,294

4.11.2 Organisational set-up

Road works are implemented by three Chief Engineers; one for General areas, one for Hill areas and the third for execution of City works through Executive Engineers of 53 divisions (43 Civil and 10 Mechanical) and the Director of Road Research Laboratory (RRL).

4.11.3 Audit Coverage

Records for the period from 1992-93 to 1997-98 relating to state roads were test checked in the office of the Ces, 13 divisions** (10 Civil and 3 Mechanical) and RRL between February 1997 and May 1997 and again updated from January 1998 to March 1998. Some of the important points brought out in the inspection reports during annual audit on the accounts of 5 divisions are also included in the review. The points noticed are brought out in the succeeding paragraphs.

4.11.4 Highlights

-- **Road divisions incurred expenditure of Rs. 48.57 crore in excess of LOC during 3 years ending 1994-95 reflecting poor internal controls.**

(Paragraph 4.11.5.3)

** Civil Divisions: 1.Diphu Roads, 2.Dokmoka Roads, 3. Barpeta Roads, 4. Goalpara Roads, 5. Nagaon East Roads, 6. Nagoan West Roads, 7. Golaghat Roads, 8. Sibsagar Roads, 9.Tezpur Roads and 10. Ghilamara Roads.

Mechanical divisions: 1.Guwahati Mechanical 2. Guwahati plant Mechanical and 3. Diphu Mechanical.

-- The department created accumulated liability of Rs 238.34 crore for want of funds for the road divisions indicating poor budgetary control. The huge liability accumulated mainly from 1991-92.

(Paragraph 4.11.5.4)

-- Ghilamara Road Division had not maintained any authenticated divisional cash book from June 1995 to 14th October 1996 for Rs 1.53 crore drawn. Monthly accounts for the period were submitted without maintaining this basic record.

(Paragraph 4.11.5.9(i))

-- The achievement of 3353 Kms of state roads during 6 years (1992-98) constituted only 9.78 per cent of 34,294 Kms targeted to be achieved in 9 years by 2001.

(Paragraph 4.11.6.1)

-- The road divisions recruited 1208 muster roll and work charged staff involving an annual financial burden of Rs. 3.47 crore even after a ban was imposed by the Government in March 1993.

(Paragraph 4.11.7)

-- Delay over 7 years in completion of Khanapara Narengi Expressway resulted in cost overrun of Rs. 3.50 crore (104 Per cent) with achievement of progress of only 66 Per cent.

(Paragraph 4.11.8.1)

-- In 8 divisions 191 roads remained closed (January 1998) for more than 6 months to over 7 years. Of these 49 roads remained closed for 2 to 7 years for want of funds for repair and maintenance.

(Paragraph 4.11.10)

-- A SPT bridge opened for traffic in April 1994 after complete repairing at a cost of Rs.5.25 lakh collapsed in June 1994 due to fitting of 4 rows of steel joists instead of 6 rows as per specification entailing an extra expenditure of Rs 4.91 lakh.

(Paragraph 4.11.12.3)

4.11.5 Control over expenditure

4.11.5.1 Provision of funds and expenditure

Extremely poor expenditure and budgetary control was evident in divisions incurring expenditure in excess of LOC by Rs.48.57 crore, accumulating liabilities to the extent of Rs.238.34 crore as on January 1998, widespread payments against hand receipts aggregating Rs.16.14 crore, diversion of funds to the tune of Rs.12.81 crore, non-maintenance of Cash Book for Rs.1.53 crore, non-recovery of advance of Rs.2.51 crore.

During the period of six years from 1992-93 to 1997-98, the department incurred a total expenditure of Rs. 756.87 crore for construction and maintenance of State roads against the total voted appropriation of Rs. 876.54 crore. The year wise details are given below:

(Rupees in crore)

Year	Voted Appropriation			Expenditure			Savings(-) Excess(+)
	General areas	Hill areas	Total	General areas	Hill areas	Total	
1992-93	90.35	32.38	122.73	81.68	31.42	113.10	(-) 9.63
1993-94	78.26	30.69	108.95	87.89	30.45	118.34	(+) 9.39
1994-95	91.28	35.36	126.64	62.28	36.10	98.38	(-) 28.26
1995-96	135.78	40.14	175.92	140.08	37.17	177.25	(+) 1.33
1996-97	128.42	41.60	170.02	113.84	28.73	142.57	(-) 27.45
1997-98	133.96	38.32	172.28	74.96	32.27	107.23	(-) 65.05
Total	658.05	218.49	876.54	560.73	196.14	756.87	(-) 119.67

Besides, the department incurred an expenditure of Rs. 25.91 crore for flood damage repairs (FDR) works during the period from 1992-93 to 1997-98 against budget provision of Rs.18.87 crore.

It is apparent that the Government did not fully utilise the budgetary appropriations. The savings during 1992-93, 1994-95, 1996-97 and 1997-98 aggregated Rs.130.39 crore. During 1994-95, 1996-97 and 1997-98, the savings ranged between 16 and 38 per cent. The excess under flood damage relief work ranged between 23 and 479 per cent during 1992-93 to 1996-97.

The information collected from the offices of both the CEs revealed that the total expenditure on original works (excluding bridges*) was Rs. 75.36 crore on SH roads and Rs.87.87 crore on NH roads during these 6 years ending 1997-98. The per Km annual expenditure ranged between Rs.0.43 lakh and Rs.1.12 lakh for SH roads and between Rs.0.50 lakh and Rs.1.08 lakh for NH roads. The expenditure on SH roads was on the higher side as compared to higher traffic pressure on NH roads.

4.11.5.2 High over heads/establishment expenditure

The department had incurred an expenditure of Rs. 199.14 crore on establishment charges during the 5 year period ending 1996-97 which constituted about 31 Per cent of the total expenditure on state roads (Rs. 649.64 crore). This was on the higher side in comparison to norm of 9 per cent agency charges paid by the Central Government for execution of National Highway road works. Had the Government contained its overhead expenses to the norm of 9 percent, Rs.142.92 crore could have been saved and utilised towards construction and maintenance works.

* No bridge was constructed on NH roads during these 6 years.

4.11.5.3 Expenditure in excess of Letter of Credit (LOC)

During 3 years ending 1994-95, different state road divisions (between 13 and 32) incurred expenditure of Rs 48.57 crore (General areas: Rs. 47.74 crore and Hill areas: Rs. 0.83 crore) in excess of (LOC) for original and maintenance works. Divisions which had incurred expenditure in excess of Rs.30 lakh are given in Appendix-XV.

The excess expenditure by these divisions was attributed (August 1997) by the CE (for general areas) to payment of salaries and wages of work charged staff and muster roll labourers and adjustment of stock. Analysis of excess expenditure justifying the above contention could not be furnished to audit by the department.

4.11.5.4 Huge liabilities

As per information furnished by the Chief Engineer (Roads), the State road divisions had accumulated liability of Rs. 238.34 crore against pending bills of contractors/suppliers upto January 1998.

It was seen from the records that substantial amount of liability was created by Haflong Road Division (Rs.21.30 crore), Golghat Road Division (Rs.4.50 crore), BARPETA Road Division (Rs.4.08 crore) and Baithalangshu Road Division (Rs.4.69 crore) etc. Incurring such huge liabilities in the absence of budgetary support is indicative of poor budgetary control. The Government of Assam had stated (September 1998) that 20 cases are pending in Court and the liabilities could not be cleared for want of funds.

4.11.5.5 Payments against hand receipts

According to Assam Financial Rules the hand receipts form is a simple form of voucher intended to be used for all miscellaneous payments and advances for which none of the prescribed form of bills are suitable. Test-check revealed that in

8 divisions Rs. 16.14 crore was paid against 12249 pending bills through hand receipts during 3 years ending 1996-97. Of these, Rs.8.45 crore was paid (52 per cent) against 4592 unpassed bills despite specific instructions of CE to stop making part payments against bills. This practice of making payments to contractors against hand receipts without proper scrutiny of the bills was highly irregular. The reasons for keeping such huge number of bills unpassed for many years could not be stated by the divisions.

These part payments were only recorded on the office copy of the pending bills. Neither any register for the liability bills nor any register for billwise part payments were maintained by the divisions although part payments against a single bill were made in many instalments over a number of years. These part payments were not recorded in contractors' ledger also.

It is apparent that use of hand receipts on such a large scale had resulted in weakening of internal controls nearing anarchic proportions.

4.11.5.6 Diversion of funds

As per instruction of the CE (Roads) issued in January 1995, the Guwahati Road Division diverted Rs. 1 crore from the work of construction of RCC bridge over river Pagaldia at Ulabarighat for payment of bills against supply of cement for construction works of building divisions.

4.11.5.7 Unadjusted advances

Advances to contractors are not usually allowed except in the interest of the work. 'Advance payments' (payments made for work done pending measurement) and 'secured advances' (on security of materials brought to sites of works) made by the divisions are required to be adjusted at the earliest opportunity. Test check revealed that seven divisions had advanced Rs. 2.51 crore (advance payments: Rs. 2.40 crore and secured advances : Rs.0.11 crore) to 84 firms/contractors between November 1989 and March 1997. These advances were neither adjusted nor the delays in their recoveries investigated (January 1998).

4.11.5.8 Excess over sanctioned estimates

The Register of Work, a basic record for watching progress of expenditure against sanctioned estimates were found to be either incomplete or in arrears in 10 divisions test checked. As the sanctionwise compiled records of liability were also not maintained, no progress of expenditure vis-a-vis sanctioned amount was available. However, from the figures furnished by the divisions and worked out from Schedule of Works Expenditure during test check, it was seen that although the expenditure had exceeded in respect of 60 works by Rs.1.43 crore and were more than 10 per cent (ranging from 11 to 252 per cent) revised estimates were not prepared and got sanctioned though required under rules of the Government (March 1998).

4.11.5.9 Irregular expenditure

During test check it was seen that in Guwahati and Ghilamara Road Divisions the records regarding excess/irregular payments were seized by Vigilance Cell/ Police in 1994 and 1997 respectively. The details are as under:-

(i) In spite of specific provision for closing of cash book regularly the Ghilamara Road Division had not closed the divisional cash book for June and July 1995 and also had not written the cash book thereafter upto 14th October 1996. During this period (15 months 14 days), the divisional office had (as per broad sheet) drawn Rs.1.53 core for which no authenticated cash book was available. Monthly accounts for the period were submitted without this basic record. Many of the counterfoils of cheques and vouchers were not traceable and counterfoils of hand receipts not written properly with sufficient particulars and in some cases left blank. The Executive Engineer stated (February 1998) that due to non-handing over of charge by his predecessor, sudden death of the then cashier and seizure of records, these facts were not known to him. The progress of action taken to fix responsibility had not been intimated.

(ii) In Guwahati Road Division, the records regarding excess expenditure for the period from October 1993 to March 1994 could not be made available to audit

inspite of repeated requests (August 1997 and January 1998). The records were stated to be under Courts custody. In view of the non-submission of accounts in time to the AG(A&E) for the above mentioned period the Government constituted an Enquiry Committee (August 1994) headed by the Joint Director of Treasuries and Accounts. The Committee in its report (December 1994) pointed out that the division diverted Rs.11.81 crore from various heads of accounts for payment of bills for repair works and supply of materials. Action was not taken by the Government on this report so far (October 1998).

4.11.6 Physical performance

Against the target of 5345 Km. of roads, the achievement was 3353 Km. Construction of 61 bridges out of targetted 159 was not commensurate with 89 per cent utilisation of budgeted provision. Rs.1.16 crore spent on 7 completed bridges proved unproductive owing to non-construction of approach roads.

4.11.6.1 Construction of roads

State roads in Assam are broadly classified as surfaced (black topped) and unsurfaced (graveled and earthen) roads. The yearwise targets and achievements as furnished by the CEs for the years from 1992-93 to 1997-98 revealed that against the target of construction of 5345 Kms of Road during 1992-93 to 1997-98 the achievement was 3353 Kms indicating a shortfall of 37 percent.

With 86 per cent overall expenditure (Rs.756.87 crore) of budget provision (Rs.876.54 crore), the achievement of 3353 Kms road was only 63 per cent of road construction targeted to be achieved in 6 years ending 1997-98.

While the NH roads stagnated in 2254 Kms, the progress of SH road was very slow. The length of SH roads increased only by 280 Kms (from 1810 to 2090 Kms) during these 6 years.

The achievement of 3353 kms in a period of 6 years (1992-98) constituted only 9.78 per cent of 34,294 kms targeted to be achieved in 9 year period by 2001. The shortfall in achievement of target was attributed (February 1997) by the CE to constraint of funds.

As against the reported achievement of 2308.45 kms during the 4 years from 1992-93 to 1995-96, the data furnished by the statistical cell of the department* however showed a total increase of only 979.58 kms of state roads during the same period.

This indicated that inflated achievements were reported by the CE offices. However, the statistical cell could not furnish statistical data of road length for 1996-97 due to non-submission of data by 35 divisions inspite of repeated reminders issued by the cell (October 1998).

Moreover, no breakup of new and spillover targets and achievements were separately maintained by the department. The new schemes were finalized at the fag end of the year and most of the schemes were spilled over to the subsequent year(s). However, an analysis of achievements of roads' construction made by Nagaon East Road Division disclosed that out of 355 works sanctioned from 1991-92 to 1996-97, only 107 works (30 per cent) were completed and balance 248 works (70 per cent) spilled over to subsequent years of which 96 works (27 per cent) had not yet been started (March 1998). The Executive Engineer stated (March 1998) that these works could not be taken up for want of funds.

4.11.6.2 Construction of bridges

4.11.6.2.1 Target and achievement

The linear development of road system in Assam depended on construction of reinforced cement concrete (RCC) bridges by replacing existing

* Functioning under CE (General areas)

semi-permanent timber (SPT) bridges. Against the target of construction of 159 bridges (RCC and SPT) during 1992-93 to 1997-98 the achievement was 61 bridges.

Although expenditure (Rs.41.39 crore) constituted 89 per cent of budget provision (Rs.46.69 crore) in 6 years ending 1997-98, the annual shortfalls in construction of bridges against targets ranged between 46 and 86 per cent which was attributed to shortage of funds. It was also seen in audit that work of 42 RCC bridges (General areas: 7 and Hills areas: 35) had not been taken up although sanctions were issued long back (between March 1988 and March 1990). Due to non-taking up of sanctioned bridges, the expenditure incurred on their survey and preparation of estimates proved wasteful.

4.11.6.2.2 Slow progress

There were 8000 SPT bridges in 1992-93 mostly on state roads of Assam many of which needed frequent repair due to damage caused by floods in every year. The progress of replacement of SPT bridges was very slow. The department assessed (1995-96) that with the average provision of Rs. 5 to 6 crore in annual plans, the replacement of SPT bridges would take 450 years.

From the information furnished to audit it was seen that construction of only 44 (General areas: 34 and Hill areas :10) RCC bridges started between October 1988 and November 1997 was in progress as of January 1998.

In 7 divisions, 15 RCC 'bridges proper' started between October 1988 and December 1995 were still in progress. Progress of 11 bridges ranged from 5 to 82 per cent . In 13 cases, delay beyond stipulated time of completion ranged from 2 years to over 6 years (January 1998). In 6 cases cost over run even at incomplete stage had already reached at Rs 74.86 lakh mainly due to this delay.

4.11.6.2.3 Idle outlay

On test-check of divisional records, it was seen that although 7 bridges (5 RCC and 2 SPT) were completed between September 1993 and December 1997, the construction of approach roads were either incomplete (4 cases) or not taken up (3 cases). The department had failed to complete the approaches of the bridges on priority basis by proper planning. This resulted in idle outlay of Rs.1.16 crore.

4.11.6.2.4 Stoppage/abandonment of work

A scrutiny of records further revealed that the work of 2 major RCC bridges over river Dayang and Golabil sanctioned in June 1989 and March 1990 and started by a State Government Construction Corporation in February 1991 and January 1992 were stipulated to be completed by July 1993 and December 1994 respectively. After partial execution of works (ranged between 14 and 26 per cent), the Corporation left the works at incomplete stages between October 1993 and April 1994 due to rise in cost of materials/unworkable rates. Rupees 56.42 lakh remained recoverable from the Corporation on account of unadjusted advances, cost of departmental materials issued to the Corporation but not returned, penalty and taxes. The work of construction of bridge over river Dayang was withdrawn from the Corporation in April 1995 and reallocated after 2 years to another agency involving extra cost of Rs. 2.93 crore*. It was stated (September 1998) by the CE that risk and cost clause of the agreement was not imposed as corporation was under the State Government. The progress after reallocation was only 6 per cent of the balance work.

* Original tender value :	Rs.1.94 crore
Less: Value of work done by AGCC:	<u>Rs.0.40 "</u>
(a) Value of the balance work:	Rs.1.54 "
(b) Tender value of balance work:	Rs.4.47 "
Extra cost: (b-a)	Rs.2.93 "

4.11.7 Unauthorised deployment of Work charged and Muster Roll staff

The divisions imposed annual burden of Rs.3.47 crore on unauthorised recruitment of Worked Charged and Muster Roll staff.

The Government imposed (March 1993) a ban on fresh recruitment of Muster Roll (MR) and Work Charged (WC) workers over the existing strength of 10,590 MR** and 3741 WC** staff. Even after this ban on recruitment and the divisions recruited 740 MRs and 468 WCs after March 1993 imposing an annual financial burden of about Rs. 3.47 crore on the state exchequer. In Ghilamara Road Division alone such unauthorised recruitment continued upto May 1997

The irregular expenditure of Rs. 3.47 crore (approximately) per annum incurred by the Divisional Officer need to be got regularised or action taken after fixing responsibility.

4.11.8 Time and cost over run

4.11.8.1 Khanapara Narangi Expressway

Time overrun of 7 years in completion of Khanapara-Narengi Expressway resulted in cost overrun of Rs.3.50 crore.

To mitigate the problems of vehicular traffic in Guwahati city, the work of construction of 5.5 Kms length Khanapara Narengi Expressway (Phase I) was taken up and sanctioned by the Government in January 1987 for Rs. 3.38 crore for which technical sanction was accorded in June 1987 with stipulation to complete the work by 1988-89. The work, allotted to 34 contractors between January 1991 and December 1991 for completion within 6 to 9 months period could not be completed in

** General areas: 9108 MRs and 2934 WCs
Hill areas : 1482 MRs and 807 WCs

time. As the cost of construction went up revised sanction for Rs. 7.57 crore had to be obtained in January 1991. The total expenditure incurred upto March 1998 was Rs. 6.88 crore and even after more than 7 years of time overrun, the overall progress of work was 65.67 per cent (as reported by the Division) with a cost overrun of Rs.3.50 crore (102 per cent). The road could not be opened for traffic (October 1997). The Executive Engineer of Guwahati City Division (II) stated (October 1997) that the delay was mainly due to irregular receipt of funds, delay in settlement of supplementary items of works, reluctance of contractors due to irregular payments, problems of land acquisition and court cases.

4.11.9 Idle machines/stores and wasteful expenditure

Machinery and spare parts valued at Rs.84.59 lakh were lying idle for a period ranging between 1 and 6 years

Information collected from one mechanical division (Guwahati Mechanical Division) out of 10 mechanical divisions revealed that the machines/vehicles such as trucks (4), road rollers (10), hotmix plants (2), escalator (1) and stone crusher (1) purchased between 1979 and 1991 at a total cost of Rs. 69.28 lakh had been lying out of order in the Guwahati Mechanical Division for periods from 1 to over 6 years as the machines could not be repaired for want of funds. The expenditure on idle staff against these machines could not be furnished by the division as they were paid by civil divisions where the machines were utilised. However, test check of 7 civil divisions revealed that Rs.48.59 lakh were spent on 62 such staff against such 44 road rollers/vehicles (relating to concerned mechanical divisions) lying idle for more than 6 months to 10 years (January 1998).

Besides, while spare parts of machines/vehicles worth Rs.15.31 lakh procured between 1993 and 1994 were lying unutilised for last 3 years in Diphu Mechanical Division, dead stock materials worth Rs. 2.26 lakh were awaiting disposal (March 1998) in the Guwahati Mechanical Division although sanction for disposal was accorded by Government in September 1989.

4.11.10 Maintenance

191 roads remained closed in 8 Divisions as of January 1998 for want of repairs.

During test check it was found that in 8 divisions 191 roads remained closed to vehicular traffic for period ranging from 6 months to over 7 years due to damages of SPT bridges. Of these, 49 roads (303.66 Kms) remained closed for more than 2 to over 7 years.

The Government had earlier (November 1995) submitted before the Estimate Committee that there was a huge backlog of repairing works, which could not be undertaken due to inadequate funds. As against requirement of Rs. 39 crore, only Rs. 8 crore were provided in the annual budget of 1995-96 for repairs and this trend continued for 3 to 4 years. While the existing roads could not be maintained for want of funds, the department created one new division (Lunding Road) in January 1995 for which additional burden on establishment expenditure was Rs.66.76 lakh in 3 years ending 1997-98.

4.11.11 Quality control

The department had one Road Research Laboratory (RRL) at Guwahati which looked into the quality aspects of road materials. The RRL conducted tests on samples of road materials of State road, National Highway and North Eastern Council divisions and also of other departments/agencies on payment of certain charges.

During 6 years ending 1997-98, the RRL interalia conducted tests of 3130 samples of bitumen, cement, soil and aggregate against its capacity of 9780 samples utilising only 32 per cent of its capacity. Of these, 249 samples (8 per cent) pertained to State roads which was on the low side. The Director, RRL had stated

(March 1997) that the performance of the laboratory depended on samples received and no testing was done on its own accord.

4.11.12 Other topics of interest

13 departmental cases of mis-appropriation and losses involving Rs.11.71 lakh were lying pending for disposal as of October 1998. Guwahati Road Division spent Rs.29.62 lakh between 1995 and 1997 for safeguarding time expired and decayed explosives. A SPT bridge opened (April 1994) for traffic after repair (Rs.5.25 lakh) collapsed (June 1994) due to execution of work below the specification.

4.11.12.1 Misappropriation and losses

During test-check it was seen that 13 departmental cases, instituted mainly due to non-observance of rules, wrong exhibition of facts in accounts and manipulation of records between September 1989 and June 1996 bringing out charges of misappropriation, misuse of government money (Rs. 7.69 lakh) and shortage of store materials (Rs 4.02 lakh) aggregating Rs 11.71 lakh, were lying pending for disposal. Of these, 7 cases involving Rs 6.81 lakh were pending for more than 3 to 7 years. Responsibility for the losses sustained by the department had not been fixed (October 1998).

4.11.12.2 Avoidable expenditure

In March 1994, the Guwahati Road Division received from the National Highway Division, Jagiroad certain explosive materials worth Rs. 7781.30 for blasting operations and stored the same in magazines under Magazine Sub-division. Only one item of explosive was issued in January 1995 to Samalangsua Road Division and two samples of explosives were taken by the Police in January 1997 leaving a balance of explosives worth Rs.7589.89. The Assistant Executive Engineer of the Magazine Sub-Division stated (January 1997) that the explosives could not be utilized as there was no demand for them and the shelf life of the explosives expired

in March 1995. The division however, incurred an expenditure of Rs. 19.56 lakh between April 1994 and April 1997 on upkeep and safeguard of explosives worth Rs.0.08 lakh. The explosives were destroyed in April 1997. Besides, expenditure of Rs.10.06 lakh was incurred upto July 1998 by the Division on watch and ward staff for guarding some seized explosive (of police) which were in decayed condition since 1996 for which no cost was borne by the police authorities (August 1998). The expenditure of Rs. 19.50 lakh could have been avoided had action been taken in time to dispose off the explosives.

4.11.12.3 Sub- standard work

Goalpara Road Division incurred Rs. 5.25 lakh (including a liability of Rs. 1.41 lakh) between October 1993 and October 1994 on repairing of a SPT bridge over river Kaloo on Kamakhyabari Road. The bridge was opened to vehicular traffic in April 1994, but the bridge collapsed and had to be closed again for vehicular traffic in June 1994. The damage was due to fitting of 4 rows of steel joists instead of 6 rows needed as per specification of the sanctioned estimates. As a result, the bridge had to be reconstructed between June 1995 and August 1996 at a cost of Rs. 4.91 lakh. Responsibility for the loss was not fixed for the substandard work executed on earlier occasion (February 1998).

4.11.13 Monitoring and statistics

There were no monitoring cells in the CEs' offices. No monitoring was done for spill over works, closed roads and priority schemes. The statistical cell of the CE, PWD, Assam had also discontinued publishing of 'year Book' containing road statistics of Assam after its second annual issue of 1984.

4.11.14 The foregoing observations were reported to Government in July 1998; their reply had not been received (November 1998).

4.12 **Extra expenditure owing to departmental lapses in execution of bridge works**

Delay to defend before the arbitration/court led to ex-parte order resulting in an extra expenditure of Rs. 1.27 crore.

Guwahati North Eastern Council (NEC) Division awarded (March 1988 and December 1988) "Construction of two RCC bridges over Rivers Barapani II and Lutumari at 13 Km and 22 Km of Baithalangso-Kampur-Raha Road" to a contractor at his tendered cost of Rs.1.11 crore and Rs.60.00 lakh to be completed by March 1990 and June 1990 respectively. The contractor completed the bridges on 14 and 7 August 1992 and was paid Rs.1.11 crore and Rs.60.00 lakh (September 1993).

As the contractor claimed enhanced rates for departmental lapses* a Committee of Arbitrators was set up (March 1995) which awarded (18 December 1995) Rs.36.06 lakh** and Rs.32.28 lakh to the contractor. The awarded amounts were payable within 60 days with 18 per cent interest thereon from the dates of completion of works failing which further interest at the same rate would be payable. To make the awards binding, the contractor filed (9 February 1996) the awards in the Court at Guwahati. Although the Government filed its objection against the awards on 15 March 1996, the Court did not admit (September 1996) the same stating as time barred (i.e., not submitted within the specified period of 30 days from the date of filing petition by the claimant) and thus made the awards as Rule of the Court. Accordingly, the Division paid (25 February 1998) Rs.70.85 lakh and Rs.63.54 lakh (including interest of Rs.34.79 lakh and Rs.31.26 lakh from 14 and 7 August 1992 to 24 February 1998) to the contractor. The amounts of interest so paid included

* Delay in finalisation of sites, approval of drawings and payment of running bills, change in alignment and non-supply of cement etc.

** Including Rs.7.52 lakh for items not in the original agreement

avoidable interest of Rs.13.09 lakh and Rs.11.72 lakh for the post award period from 18 December 1995 to 24 February 1998.

Thus, departmental lapses during execution and subsequent failure to defend the cases before the arbitrators as well as the Court led to an extra expenditure of Rs.1.27 crore^{***} including payment of avoidable interest of Rs.24.81 lakh for the post award period.

The matter was reported to Government in May 1998; their reply had not been received (November 1998).

4.13 **Unauthorised financial aid by way of advance payment to Assam Government Construction Corporation Limited**

Financial aid of Rs. 56.31 lakh was unauthorisedly given to the AGCC.

The works of construction of RCC Bridge (No. 18/1) over River Sessa on Amingaon Hajo Road and on river Ghabru were awarded to M/s. Assam Government Construction Corporation Ltd. (AGCC) at the estimated cost of Rs. 66.75 lakh and at tender value of Rs.84.91 lakh with stipulation to complete the work by June 1992 and December 1991 respectively. According to payments schedule of the contract 'agreement, the Corporation was to receive payment at 40 per cent for foundation work, 8 per cent for sub-structure work and 52 per cent for super structure works. There was no provision for advance payment.

During test-check (April 1998) of records of Executive Engineer, Guwahati PWD (Roads) Division it was seen that the Corporation suspended the work

*** Amount paid :Rs.70.85 lakh + Rs.63.54 lakh
Less: Value of items not in the Agreement

=Rs.134.39 lakh
Rs. 7.52 lakh
Rs. 126.87 lakh
Say Rs.1.27 crore

on river Sessa in August 1993 after execution of work upto sub-structure valued at Rs. 33.50 lakh as against advance payment made by Guwahati Division for Rs. 55.23 lakh (upto August 1993). As per the orders of the Government, further advance payment was made for Rs. 5.00 lakh in March 1997 to the Corporation though no work was done during January 1997 to June 1998 except collection of some materials like rod and shutterings for remaining super-structure.

Similarly in respect of the work on river Ghabru awarded by PWD Division Tezpur the Corporation after executing the work for value of Rs.25.95 lakh against advance payment of Rs.55.53 lakh (between February 1991 and September 1993) stopped the work in February 1996.

Thus, the Corporation was given unauthorised financial aid to the extent of Rs. 56.31 lakh which was irregular.

The matter was reported to Government in June 1998; their reply had not been received (November 1998).

4.14 Undue financial aid to contractor due to part payment on hand receipt

Payment of Rs. 1.54 crore to a contractor on hand receipts not commensurate with value of work done and outstanding dues had resulted in undue financial aid of Rs. 14.05 lakh.

Test-check (October 1997) of records of the Executive Engineer, Guwahati City Works Division, Guwahati and subsequent information collected (March 1998) revealed that the work 'Improvement of Assam Trunk Road from Maligaon railway over bridge to Jalukbari police point' was awarded (March 1995) to contractor 'A' by the Chief Engineer, PWD (Roads) at a tender value of Rs.2.41 crore with stipulation to complete the work by December 1995. The work had not been

completed (only 75 per cent of the work had been completed) till March 1998. Between May 1995 and March 1996 an amount of Rs. 1.54 crore was paid to the contractor by the division on hand receipts either by way of advance or part payments. Not a single RA bill had been passed and vouched by the division and included in the monthly accounts.

It was however seen from the 4th RA bill prepared by the sub-division and measurements recorded in Measurement Book No. 713 on 27 March 1996 that the contractor had executed work to a value of Rs. 1.88 crore which was yet to be checked and certified by the division (July 1998). It was further seen that an amount of Rs. 48.05 lakh (on account of materials; Rs. 34.57 lakh, for royalty Rs. 11.00 lakh, hire charges of T&P Rs.1.64 lakh, cost of empty drums and cement bags Rs. 0.84 lakh) was due for recovery.

Thus it could be seen that against Rs. 34.00 lakh (Rs.1.88 crore – Rs. 1.54 crore) due to the contractor, Rs. 48.05 lakh stood recoverable from him resulting in unauthorised financial aid of Rs. 14.05 lakh. This excludes recovery on account of income tax to be affected.

The matter was reported to Government in May 1998; their reply had not been received (November 1998).

4.15 Unproductive expenditure on the construction of bridge over river Larreng

RCC bridge over river Larreng constructed at a cost of Rs. 41.41 lakh could not be opened for public for want of approaches.

Construction of RCC Bridge over River Larreng was completed in June 1992 at a cost of Rs.41.41 lakh based on the sanctioned estimate for bridge and approach. However, the work for the approaches could not be taken up as the expenditure exceeded the original sanctioned (1985) amount by Rs.6.26 lakh. A

revised estimate for Rs.60.05 lakh submitted in July 1992 to the Additional Chief Engineer, PWD (Roads) East Zone, Assam was not sanctioned. In view of the mounting demand by the public for utilisation of the Bridge the Local M.P. allotted (April 1997) an amount of Rs.2.00 lakh for construction of the approaches to meet the minimum need of the people. However, the approach road of the Bridge was not constructed by the Department till the date of audit (October 1997). As a result the RCC Bridge constructed at a cost of Rs.41.41 lakh could not be opened for use by the public and the entire expenditure remained unproductive for 6 years.

The matter was reported to Government in May 1998, their reply had not been received (November 1998).

CHAPTER – V

PUBLIC WORKS (BUILDINGS) DEPARTMENT

5.1 Locking up of funds due to non-utilisation of store materials lying at site

Material worth Rs. 29.52 lakh was lying unutilised at site for 6 to 10 years with risks of deterioration due to prolonged storage.

Rule 345 of the Assam Financial Rules stipulate that no materials should be issued for works unless these are required for immediate utilisation.

A test-check (July 1997) of records of Guwahati Buildings Division disclosed that materials (Cement, Tor Steel, Mild Steel and G.I. Sheets) valued at Rs. 29.52 lakh issued from Store against 17(seventeen) work between March 1988 and March 1992 were lying unutilised in site upto March 1998. It was observed that of the 17 works, 13 have been completed, 1 work was in progress, 2 works were stopped after execution of a portion of work and 1 work had not been taken up. The materials were lying idle for 6 to 10 years under the custody of concerned Sectional Officer. Physical verification of the materials was not conducted as of May 1998. The Divisional Officer stated in July 1998, that the materials booked against the works were not fully required for the works. Thus, the procurement of materials in excess of requirement and retaining these at site accounts without any timely physical verification not only resulted in locking up of funds to the extent of Rs. 29.52 lakh but also resulted in deterioration of their quality on account of prolonged storage.

The matter was reported to Government in May 1998; their reply had not been received (November 1998).

PUBLIC WORKS (ROADS) DEPARTMENT**5.2 Loss due to damage of Cement**

Injudicious procurement of cement without assessing the requirement resulted in a loss of Rs.8.88 lakh.

(a) Between March 1991 and January 1992, Bangaigaon Road Division received 4110 bags of Cement (Value : Rs.5.01 lakh at issue rate of Rs.122.00 per bag) for stock against Chief Engineer's (PWD) supply orders placed during the same period. During physical verification (March 1997) of stores in the departmental godown at Chapaguri, the Assistant Executive Engineer in-charge stores found that 4004 bags of cement valued at Rs.4.88 lakh got damaged and became unserviceable due to prolonged storage. Reasons for non-utilisation/non-disposal of the cement in time were neither available on records nor could be stated (November 1997) by the Division.

(b) In November 1994 and January 1995, Silchar NEC Division II procured 2165 bags of Cement (Value : Rs.4.00 lakh at issue rate of Rs.185.00 per bag) for "Construction of RCC bridge over River Barak at Raniferry". The cement so procured remained unused in the Assam Government State Warehouse at Silchar owing to stoppage of work by the contractor from early part of 1996 and got damaged/became unserviceable due to prolonged storage. The matter was belatedly reported by the store in-charge to Sub-division in May 1997 and thereafter to Chief Engineer, PWD (Roads) in July 1997 and September 1997. The reasons for non-transfer of the materials to other needy divisions in time were not stated.

Thus, injudicious procurement of cement by above divisions without assessing the actual requirement and lack of timely action for their disposal/transfer

had resulted in a loss of Rs.8.88 lakh being value of damaged cement (6169 bags). The losses were neither reported to Government nor to Audit by the Department.

The matter was reported to Government in May 1998; their reply had not been received (November 1998).

CHAPTER – VI

FINANCIAL ASSISTANCE TO LOCAL BODIES AND OTHERS

6.1 General

Autonomous bodies and authorities are set up to discharge generally non-commercial functions of public utility services. These bodies/authorities by and large receive substantial financial assistance from Government. Government also provides substantial financial assistance to other institutions such as those registered under the respective State Co-operative Societies Act, Companies Act, 1956, etc. to implement certain programmes of the State Government. The grants were intended essentially for maintenance of educational institutions, hospitals, charitable institutions, construction and maintenance of schools and hospital buildings, improvement of roads and other communication facilities under municipalities and local bodies.

6.2 Financial Assistance paid to Local bodies and others

During 1997-98, financial assistance of Rs.83.57 crore was paid to various autonomous bodies and others broadly grouped as under:

<u>Category of institutions</u>	<u>Amount of assistance paid</u> (Rupees in crore)
1. Universities and Educational Institutions	32.13
2. Municipal Corporation and Municipalities	2.00
3. Sports Institutions	0.45
4. Housing Boards	1.91
5. Welfare Boards	0.70
6. Industrial Institutions	0.45
7. Development Agencies	1.44
8. Autonomous Councils	
a) General Area	20.54
b) Sixth Schedule Area	21.71
9. Other Institutions	<u>2.24</u>
	Total : <u>83.57</u>

Financial assistance paid to these bodies during the year 1997-98 constituted 2.07 percent of the total Revenue expenditure (Rs. 4038.55 crores) of the Government for the year.

6.3 Utilisation certificates

The financial rules of Government require that where grants are given for specific purposes, certificates of utilisation should be obtained by the departmental officers from the grantees and after verification, these should be forwarded to Accountant General within one year from the date of sanction unless specified otherwise.

Although the Finance Department, Government of Assam was requested (October 1998) to furnish Department-wise position of utilisation certificates due and submitted during last 3 years, the required information had not been furnished (October 1998).

6.4 Audit of financial assistance to Local Bodies and others

6.4.1 Audit under Sections 14 and 15

According to the provisions of Section 14 of the Comptroller and Auditor General's (Duties, Powers and Condition of Service) Act, 1971 (as amended from time to time), receipts and expenditure of bodies and authorities substantially financed by grants and /or loans from the Consolidated Fund of the State are audited by the Comptroller and Auditor General of India (CAG). A body or authority is deemed to have been substantially financed in a year if the aggregate of grants and loans received by it during the year (including unutilised balance of grants and loans of previous years) is not less than (a) Rs.25 lakh representing 75 percent of the total expenditure of that body or authority and (b) Rs.1.00 crore.

Section 15 of the Act *ibid* requires that where any grants/loans are given to any body or authority for specific purposes from the Consolidated Fund, the CAG shall scrutinise the procedure by which the sanctioning authority has satisfied

itself as to the fulfilment of the conditions subject to which such grants and loans are given.

In order to identify the institutions which attract audit under Section 14/15 of the Act *ibid*, Government/Heads of Departments are required to furnish to Audit every year detailed information about the financial assistance given to various institutions, the purpose for which assistance was sanctioned and the total expenditure of the institutions.

(a) Despite requests (April 1997, April 1998 and October 1998), the Finance Department could not furnish complete information about financial assistance given to various bodies /authorities during 1996-97 and 1997-98 by different administrative departments. As a result, neither a complete list of bodies/authorities to be audited under Section 14 of the Act *ibid* could be drawn up nor could the amount of assistance given to various bodies during these years be ascertained (October 1998) in audit.

As per incomplete information furnished (July 1998) by the Finance Department and those collected by audit in earlier years 33 bodies/authorities were audited under Section 14 of the Act *ibid*. The status of submission of accounts by these bodies and completion of their audit as of September 1998 are given in Appendix -XVI.

According to provision in the Manual for Integrated Rural Development Programme (IRDP), the District Rural Development Agencies (DRDA) are required to submit their certified accounts to audit by 30 September each year. 17 DRDAs did not submit their accounts for 2 years (1996-97 and 1997-98) while 6 DRDAs did not submit accounts for 1 year (1997-98) as shown in Appendix -XVI. As such, the amount of financial assistance received by the 23 DRDAs from the State/Central Government during 1996-97 and 1997-98 and utilisation thereof could not be ascertained (October 1998). Guwahati Municipal Corporation had not submitted accounts since 1992-93.

(b) The modalities for audit of the accounts of following bodies/authorities to which financial assistance of Rs.22.93 crore was given during 1997-98 could not be finalised (October 1998). The matter is under correspondence with the Government.

(Rupees in crores)

Sl. No.	Name of body	Year of establishment	Assistance given by Government in 1997-98
1.	Bodoland Autonomous Council	May 1993	12.92
2	Missing Autonomous Council	October 1995	3.21
3	Rabha Hasang Autonomous Council	July 1995	2.46
4	Lalung (Tiwa) Autonomous Council	July 1995	1.95
5	Assam Urban Water Supply and Sewerage Board, Guwahati	January 1987	1.39
6	Board of Sports, Assam, Guwahati	May 1977	0.30
7	Assam Tea Employees Welfare Board, Guwahati	Since 1960	0.70
	Total:		22.93

6.4.2 Audit under Section 19 (3)

In terms of Section 19 (3) of the CAG's(DPC) Act, 1971, the audit of the accounts of bodies and authorities established by law made by State Legislature may be entrusted to the CAG. The Reports of the CAG in relation to the accounts of such bodies/authorities are required to be laid before the State Legislature.

Audit of accounts of the following bodies/authorities had been entrusted to the CAG under Section 19(3) of the Act *ibid*. The status of submission of accounts by the bodies/authorities and submission of Audit Reports thereon to the State Legislature as of September 1998 is given below:

Sl No.	Name of body	Period of entrustment	Date of entrustment	Year upto which accounts were due	year upto which accounts submitted	Year upto which Audit Reports issued	Year upto which Audit Report had been laid before the Legislature	Reasons for non-finalisation of Audit Report
1	Assam Khadi and Village Industries Board, Guwahati	1995-96 to 1999-2000	26-8-96	1997-98	1995-96	1995-96	Information awaited	Delay in submission of accounts.
2	Assam Agricultural University, Jorhat	1997-98 to 2001-2002	20.2.97	1997-98	1996-97	1995-96	-do-	Audit Report for 1996-97 is under finalisation. Accounts for 1997-98 not yet submitted.

6.4.3 Audit under Section 20 (1)

Where the audit of accounts of any body or authority has not been entrusted to the CAG by or under any law, he shall, if required to do so by the Governor of the State, undertake the audit of the accounts of such body or authority under Section 20(1) of the CAG's (DPC) Act, 1971 on such terms and conditions as may be agreed upon in this regard. The Audit Reports on the accounts of such bodies and authorities are to be submitted to them and the State Government.

The audit of accounts of the following bodies has been entrusted under the above Sections to the CAG for a period of 5 years as detailed below:

Sl. No.	Name of body	Period of entrustment	Date of entrustment	Year upto which audit completed	Remarks
1	Assam Institute of Management, Guwahati	1987-88 to 1992-93	01.12.1995*	1992-93	Audit Report was not required to be issued
2	Society for Implementation of Assam Area Project IIP IX	**		1995-96	-do-

* Re-entrustment of audit from 1993-94 is awaited from the Government.

** Audit for the year 1995-96 was conducted under Section 14 of CAG's (DPC) Act, 1971. The matter regarding entrustment of audit under Section 20 (1) of the Act is under correspondence with the Government.

6.5 Audit of Bodies under Proviso to Sixth Schedule of the Constitution

Besides, the accounts of two autonomous councils viz., North Cachar Hills Autonomous Council, Haflong and Karbi Anglong Autonomous Council, Diphu set up in April 1952 and June 1952 respectively are audited by the CAG under proviso to Sixth Schedule of the Constitution of India. The Audit Report on the accounts of these councils are submitted separately to the Governor for causing them to be laid before the Councils.

6.6 Audit arrangement by Government

In order to ensure correct accounting and proper utilisation of financial assistance, the State Government was to arrange primary audit of the accounts of local bodies and authorities.

Although the Finance Department was requested (October 1998), the required information about audit arrangement made for primary audit of these local bodies and authorities is awaited (October 1998).

The above matters were reported to Government (October 1998); their reply had not been received (November 1998).

PANCHAYAT AND RURAL DEVELOPMENT DEPARTMENT

6.7 Extra expenditure due to purchase of GCI sheet at higher rate

Procurement of GCI sheets from a private firm at higher rate led to extra expenditure of Rs. 1.17 crore.

The Purchase Committee of the Panchayat and Rural Development Department in March 1992 recommended purchase of all available sizes of Galvanised Corrugated Iron (GCI) sheets from Steel Authority of India (SAIL) at their offered rates which were lower than the rates of other tenderers. The Committee

further recommended that GCI sheets of 9 feet and 7 feet length which were not available with SAIL at that time may be procured from the approved firm at the accepted rate of Rs. 26951 per tonne excluding excise and special duty.

Test-check (November 1997) of records of Director, Panchayat and Rural Development revealed that in spite of availability of GCI sheets of 8 feet length with SAIL at the rate of Rs. 21950 per tonne (inclusive of taxes and duties), the Director purchased (between September 1992 and March 1993) 850.257 tonnes of GCI sheets (8 feet) at the rate of Rs. 26951 per tonne plus 11.5 per cent Excise and Special duty from the approved firm, Guwahati. Rupees. 2.55 crore were paid to the firm between September 1992 and April 1993. The rate of Rs. 26951 per tonne was subsequently (September 1992) revised to Rs. 31988 per tonne plus 11.5 per cent Excise and Special duty by the Technical Committee constituted by the Government under Assam Preferential Stores Purchase (APSP), Act 1989. A further payment of Rs. 48 lakh was made in April 1997 on account of the price difference based on court judgement (August 1996) of Guwahati High Court.

Thus, by procuring 850.257 tonnes of GCI sheets (8 feet) from a private firm at higher rate than that of SAIL as recommended by the Purchase Committee, the Department had incurred an extra expenditure of at least Rs. 1.17 crore*. Though the Commissioner and Secretary of Panchayat and Rural Development Department expressed his concern over the extra expenditure to the Commissioner and Secretary, Industries Department in January 1993 the Director of Panchayat and Rural Development continued to make purchase till the end of March 1993.

* $850.257 \times \text{Rs. } 31,988 \text{ plus } 11.5\% \text{ duty} = \text{Rs. } 3,03,25,793$
 $850.257 \times \text{Rs. } 21,950 = \underline{\text{Rs. } 1,86,63,141}$
 Total -- Rs. 1,16,62,652

The matter was reported to Government in May 1998; their reply had not been received (November 1998).

6.8 (a) Unauthorised expenditure from JRY funds

Rupees 46.05 lakh were spent for construction of channel diversions and flood damage restoration works outside the perview of Million Wells Scheme.

As per manual of Jawahar Rozgar Yojana (JRY), the entire work relating to implementation, co-ordination, review, supervision and monitoring of the programme was the responsibility of District Rural Development Agencies/Zila Parishads.

Under Million Wells Scheme (a sub-scheme of JRY) only open wells were to be constructed and tube wells and bore wells were not to be taken up. If construction of wells was not feasible due to geological factors, the amount was to be utilised for other schemes of minor irrigation like irrigation tanks and water harvesting structures and also for the development of land belonging to small and marginal farmers.

Scrutiny (November – December 1997) of the records of the Project Director (PD), District Rural Development Agency (DRDA), Dhemaji revealed that Rs.46.05 lakh, out of funds for Million Well Scheme (MWS), were placed at the disposal of the Executive Engineer, E&D Division, Dhemaji by the PD during 1994-95 (Rs.13.50 lakh) and 1995-96 (Rs.32.55 lakh) for channel diversions and flood damage works etc. Records of expenditure incurred were not produced to audit despite requisition.

Placing of funds with the Executive Engineer E&D Division was beyond the scope of the MWS and expenditure of 46.50 lakh from JRY funds was unauthorised.

The matter was reported to Government in June 1998; their reply had not been received (November 1998).

(b) **Unauthorised diversion of funds pertaining to Rural Development Programmes**

Rupees 33.88 lakh was spent out of rural development funds for repairing of Polling Stations without the approval of GOI.

As per the instructions issued by the Government (March 1996) and Deputy Commissioner, Nagaon (April 1996), the Project Director (PD), District Rural Development Agency (DRDA), Nagaon incurred (between April and October 1996) an expenditure of Rs.33.88 lakh for repairing of and erecting bamboo fencing in the school buildings which were to be utilised as Polling stations during the General Election 1996. The entire amount was diverted from the unspent balances of various time bound schemes relating to Employment Assurance Scheme, Integrated Rural Development Programme and Jawahar Rojgar Yojana. There was no record to show that the decision of the State Government to divert the rural development funds had the prior approval of the Government of India. The PD, DRDA approached (October 1996) the State Government (Panchayat and Rural Development Department) to obtain reimbursement of the estimated cost of Rs.29.40 lakh, which was awaited (September 1997). The PD had also informed the Government that diversion of funds hindered the progress of several schemes and some remained at half done stage.

Thus, unauthorised diversion of Rs. 33.88 lakh resulted in denial of intended benefits to the targetted group.

The matter was reported to Government in April 1998; their reply had not been received (November 1998).

6.9 Extra expenditure on construction of houses under Indira Awas Yojana

Extra expenditure of Rs. 41.40 lakh was incurred in excess of prescribed limit for construction of houses without basic amenities under Indira Awas Yojana, a component of Jawhar Rojgar Yojana.

The permissible limit of expenditure for construction of a house under the Indira Awas Yojana (IAY), a component of the Jawhar Rojgar Yojana (JRY) was revised as under from 1 January 1994.

a)	Construction of house	Rs. 9000
b)	Construction of sanitary latrine and smokeless chullah	Rs. 1500
c)	Cost of providing infrastructure and common facilities	<u>Rs. 3500</u>
		Rs.14000

The JRY manual stipulates that construction of sanitary latrines forms an integral part of IAY houses and should be given considerable importance.

Test-check (August-September 1997) of the accounts of the Project Director, District Rural Development Agency, Nagaon, revealed that 2070 houses were constructed during 1994-95 (620 houses) and 1995-96 (1450 houses) at a total cost of Rs. 3 crore (i.e. Rs. 14500 per house) without providing sanitary latrines and smokeless chullahs. In the absence of these components the cost of construction was to be restricted to Rs.2.59 crore (i.e. Rs. 12500 per house). It was further noticed from the model estimate prepared for IAY houses by the Executive Engineer, Nagaon that the estimated cost of each house was Rs.14,000 without smokeless chullahs and sanitary latrines.

Thus, in violation of JRY norm an extra expenditure of Rs.41.40 lakh was incurred in excess of prescribed monetary limit for construction of houses without basic amenities. The beneficiaries belonging to the weaker section of the community were also deprived of hygienic sanitary system.

In reply to audit query PD stated (April 1998) that the houses were constructed without smokeless chullahs and sanitary latrines due to escalation in the cost of construction. The reasons for exclusion of these components and also for exceeding the prescribed limit by Rs. 500 per house without approval of Government of India had not been stated.

The matter was reported to Government in April 1998; their reply had not been received (November 1998).

6.10 Amount spent out of IRDP funds on items which was beyond the scope of the scheme

Rupees 20.30 lakh spent on hand tube wells out of IRDP funds was beyond the scope of the scheme.

The Integrated Rural Development Programme (IRDP) does not provide for schemes relating to supply of drinking water as other schemes have been formulated for the purpose.

Scrutiny (January-February 1997) of records revealed that the Project Director, District Rural Development Agency (PD, DRDA), Dhubri spent Rs.20.30 lakh for purchase and installation of 748 hand tube wells out of IRDP funds for the years 1994-95 and 1995-96 for supply of drinking water. Thus, the diversion of Rs.20.30 lakh was unauthorised as it was beyond the scope of the scheme.

The matter was reported to Government in April 1998; their reply had not been received (November 1998).

6.11 Unauthorised expenditure and diversion of funds

Project Director, DRDA Kamrup spent Rs.16.65 lakh otherwise than the purpose for which fund was provided by GOI.

Scrutiny of records (May 1997 to July 1997) of the District Rural Development Agency (DRDA), Kamrup revealed that the Project Director (PD) had withdrawn (July 1992) an amount of Rs.16.65 lakh from IRDP funds and spent the amount, on behalf of the Director, Panchayat and Rural Development, Assam, for holding "Awareness-cum Publicity Campaign at Guwahati during celebration of Gandhi Jayanti -1991 although neither any provision for such expenditure existed in the IRDP Manual nor had any approval for the purpose been obtained from the

Government of India. The amount so spent by un-authorized diversion was treated as 'loan' to the Panchayat and Rural Development Department which however, had not refunded the amount.

On this being pointed out in audit the PD stated (August 1998) that as some amount of normal grants (amount not specified) was released by the Government during 1996-97 and 1997-98 for Administrative expenditure, the amount was treated as re-imbursed. The reply of the PD is however, not tenable since release of normal grant for administrative expenses of the DRDA was meant for establishment expenditure and not related to the purpose for which the loan was given.

The matter was reported to Government in April 1998; their reply had not been received (November 1998).

6.12 Non-accountal of materials by the Block Development Officers

Materials valued at Rs.14.36 lakh had not been accounted for by BDOs.

The Project Director, District Rural Development Agency (PD, DRDA), Nagaon issued construction materials from time to time to the Block Development Officers (BDOs) on the basis of their demand for the development works undertaken by them.

Scrutiny (August-September 1997) of records of the PD, DRDA, Nagaon and 13 BDOs revealed that construction materials valued at Rs. 14.36 lakh issued by the agency during October 1994 to March 1996 to 13 BDOs were not accounted for in the books of the respective BDOs. These unaccounted materials included perishable items like 2721 bags of cement valued at Rs.5.03 lakh issued to 7 BDOs. Records in support of utilisation of aforesaid materials for any work could not

be produced to audit. Though required under rules, physical verification of stock had not been conducted in the Blocks during the period from April 1994 to March 1996. The matter had not been investigated by PD, DRDA (March 1998).

The matter was reported to Government in April 1998; their reply had not been received (October 1998).

6.13 Irregularities in purchase and distribution of tool kits under IRDP

Various irregularities were noticed in distribution of tool kits valued at Rs. 35.32 lakh by DRDA, Dhubri.

In July 1992, a scheme for providing improved tool kits to rural artisans living below poverty line was introduced by the Government of India under Integrated Rural Development Programme. The scheme provided that each artisan shall receive tool kits worth Rs. 2000, of which DRDA shall provide Rs. 1800 and the beneficiaries contribution shall be Rs. 200.

The Director, Panchayat and Rural Development sanctioned Rs. 14.13 lakh to Project Director (PD), District Rural Development Agency (DRDA), Dhubri during 1994-95 (Rs. 5.13 lakh) and 1995-96 (Rs. 9 lakh) for providing tool kits to 758 beneficiaries. Test-check (February 1997) of records of PD, DRDA, Dhubri revealed the following irregularities in procurement and distribution of tool kits.

(a) The PD without inviting any tenders etc., placed supply orders with 36 suppliers for purchase of tool kits and paid Rs. 35.32 lakh during 1994-95 and 1995-96 towards purchase of 1766 tool kits at the rate of Rs.2000 each against the sanction of Rs. 14.13 lakh for 758 beneficiaries.

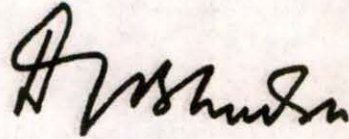
(b) Against 758 beneficiaries identified by the department record showed distribution of 1090 tool kits. Out of the balance 676 kits only 121 kits were available as closing balance in the stock book leading to a shortage of 555 kits valued at

Rs. 11.10 lakh. The shortage was not detected earlier by the department as no physical verification was carried out. Reasons for the shortage were not stated.

(c) Of the 1090 kits shown as distributed acknowledgement in respect of only 288 kits could be produced to audit leading to serious doubt about actual distribution of 802 kits costing Rs. 16.04 lakh including distribution of 332 kits (value Rs. 6.64 lakh) for which identification of eligible beneficiaries was not on record.

(d) Rs. 200 was to be paid by each beneficiary for the kits. There was no record to show the recovery of Rs. 2.18 lakh towards beneficiary contribution in respect of 1090 kits stated to have been distributed.

The matter was reported to Government in May 1998; their reply had not been received (November 1998).

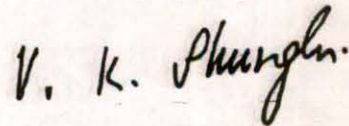


(D.J. BHADRA)
Accountant General (Audit)
Assam

Guwahati

The 1 Feb 1999

Countersigned



(V.K. SHUNGLU)
Comptroller and Auditor General of India

New Delhi

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The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that every entry should be supported by a valid receipt or invoice. This not only helps in tracking expenses but also ensures compliance with tax regulations. The second part of the document provides a detailed breakdown of the company's financial performance over the last quarter. It includes a comparison of actual results against budgeted figures, highlighting areas of both strength and concern. The final section outlines the company's strategic goals for the upcoming year, focusing on increasing operational efficiency and expanding market reach.

In addition, the document addresses the challenges faced by the organization in the current market environment. It notes that while demand remains steady, the cost of raw materials has increased significantly, which has impacted profit margins. To mitigate these risks, the management team has implemented several cost-saving measures, such as renegotiating supplier contracts and optimizing the production process. Furthermore, the company is investing in new technology to streamline its operations and reduce waste. The overall outlook is positive, with the company confident in its ability to meet its targets and drive long-term growth.

The document concludes with a summary of the key findings and recommendations. It stresses the need for continued vigilance in financial reporting and a commitment to transparency. The management team is committed to providing regular updates to the board and stakeholders on the company's progress. Finally, the document expresses gratitude to all employees for their hard work and dedication, which has been instrumental in the company's success. The company looks forward to a bright future and the continued support of its stakeholders.

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APPENDICES

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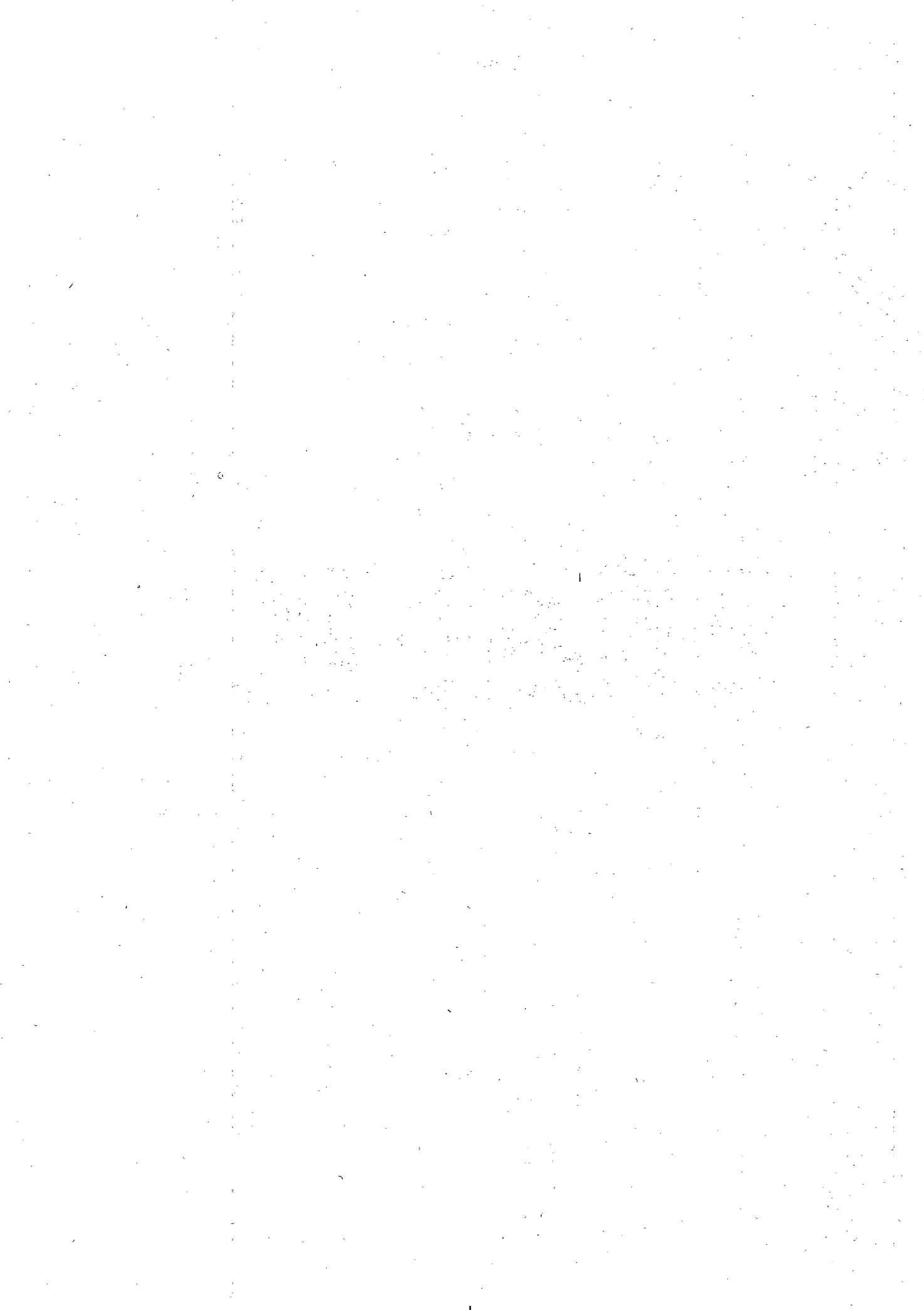
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APPENDIX – I

Statutory Corporation and Public Sector Undertaking and their accumulated loss
vis-à-vis Government share capital

(Reference: Paragraph 1.6.1; Page 27)

Sl. No.	Name of concern	Amount invested as on March'98 (Rs. in crore)	Accumulated loss	
			Upto the year	Amount (Rs. in crore)
1.	Assam State Warehousing Corporation.	3.20	94-95	1.86
2.	Assam State Transport Corporation	198.44	91-92	0.01
3.	Assam Spun Silk Mills Ltd	2,157	91-92	3.54
4.	Assam Government Marketing Corporation Ltd.	1.67	81-82	0.51
5.	Assam Tanneries Ltd.	0.01	81-82	0.04
6.	Assam Government Construction Corporation Ltd.	0.50	92-93	2.87
7.	Assam Small Industries Development Corporation Ltd.	8.65	85-86	1.66
8.	Assam and Meghalaya Mineral Development Corporation Ltd. Guwahati	0.38	83-84	0.09
9.	Assam Industries Development Corporation Guwahati	27.01	96-97	50.93
10.	Assam Agro Industries Development Corporation Ltd. Guwahati	1.10	92-93	2.27
11.	Assam Seed Corporation Ltd. Guwahati	1.25	86-87	5.53
12.	Assam Hills Small Industries Development Corporation Ltd. Guwahati	3.88	84-85	1.53
13.	Assam State Film (Finance and Development Corporation)	0.05	84-85	0.01
14.	Assam Plantation Crop Development Corporation	3.91	87-88	1.80
15.	Assam State Textiles Corporation Ltd.	4.78	92-93	21.03
16.	Assam State Development Corporation for Schedule Caste	4.00	83-84	0.23
17.	Assam State Development Corporation for Schedule Tribes	0.09	82-83	0.67
18.	Assam Electronic Development Corporation Ltd.	8.28	91-92	0.62
19.	Assam Fisheries Development Corporation Ltd.	1.05	91-92	1.81
20.	Everest Cycle Ltd. Guwahati	0.05	June '74	0.08
21.	Ashok paper Mills Ltd.	3.81	Dec. '97	5.19
22.	Central Road Transport Corporation Ltd.	0.10	75-76	2.59
23.	Central Inland Water Transport Corporation	0.86	75-76	15.98
24.	National Projects Construction Corporation Ltd.	0.10	74-75	0.02
	Total:-	294.74		120.87

APPENDIX -II

Statement showing cases where supplementary provision was wholly unnecessary

(Reference : Paragraph 2.2.2 ; Page 34)

(Rupees in lakh)

Sl. No.	No. & Name of grant/appropriation	Original grant/appropriation	Supplementary	Expenditure	Savings
(1)	(2)	(3)	(4)	(5)	(6)
1.	1- State Legislature (Revenue) Voted	1389.52	56.00	1092.47	353.05
2.	Head of State (Revenue) Charged	101.78	32.76	75.45	59.09
3.	3- Administration of Justice (Revenue) Voted	1877.06	88.23	1585.33	379.96
	(Revenue) Charged	650.94	60.15	457.58	253.51
4.	6- Land Revenue and Land Ceiling (Revenue) Voted	5809.33	138.16	3873.15	2074.34
5.	7- Stamps and Registration (Revenue) Voted	413.25	1.50	282.09	132.66
6.	9- Transport Services (Revenue) Voted	3230.30	55.00	2246.66	1038.64
7.	11- Civil Secretariat and attached offices (Revenue) Voted	6635.21	82.82	5839.88	878.15
8.	12- District Administration (Revenue) Voted	4103.83	32.30	2555.60	1580.53
9.	14- Police (Revenue) Voted	41906.43	3811.69	40297.12	5421.00
10.	15- Jails (Revenue) Voted	1082.69	150.00	1053.00	179.69
11.	17- Administrative & Functional Building (Capital) Charged	--	0.95	--	0.95
12.	18- Fire Services (Revenue) Charged	0.25	0.50	--	0.75
13.	19- Vigilance Commission and others (Revenue) Voted	391.52	8.79	244.30	156.01
14.	20-Civil Defence and Home Guard (Revenue) Voted		0.71		0.71
15.	21- Guest House, Government Hostel etc. (Revenue) Voted	331.22	31.50	277.13	85.59

(1)	(2)	(3)	(4)	(5)	(6)
16.	22- Administrative Training (Revenue) Voted	151.01	1.36	81.27	71.10
17.	26- Education (Revenue) Voted	14677.27	658.77	13004.40	2331.64
18.	29- Medical and Public Health (Revenue) Charged	--	1.25	--	1.25
19.	30- Water Supply & Sanitation (Revenue) Voted	12206.20	200.00	10796.66	1609.54
20.	31- Urban Development (Revenue) Voted	1131.88	284.00	648.87	767.01
21.	33- Residential Building (Capital) Charged	--	37.73	--	37.73
22.	34- Urban Development Municipal Administration (Revenue) Voted	1285.37	40.00	672.00	653.37
23.	37- Food Storage, Warehousing and Civil Supplies (Revenue) Voted (Revenue) Charged	2027.27 --	239.64 0.25	841.61 --	1425.30 0.25
24.	38- Welfare of SC/ST and OBC (Revenue) Voted	6998.85	0.01	3215.92	3782.94
25.	39- Social Security, Welfare and Nutrition (Revenue) Voted	4669.13	0.01	3058.96	1610.18
26.	40- Freedom Fighters, Rajya Sainik Board, Relief Programme (Revenue) Charged	--	0.07	--	0.07
27.	44- North Eastern Council Schemes (Revenue) Voted	668.00	11.54	454.03	225.51
28.	45- Census, Surveys and Statistics (Revenue) Voted	907.87	24.50	733.48	198.89
29.	48- Agriculture (Revenue) Voted (Revenue) Charged	14380.95 -	10.00 0.30	11275.82 -	3115.13 0.30

(1)	(2)	(3)	(4)	(5)	(6)
30.	49- Irrigation (Capital) Voted (Revenue) Charged	12855.30 --	263.50 1.35	11981.36 --	1137.44 1.35
31.	50- Other Special Areas Programmes (Revenue) Voted	726.57	650.00	709.07	667.50
32.	52- Animal Husbandry (Revenue) Charged	2.00	1.95	--	3.95
33.	53- Dairy Development (Revenue) Charged	--	0.91	--	0.91
34.	54- Fisheries (Revenue) Charged	--	1.14	--	1.14
35.	55- Forestry and Wildlife (Revenue) Voted (Revenue) Charged	8374.96 --	10.57 27.90	7158.29 --	1227.24 27.90
36.	59- Sericulture and Weaving (Revenue) Charged	--	1.97	--	1.97
37.	62- Power (Electrical) (Revenue) Charged	--	24.27	--	24.27
38.	63- Flood Control (Revenue) Charged	--	1.97	--	1.97
39.	64- Roads and bridges (Capital) Voted (Revenue) Charged	15275.63 1.08	1900.00 13.41	7883.21 --	9292.42 14.49
40.	65- Tourism (Capital) Voted (Revenue) Charged	255.16 --	14.50 1.83	50.59 --	219.07 1.83
41.	66- Payment of Compensation and Assignment to Local Bodies and Panchayati Raj Institutions (Revenue) Voted	1226.32	27.77	--	1254.09
42.	67- Assam Capital Construction (Capital) Voted	1772.80	25.00	172.03	1625.77
43.	70- Hill Areas (Revenue) Voted	317.79	25.00	141.09	201.70
44.	71- Education (Elementary) (Revenue) Voted (Revenue) Charged	111803.87 --	5685.15 1.56	101657.72 --	15831.30 1.56
	Total Revenue	249479.72	12499.51	214318.95	47660.28
	Total Capital	30158.89	2240.73	20087.19	12312.43
	Grand Total	279638.61	14740.24	234406.14	59972.71

APPENDIX - III
Instances of excess expenditure over Rs. 25 lakh
where supplementary grants were not obtained/inadequate
(Reference : Paragraph 2.2.2; Page 34)

(Rupees in lakh)

Sl. No.	Number and Name of grant/appropriation	Total provision	Actual expenditure	Excess
1.	29-Medical and Public Health (Revenue) Voted	24588.28	25000.29	412.01
2.	Appropriation Public Debt and Servicing of Debt (Capital) Charged	90030.09	351850.31	261820.22
	Total (Revenue)	24588.28	25000.29	412.01
	Total (Capital)	90030.09	351850.31	261820.22
	Grand Total	114618.37	376850.60	262232.23

APPENDIX – IV**Excess over grants/appropriation requiring regularisation**

(Reference : Paragraph 2.2.3 ; Page 34)

Revenue Section				
Sl. No.	No. & Name of grant/appropriation	Total grant/ appropriation (Rs.)	Actual expenditure (Rs.)	Excess (Rs.)
1.	29- Medical and Public Health (Voted)	2458828000	2500028966	41200966
	Total (Voted)	2458828000	2500028966	41200966

Capital Section				
Sl. No.	No. & Name of grant/appropriation	Total grant/ appropriation (Rs.)	Actual expenditure (Rs.)	Excess (Rs.)
1.	Appropriation – Public Debt and Servicing of Debt (Charged)	9003009000	35185031422	26182022422
	Total (Charged)	9003009000	35185031422	26182022422

APPENDIX -V

Grants/appropriations under which expenditure fell short by more than Rs.1 crore
and also by more than 10 per cent of total provision

(Reference: Paragraph 2.2.4; Page 34)

Sl. No.	Number & name of grant/ appropriation	Amount of savings (Rupees in crore) and its percentage (in brackets)	Reasons for savings
1.	1-State Legislature (Revenue) Voted	3.53 (24)	Against the final savings of Rs.3.53 crore, only Rs. 0.88 crore was surrendered. Reasons for saving had not been intimated (October 1998)
2.	3-Administration of Justice (Revenue) Voted (Revenue) Charged	3.80 (19) 2.54 (36)	No part of the saving was surrendered. Reasons for saving had not been intimated (October 1998).
3.	4 – Elections (Revenue) Voted	5.00 (13)	No part of the saving was surrendered. Reasons for saving had not been intimated (October 1998).
4.	5- Sales Tax and Other Taxes (Revenue) Voted	2.34 (20)	Against the final savings of Rs.2.34 crore, Rs. 3.48 crore was surrendered. Reasons for saving had not been intimated (October 1998)
5.	6- Land Revenue and Land Ceiling (Revenue) Voted	20.74 (35)	No part of the saving was surrendered. Reasons for saving had not been intimated (October 1998).
6.	7- Stamps and Registration (Revenue) Voted	1.33 (32)	-do-
7.	9-Transport Service (Revenue) Voted (Capital) Voted	10.39 (32) 2.25 (14)	-do-

Sl. No.	Number & name of grant/ appropriation	Amount of savings (Rupees in crore) and its percentage (in brackets)	Reasons for savings
8.	11-Secretariat and attached offices (Revenue) Voted	8.78 (13)	Against the final saving of Rs.8.78 crore only Rs. 0.03 crore was surrendered. Reasons for final saving had not been intimated (October 1998).
9.	12-District Administration (Revenue)Voted	15.81 (38)	No part of the saving was surrendered. Reasons for saving had not been intimated (October 1998).
10.	14-Police (Revenue) Voted (Capital) Voted	54.21 (12) 7.19 (34)	-do-
11.	15-Jails (Revenue) Voted	1.80 (15)	Against the final saving of Rs.1.80 crore only Rs. 0.54 crore was surrendered. Reasons for final saving had not been intimated (October 1998).
12.	19-Vigilance Commission and Others (Revenue) Voted	1.56 (39)	No part of the saving was surrendered. Reasons for saving had not been intimated (October 1998).
13.	16-Stationary and Printing (Revenue) Voted	2.45 (30)	-do-
14.	17- Administrative & Functional Building (Revenue) Voted (Capital) Voted	6.42 (16) 10.06 (39)	-do-
15.	18-Fire Services (Revenue)Voted	2.66 (23)	-do-
16.	20-Civil Defence & Home Guard (Revenue) Voted	2.51 (12)	-do-

Sl. No.	Number & name of grant/ appropriation	Amount of savings (Rupees in crore) and its percentage (in brackets)	Reasons for savings
17.	24-Aid materials (Revenue) Voted	10.78 (100)	No part of the saving was surrendered. Reasons for saving had not been intimated (October 1998).
18.	26-Education (Revenue) Voted	23.32 (15)	-do-
19.	27-Art & Culture (Revenue) Voted	12.66 (44)	-do-
20.	30-Water Supply & Sanitation (Revenue) Voted	16.10 (13)	-do-
21.	31-Urban Development (Town & Country Planning) (Revenue) Voted (Capital) Voted	7.67 (54) 1.07 (74)	Against the final saving of Rs.7.67 crore only Rs. 6.43 crore was surrendered. Against the total saving of Rs. 1.07 crore, amount surrendered was Rs. 0.97 crore. Reasons for saving had not been intimated (October 1998).
22.	32-Housing (Revenue) Voted	1.95 (31)	No part of the saving was surrendered. Reasons for saving had not been intimated (October 1998).
23.	33-Residential Buildings (Revenue) Voted (Capital) Voted	7.64 (69) 2.24 (45)	-do-

Sl. No.	Number & name of grant/ appropriation	Amount of savings (Rupees in crore) and its percentage (in brackets)	Reasons for savings
24.	34-Urban Development Municipal Administration (Revenue) Voted (Capital) Voted	6.53 (49) 3.30 (31)	Against the final savings of Rs. 6.53 crore amount surrendered was Rs. 6.60 crore. Saving was mainly due to non filling up of posts and non release of grants to urban local bodies due to non-receipt of Sanction and LOC. Against the final saving of Rs.3.30 crore amount surrendered was Rs.0.50 crore. Reasons for saving had not been intimated (October 1998).
25.	35-Information & Publicity (Revenue) Voted	2.47 (32)	No part of the saving was surrendered. Reasons for saving had not been intimated (October 1998).
26.	36-Labour and Employment (Revenue) Voted	5.14 (20)	Against the final saving of Rs.5.14 crore only Rs. 0.04 crore was surrendered. Reasons for final saving had not been intimated (October 1998).
27.	37-Food Storage Warehousing & Civil Supplies (Revenue) Voted	14.25 (63)	No part of the saving was surrendered. Reasons for saving had not been intimated (October 1998).
28.	38-Welfare of Schedule Caste/Scheduled Tribe & Other Backward classes (Revenue) Voted	37.83 (54)	-do-
29.	39-Social Security Welfare & Nutrition (Revenue) Voted	16.10 (34)	-do-
30.	40-Freedom Fighters Rajya Sainik Board, Relief Programme etc. (Revenue) Voted	13.49 (29)	-do-
31.	41-Natural Calamities (Revenue) Voted	55.49 (44)	-do-

Sl. No.	Number & name of grant/ appropriation	Amount of savings (Rupees in crore) and its percentage (in brackets)	Reasons for savings
32.	43-Co-operation (Revenue) Voted (Capital) Voted	7.93 (18) 16.60 (99)	No part of the saving was surrendered. Reasons for saving had not been intimated (October 1998).
33.	44-North Easter Council Schemes (Revenue) Voted (Capital) Voted	2.26 (33) 7.35 (38)	-do-
34.	45-Census Surveys & Statistics (Revenue) Voted	1.99 (21)	-do-
35.	48-Agriculture (Revenue) Voted (Capital) Voted	31.15 (22) 4.00 (100)	-do-
36.	49-Irrigation (Revenue) Voted	2.77 (12)	-do-
37.	50-Others Special Areas Programme (Revenue) Voted	6.68 (49)	-do-
38.	51-Soil & Water Conservation (Revenue) Voted	3.06 (22)	-do-
39.	52-Animal Husbandry (Revenue) Voted	18.38 (28)	Against the final saving of Rs.18.38 crore only Rs. 5.28 crore was surrendered. Reasons for final saving had not been intimated (October 1998).
40.	53-Dairy Development (Revenue) Voted	4.64 (44)	No part of the saving was surrendered. Reasons for saving had not been intimated (October 1998).

Sl. No.	Number & name of grant/ appropriation	Amount of savings (Rupees in crore) and its percentage (in brackets)	Reasons for savings
41.	54-Fisheries (Revenue) Voted	4.79 (25)	No part of the saving was surrendered. Reasons for saving had not been intimated (October 1998).
42.	55-Forestry and Wildlife (Revenue) Voted	12.27 (15)	-do-
43.	56-Rural Development Panchayat (Revenue) Voted	34.62 (36)	-do-
44.	57-Rural Development (Revenue) Voted	32.67 (44)	Against the final saving of Rs.32.67 crore amount surrendered was Rs. 31.71 crore. Saving was mainly due to non-filling up of vacant post and non receipt of sanction from the Government.
45.	58-Industries (Revenue) Voted (Capital) Voted	33.02 (75) 4.79 (13)	No part of the saving was surrendered. Reasons for saving had not been intimated (October 1998).
46.	59- Sericulture and Weaving (Revenue) Voted	25.68 (39)	-do-
47.	62-Power (Electricity) (Capital) Voted	34.54 (30)	-do-
48.	63-Flood Control (Revenue) Voted (Capital) Voted	9.25 (16) 6.50 (14)	-do-
49.	64-Roads & Bridges (Revenue) Voted (Capital) Voted	38.62 (25) 92.92 (54)	-do-

Sl. No.	Number & name of grant/ appropriation	Amount of savings (Rupees in crore) and its percentage (in brackets)	Reasons for savings
50.	65-Tourism (Capital) Voted	2.19 (81)	Against the saving of Rs. 2.19 crore only Rs. 0.81 crore was surrendered. Reasons for final saving had not been intimated (October 1998).
51.	66-Payment of Compensation & Assignment to Local Bodies & Panchayati Raj Institutions (Revenue) Voted	12.54 (100)	No part of the saving was surrendered. Reasons for saving had not been intimated (October 1998).
52.	67-Assam Capital Construction (Capital) Voted	16.26 (90)	Against the final saving of Rs.16.26 crore, only Rs. 0.01 crore was surrendered. Reasons for saving had not been intimated (October 1998).
53.	69-Scientific Services & Research (Revenue) Voted	2.70 (72)	Against the final saving of Rs.2.70 crore, only Rs. 0.30 crore was surrendered. Reasons for final saving had not been intimated (October 1998).
54.	70-Hill Areas (Revenue) Voted (Capital) Voted	2.02 (59) 1.90 (100)	No part of the saving was surrendered. Reasons for saving had not been intimated (October 1998).
55.	71-Education (Elementary) (Revenue) Voted	158.31 (13)	-do-
		1035.80	

APPENDIX – VI

Plan Schemes/Programmes in which the saving was more than Rs.1 crore and also in excess of 10 percent of total provision.

(Reference : Paragraph 2.2.5; Page 35)

Sl. No.	Number and name of grant/appropriation	Name of schemes/ programmes	Amount of savings and its percentage to provision in bracket (Rupees in crore)
1.	14- Police (Revenue)	2055 – Police 003 – Education & Training (g) Upgradation of standard of Administration under 10 th Finance Commission Award Police Training General	1.18 (87)
2.	15- Jail (Revenue)	2056 – Jail III – Centrally sponsored schemes 001- Direction & Administration (a) (ii) Modernisation of prison Administration – General	1-10 (100)
3.	17 – Administrative and Functional Building (Capital)	4059 – Capital outlay on Public Works 01 Office Building 101 Construction – General Pool Accommodation (L) Lump provision for construction of Administration & Allied Building for GAD. General III Centrally sponsored schemes 101 Construction Building General	2.08 (45) 1.85 (99)
4.	24-Aid Materials & Equipments (Revenue)	3606 – Aid Materials & Equipments. 238 – Assistance from W.H.O. b) Malaria Control – General	9.30 (100)
5.	27-Art & Culture (Revenue)	2205 – Art and Culture III Centrally sponsored schemes 102-Promotion of Art and Culture\ Grant in aid (a) Assistance to Srimanta Sankardev Kala Khetra General	8.50 (94)

6.	30 – Water Supply and Sanitation (Revenue)	2215 – Water Supply and Sanitation II Other State plan & Non Plan Schemes 001 Direction & Administration General 102 (a) Rural Water Supply Schemes Sixth Schedule (Pt-I) Areas (b) Operation & Maintenance Scheme -- General 800 – Other Expenditure (c) (i) Other than TSP and SCCP General (ii) Tribal Sub-Plan -- General	2.13 (21) 3.32 (49) 7.46 (100) 1.84 (100) 2.07 (100)
7.	31-Urban Development (Town & Country Planning) (Revenue)	2217 – Urban Development (T&CP) II-Other State Plan & Non-Plan Schemes, 03-Integrated Development of Small &Medium Towns. 001-Direction & Administration (a) Planning Wing –General	2.44 (74)
8.	32-Housing Schemes (Revenue)	2216- Housing II – Other State Plan & Non Plan Schemes. 103 – Assistance to Housing Board (a) Assistance to Housing Board 9. Grants-in-Aid, contribution/subsidies – General	1.42 (100)
9.	33-Residential Building (Capital)	4216 – Capital Outlay on Housing (PWD) III Centrally sponsored Scheme (ii) Administration of Justice General	1.96 (92)
10.	34 – Urban Development (Municipal Administration.) (Revenue)	2217-Urban Development II- Other State Plan & Non-Plan Schemes. 05-Other Urban Development Schemes. 191 – Assistance to Local Bodies Corporation, Urban Development authorities town improvement	

		Boards Etc – General III – Centrally sponsored schemes 05 – Other than Urban Development Schemes 191 – Assistance to Local Bodies Corporation Urban Development authorities town improvement boards etc. (a) U.B.S.S. – General	1.67 (68) 2.73 (100)
11.	37 – Food Storage Warehousing and Civil Supplies (Revenue)	3456 – Civil Supplies. IV – Central sector schemes 800 – Other expenditure. (a) One time Assistance to Consumer Dispute Redressal Commission & District Forum 9. Grants-in-aid -- General.	1.45 (100)
12.	44-North Eastern Council Scheme (Capital)	4552 – Capital Outlay on N.E.C. Areas. IV – Transport & Communication 1. Roads & Bridges – General	7.03 (46)
13.	50-Other Special Areas Programmes (Revenue)	2575- Other Special Areas Programme II – Other State Plan and Non-Plan schemes. 02- Backward Areas (1) Development of Char Areas. 001- Direction and Administration. (b) Border Areas Development General (c) Border Areas Development Programme (Special Central Assistance) – General	1.80 (100) 4.43 (42)
14.	54 – Fisheries (Revenue)	2405 – Fisheries II – Other State Plan & Non – Plan Schemes 800 – Other Expenditure A. Add State Transfer from III – CSS – General. G. Assam Rural Infrastructure and Agriculture Science Project. (World Bank) (v) Beel Fisheries Development – General	1.00 (100) 1.06 (100)

		vi) Fisheries Research – General	1.04 (100)
		vii) Fisheries Extension Education and Training – General	2.25 (100)
		III – Centrally sponsored schemes Fish Farmers Development Schemes – General	1.17 (43)
15.	58 – Industries (Revenue)	2852 – Industries. II – Other State Plan & Non – Plan Schemes. 800 – Other expenditure (a) Subsidy for implementation of new Industrial Policy (b) 9 – Grants-in-aid – General 20 – Industries (a) Setting up of EPIR by AIDC Ltd. – General IV – Central Sector Schemes 800 – Other (a) Transport Subsidy 9 – Grants-in-aid – General	1.00 (100) 1.00 (100) 30.00 (100)
		Sixth Schedule (Pt-I) Areas	2.40 (100)
		Setting up of an EDIP at Amingaon by AIDC Ltd. 9 – Grants – in – aid – General	5.00 (100)
		4885 – Capital Outlay on Industries and Minerals. II – Other State Plan and Non-Plan Schemes 800 – Other expenditure (c) Share Capital to AIDC Ltd. 18. Investment – General	1.00 (100)
	-do- (Capital)	(g) Construction of Office building of Director of Industries – General (h) Share to different corporation for revitalisation modernisation privatisation of different Project 18. Investment – General	1.04 (100) 1.90 (100)

16.	59 - Sericulture & Weaving (Revenue)	2851 - Village & Small Industries III - Centrally Sponsored Schemes Handloom Industries - General IV - Central Sector Schemes 103 - Handloom Industries (a) Subsidy grants for Janata Cloth Production - General (c) Margin Money of Establishment - General (d) Bank Yarn Price Subsidy Scheme - General (e) Handloom Development Centre - General	10.29 (98) 7.00 (100) 1.00 (100) 2.00 (100) 7.00 (100)
17.	60 - Cottage Industries (Revenue)	2851 - Village & Small Industries IV - Central Sector Schemes 102 - Small Scale Industries - General	1.45 (100)
18.	62 - Power (Electricity) (Capital)	6801 - Loans for Power Projects II - Other State Plan & Non-plan Schemes 800 - Loans to Electricity Board - General	32.54 (29)
19.	63 - Flood Control (Capital)	4711 - Capital Outlay on Flood Control 01 - Flood Control 103 - Civil Works A - Brahmaputra Flood Control Project (a) Land Acquisition - General IV. Central Sector Schemes 103 - Civil Works Flood Control Works on Brahmaputra Valley - General	1.25 (100) 11.08 (44)
20.	67-Assam Capital Constructions. (Capital)	4217 - Capital outlay on Urban Development. II - Other State Plan and Non-Plan Schemes. 800 - Other Expenditure (vi) Special Problem - Construction of Sectt. Building in the State Capital Award of Tenth Finance Commission - General.	15.00 (100)

Appendix – VII

**Statement showing closing cash balances under CRF and position of
Overdrafts obtained during
1990-91 and 1997-98**

(Reference : Paragraph 2.7 ; page : 51)

Year	Amount shown as transferred to the CR Fund	Unspent balance in the CR Fund as of March	Closing balance with RBI as of March	No. of days on which Ways & Means Advance and overdraft obtained during the year
(Rupees in crores)				
1990-91	30.00	24.89	57.91	235
1991-92	30.00	54.89	81.36	129
1992-93	30.00	84.89	(-)160.15	94
1993-94	30.00	114.89	(-)258.29	114
1994-95	30.00	144.89	(-)358.38	172
1995-96	---	144.89	19.06	75
1996-97	---	144.89	19.02	187
1997-98	52.77	197.66	(-)60.10	206

APPENDIX-VIII

Statement showing year-wise Central and State's shares of contribution to the fund (CRF), amount actually credited to the fund and expenditure met out the fund during 1990-91 to 1997-98

(Reference : Paragraph 2.7 ; page 51)

Year	Contribution released by Govt. of India (75 per cent)	Matching contribution of the State Govt. (25 per cent)	Total corpus of Fund	State's Budget provision under the service head 05-CRF	Amount actually credited to Fund by debit to service head	Expenditure met on relief measures out of the Fund	Investment made from the Fund	Balance in the Fund under "8235" as of March each year	Excess (+) Less (-) credit to the Fund
(Rupees in crore)									
1990-91	22.50	7.50	30.00	NIL	30.00	5.11	---	24.89	-
1991-92	22.50	7.50	30.00	--	30.00	...	---	54.89	-
1992-93	16.87	5.62	22.49	30.00	30.00	...	---	84.89	(+) 7.51
1993-94	28.13	9.38	37.51	30.00	30.00	...	---	114.89	(-) 7.51
1994-95	22.50	7.50	30.00	30.00	30.00	...	---	144.89	-
1995-96	35.40	11.80	47.20	47.20	---	144.89	(-) 47.20
1996-97	37.51	12.50	50.01	50.01	---	144.89	(-) 50.01
1997-98	39.58	13.19	52.77	52.77	52.77	...	---	197.66	-
TOTAL:	224.99	74.99	299.98	239.98	202.77	5.11	---	197.66	(-) 97.21

APPENDIX-IX

**Statement Showing the Local Purchase of various materials/medicine not related to antimalarial drugs
(Reference: Paragraph 3.6.5(c) (i) ;page 78)**

Sl. No.	5% Dextrox 500ml @Rs.16.06 per bottle	D.N.S. 9% Sodium Chloride @Rs.16.15 per bottle	9% Sodium Chloride I.V. fluid @Rs.15.14 per bottle	Disposal I.V. sets @Rs. 5.98+8% AGST per set	Hospital Blanket @Rs.317/-each	Mosquito Net Rs.259.30/285/-+8% AGST.each	Absorbent Cotton Rs.70.20 each	Adhesive Plaster Rs.68.70 each	Gauze Cloth Rs.82.29 per than	Bandage Cloth Rs.110.41 per than	Amount
1	2	3	4	5	6	7	8	9	10	11	12
1	50,820 bottles	50,835 bottles	4000 bottles	--	--	--	--	--	--	--	16,97,714
2	79,000 bottles	66,200 bottles	20,000 bottles	--	--	--	--	--	--	--	26,40,670
3	16,080 bottles	16,080 bottles	4,000 bottles	--	--	--	--	--	--	--	5,78,497
4	16,000 bottles	16,000 bottles	4,000 bottles	--	--	--	--	--	--	--	5,75,920
5	--	--	--	1,92,555 sets	--	--	--	--	--	--	12,43,597
6	--	--	--	--	4,731 nos.	--	--	--	--	--	14,99,927/-
7	--	--	--	--	--	5787 nos.	--	--	--	--	16,20,614
8	--	--	--	--	--	5,000 nos.	--	--	--	--	15,39,000
9	--	--	--	--	--	--	7,122 nos.	--	--	--	4,99,965/-
10	--	--	--	--	--	--	--	1,451 nos.	--	--	99,684
11	--	--	--	--	--	--	--	--	4,500 than	5,000 than	9,22,355
12	--	--	--	--	--	--	--	--	1807 than	1358 than	2,98,635
13	--	--	--	--	--	--	--	--	1663 than	1247 than	2,74,529
Total Rs.										1,34,90,906 Say Rs.1.35 crore	

the position has been taken from stock books

APPENDIX - X

Statement showing the amount of penalty leviable to the firms in respect of 15 vessels already delivered.

(Reference : Paragraph 3.14(a); page 106)

Sl. No.	Name of the Firms	Work order No. & Date	Item of work	Quantity delivered	Tendered value	Stipulated date of delivery	Actual Date of delivery	Extent of delay	Penalty leviable at 10 per cent on tendered value (Rupees in lakh)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
01	M/S E.E.E Pvt. Ltd Guwahati	DWT(T)/87/92/16 dated 31/3/93	17 metre long steel pontoon	4	9,10,100 X 4 = 36,40,000	December 1993	January 1996 February 1997 July 1997 November 1997	3 y - 1 m 3 y - 3m 3y - 8m 4 years	3.64
02	M/S S & C Pvt. Ltd., Guwahati	DWT(T)/12/90/29 Dated 5/3/91	22 metre long single Boat	1	12,01,000	June 1992	November 1996	4 y - 6 m	1.20
03	M/S Vanguard (India) Pvt. Ltd, Guwahati	DWT(T)/76/89/21 dated 7/3/91	- do -	1	12,01,000	June 1992	October 1996	4 y - 5 m	1.20
04	M/S AMES, Guwahati -5	DWT(T)/34/91/14 dated 21/3/92	20 metre long single Boat	3	15,18,458 X 3 each =45,55,374	June 1993	November 1995 February 1996 October 1996	2 y - 6 m 2 y - 8 m 3 y - 5 m	4.56
05	M/S Shipwright Associates, Guwahati	DWT(T)/34/91/12 dated 24/3/92	- do -	3	15,18,458 X 3 each =45,55,374	June 1993	May 1996 September 1996 March 1997	3 years 3y - 4 m 3 y - 10 m	4.55
06	M/S Panchoi, Guwahati	DWT(T)/87/92/35 dated 3/2/95	17 metre long Pantoon Burge	3	9,10,100 X 3 = 27,30,000	May 1995	October 1997 November 1997 February 1998	2 y - 6 m 2 y - 7 m 2 y - 10	2.73
					1,78,82,748				17.88

APPENDIX - XI

**Utilisation of Special Central Assistance for Tribal Sub-Plan
1992-93 to 1997-98**

(Reference: Paragraph 3.17.5 ; page 111)

Year	Fund released by Govt. of India	Fund available with the State Government	Fund released by State Govt.	Unspent balance with Implementing Agencies	Fund received by Implementing Agencies out of released fund of earlier years	Total fund available with Implementing Agencies (Cols. 4+5+6)	Expenditure incurred by Implementing Agencies	Unspent balance(-) Excess Expenditure(+)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
(Rupees in crore)								
Opening balance		3.54		10.29	5.26	15.55		(-)15.55
1992-93	10.78	10.78	10.26	-	-	10.26	5.09	(-) 5.17
1993-94	10.87	10.87	10.39	-	-	10.39	6.90	(-) 3.49
1994-95	11.13	11.13	11.10	-	-	11.10	7.53	(-) 3.57
1995-96	15.45	15.45	8.24	-	-	8.24	18.71	(+)10.47
1996-97	15.25	15.25	9.40	-	-	9.40	12.24	(+) 2.84
1997-98	14.60	14.60	9.38	-	-	9.38	9.05	(-) 0.33
Total	78.08	81.62	58.77	10.29	5.26	74.32	59.52	(-)14.80

APPENDIX- XII

Statement showing higher rates allowed for teaching aids.
(Reference : Paragraph 318 (a)(iii) ; Page 122)

Sl. No.	Articles	Description	Rates approved (October 1995) (In Rupees)	Quantity (No)	Total (In Rs.)	Present market rate (May 1998) (In Rupees)	Quantity (No)	Total
1	Maps 100 cm X 75 cm Plastic laminated Print Washable PVC	(a) Map of Assam Political & Physical (English)	375 each	3	1125	225 each	3	675
		(b) -Do- (Assamese)	375 each	2	750	225 each	2	450
		(c) Map of India Political & Physical (English)	375 each	3	1125	225 each	3	675
			375 each	2	750	225 each	2	450
		(d) Map of World Political & Physical (English)	375 each	3	1125	225 each	3	675
			375 each	2	750	225 each	2	450
2	Educational Chart 100 cm x 75 cm Plastic laminated	(e) Map of Continents (7 Continents)	375 each	14	5250	225 each	14	3150
		1 each of solar system, structure of earth, birds, animal, fruits etc.	375 each	20	7500	225 each	20	4500
3	Black Board Rolled.	Cosmo Pollys Art film on PVC roll sheet.	200 each	10	2000	150 each	10	1500
4	Graph Board,	-Do-	245	5	1225	250 each	5	1250
				4	1900	350 each	4	1400
5	Globe	30 cm large size	475					
6	Geometry Box	Plastic, extra heavy quality teaching purpose	750	2	1500	450 each	2	900
				70	25000		70	16075

Difference in rate for 1 set of 70 items : Rs.25000 - Rs.16075 = Rs.8925

Extra expenditure Rs.8925 X 1610 = Rs. 1.44 crore

APPENDIX - XIII

**The statement showing the distribution of teaching aids to the
Ministers/MLAs.etc.**

(Reference: Paragraph 3.18(b)(i);Page 122)

To whom issued	Quantity (number of sets)	Date of issue	Value (Rs. in crore)
Ministers, Speakers, MLAs, Ex-MLAs	931	December 1995 to November 1996	2.33
Integrated Tribal Development Projects (ITDP)	246	December 1995 to March 1996	0.62
Sub-divisional Welfare Officers	185	December 1995 to November 1996	0.46
Legislative Assembly Constituencies	125	August 1996 to September 1996	0.31
Non-Government organisations	117	December 1995 to February 1996	0.29
Schools	6	December 1995 to March 1996	0.02
Total	1610		4.03

APPENDIX - XIV

Department-wise details of cases of misappropriation, losses
etc.

(Reference : Paragraph 3.19(a); Page 124)

Sl. No.	Name of the Department	Number of cases	Amount (Rupees in lakh)
1.	Agriculture	4	1.14
2.	Animal Husbandry and Veterinary	4	0.90
3.	Co-operation	1	0.32
4.	Education	16	103.34
5.	Finance	12	25.09
6.	Flood Control	8	1.75
7.	Irrigation	29	16.67
8.	Forest	11	7.48
9.	Home	8	4.61
10.	Revenue	28	7.78
11.	Statistics	2	0.10
12.	Soil Conservation	3	0.22
13.	Town and Country Planning	1	0.10
14.	Road and Water Transport	4	2.54
15.	Fishery	3	3.08
16.	Tribal and Social Welfare	3	3.77
17.	Law	1	0.50
18.	Labour	2	0.43
19.	Supply	1	0.05
20.	State Lottery	1	1.72
21.	Sericulture and Weaving	6	1.94
22.	Industry	5	0.82
23.	Panchayat and Community Development	9	2.14
24.	Public Health Engineering	5	2.44
25.	Medical	9	2.08
26.	Personnel(B)	11	6.68
27.	Public Works	18	6.57
28.	District Council	1	0.97
29.	Election	1	0.03
30.	Welfare of Plain Tribes and Backward Classes	1	5.88
31.	Autonomous Council	1	5.14
	Total	209	216.28

APPENDIX - XV

Statement of substantial excess expenditure over allotment of funds (1992-95)
(Reference : Paragraph 4.11.5.3; Page 142)

Sl. No.	Name of Division	Allotment of funds	Expenditure (Rupees in lakh)	Excess Expenditure	Percentage excess
(A)	Head of Account: Under '5054 Capital outlay on Roads and Bridges (Plan)'				
1992-93					
1.	Barpeta Roads	129.00	167.90	38.90	30
2.	Ghilamara Roads	78.96	172.23	93.27	118
3.	Guwahati City (II)	151.96	185.34	33.38	22
4.	Kokrajhar Roads	97.47	167.13	69.66	71
5.	Morigaon Roads	109.57	148.52	38.95	36
1993-94					
6.	Dibrugarh Roads	12.00	42.60	30.60	255
1994-95					
7.	Ghilamara Roads	14.00	115.53	101.53	725
8.	Guwahati Roads	541.44	696.48	155.04	29
	Total	1134.40	1695.73	561.33	49
(B)	Head of Account: Under '3054 Roads and Bridges, 17 Maintenance (Non-Plan)'				
1992-93					
9.	Charali Roads	41.43	86.46	45.03	109
10.	Charideo Roads	42.89	74.89	32.00	75
11.	Dhubri Roads	40.19	99.23	59.04	147
12.	Dibrugarh Roads	38.21	212.16	173.95	455
13.	Ghilamara Roads	25.66	175.51	149.85	584
14.	Golaghat Roads	63.13	113.33	50.20	80
15.	Guwahati Roads	123.18	601.55	478.37	388
16.	Hailakandi Roads	31.13	117.50	86.37	277
17.	Jorhat East Roads	59.35	112.91	53.56	90
18.	Jorhat West Roads	37.54	132.38	94.84	253
19.	Kaliabor Roads	30.47	65.45	34.98	115
20.	Kokrajhar Roads	41.88	128.55	86.67	207
21.	Mangoldoi Roads	510.00	1131.28	621.28	122
22.	Marigaon Roads	38.48	71.17	32.69	85
23.	N.K. Roads, Naibari	58.56	134.26	75.70	129
24.	Silchar Roads	51.63	82.77	31.14	60
25.	Tinsukia Roads	45.69	192.52	146.83	321
26.	Tezpur Roads	46.62	83.61	36.99	79
27.	Rangia Roads	30.00	103.04	73.04	243
1993-94					
28.	Dibrugarh Roads	38.04	113.10	75.06	197
29.	Guwahati City (I)	48.42	290.53	242.11	500
30.	Guwahati City (II)	34.00	75.61	41.61	122
31.	Guwahati Roads	330.11	875.42	545.31	165
32.	Jorhat East Roads	21.70	52.48	30.78	142
1994-95					
33.	Barpeta Roads	49.42	81.23	31.81	.64
34.	Guwahati City (I)	34.53	89.90	55.37	160
35.	Guwahati Roads	172.03	325.07	153.04	89
36.	Sibsagar Roads	14.90	90.78	75.88	509
37.	Silchar Roads	8.50	84.95	76.45	899
38.	Rangia Roads	56.10	91.25	35.15	63
	Total	2163.79	5888.89	3725.10	172
	Grand Total	3298.19	7584.62	4286.43	130

APPENDIX - XVI

Statement showing Status of submission of accounts by Autonomous bodies and completion of audit as of September 1998

(Reference : Paragraph 6.4.1(a) ; page : 164)

Sl No	Name of body	Assistance received from the State/ Central Government		Year upto which accounts were due	Year upto which accounts submitted	Arear in submi-ssion of accounts	Audit comple-ted upto
		1996-97	1997-98				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
		(Rupees in Crore)				(In year)	
1	Guwahati Municipal Corporation	0.50	2.00	1997-98	1991-92	6	1992-93
2	Assam State Housing Board, Guwahati	-	1.19	1997-98	1995-96	2	1992-93
3	Assam State Agricultural Marketing Board, Guwahati	-	-	1997-98	1995-96	2	1995-96
4	Assam Tribal Development Authority, Guwahati	-	-	1997-98	1995-96	2	1995-96
5	Char Area Development Authority, Guwahati	-	-	1997-98	1993-94	4	1993-94
6.	Ananda Ram Borooah Institute of Language, Art and Culture, Guwahati	0.19	-	1997-98	1996-97	1	1996-97
7.	Assam Seed Certification Agency, Guwahati	-	-	1997-98	1995-96	2	1995-96
8.	Dr. B. Borooah Cancer Institute Guwahati	1.96	-	1997-98	1996-97	1	1996-97
9.	Project Director, District Primary Education Programme, Guwahati	35.11	-	1997-98	1996-97	1	-
10.	Srimanta Sankardeva Kalaketra Society, Guwahati	4.35	-	1997-98	1996-97	1	1995-96
11.	District Rural Development Agency, Kamrup	10.80	-	1997-98	1996-97	1	1996-97
12	- do -Sibsagar	6.62	-	1997-98	1996-97	1	1996-97
13	- do - Darrang	10.90	-	1997-98	1996-97	1	1996-97
14	District Rural Development Agency, Nalbari	12.43	-	1997-98	1996-97	1	1996-97
15	- do -Dhubri	-	-	1997-98	1996-97	1	1996-97
16	- do - Kokrajhar	-	-	1997-98	1996-97	1	1996-97
17	- do - Karimganj	-	-	1997-98	1995-96	2	1995-96
18	- do - Hailakandi	-	-	1997-98	1995-96	2	1995-96
19	- do -Cachar	-	-	1997-98	1995-96	2	1995-96
20	- do - Nagaon	-	-	1997-98	1995-96	2	1995-96
21	- do - Jorhat	-	-	1997-98	1995-96	2	1995-96
22	- do -Dibrugarh	-	-	1997-98	1995-96	2	1995-96
23	- do -Lakhimpur	-	-	1997-98	1995-96	2	1995-96
24	- do -Dhemaji	-	-	1997-98	1995-96	2	1995-96
25	- do -Barpeta	-	-	1997-98	1995-96	2	1995-96
26	- do -Goalpara	-	-	1997-98	1995-96	2	1995-96
27	- do -Tinsukia	-	-	1997-98	1995-96	2	1995-96
28	- do -Murigaon	-	-	1997-98	1995-96	2	1995-96
29	- do -Sonitpur	-	-	1997-98	1995-96	2	1995-96
30	- do -Golaghat	-	-	1997-98	1995-96	2	1995-96
31	- do -Bongaigaon	-	-	1997-98	1995-96	2	1995-96
32	- do Karbi Anglong	-	-	1997-98	1995-96	2	1995-96
33	- do -North Cachar Hills	-	-	1997-98	1995-96	2	1995-96

Note: Due to non receipt of information/accounts from the concerned departments/bodies, amount of assistance received during 1996-97 and 1997-98 by the above bodies could not be given.

APPENDIX - XVII
Glossary of abbreviations used.

AC	Abstract Contingent
AFR	Assam Financial Rule
AG (A&E)	Accountant General (Accounts and Entitlement)
AGCC	Assam Government Construction Corporation
AMCH	Assam Medical College Hospital
APCDC	Assam Plantation Crops Development Corporation Limited
API	Annual Parasite Index
APSP	Assam Preferential Stores Purchase
APTDC	Assam Plain Tribes Development Corporation
ARIASP	Assam Rural Infrastructure and Agricultural Service Project
ASEB	Assam State Electricity Board
ASIDC	Assam Small Industries Development Corporation Limited
ATDA	Assam Tribal Development Authority
BDO	Block Development Officer
BEEO	Block Elementary Education Officer
CADA	Command Area Development Authority
CADP	Command Area Development Programme
CAG's (DPC)	Comptroller and Auditor General of India (Duties, Powers and Condition of Service)
CE	Chief Engineer

CEO	Chief Executive Officer.
CHCs	Community Health Centres
CMD	Chairman-Cum-Managing Director
CS	Central Sector
CSS	Centrally Sponsored Scheme
DAH&VO	District Animal Husbandry and Veterinary Officer
DAO	District Agriculture Officer
DCA	Director of Cultural Affairs
DCC	Detailed Countersigned Contingent
DCR	Deposit - at - Call Receipt
DDO	Drawing and Disbursing Officer
DDT	Dichlorodiphenyl trichloroethane
DEEO	District Elementary Education Officer
DGP	Director General of Police
DGS&D	Director General of Supplies and Disposals
DHS	Director of Health Service
DIS	Deputy Inspector of Schools
DME	Director of Medical Education
DMO	District Malaria Officer.
DMP	Drum Mix Plant
DMS	District Medical Stores
DOL	Diesel Oil Lubricants
DRDA	District Rural Development Agency

DTWS	Deep Tube Well Scheme
E&D	Embankment and Drainage
EAS	Employment Assurance Scheme
EE	Executive Engineer
FDR	Flood Damage Repair
FOC	Fixation of Ceiling
FOIG	Family Oriented Income Generation
GAD	General Administration Department
GCI	Galvanised Corrugated Iron
GI	Galvanised Iron
GOI	Government of India
IAY	Indira Awas Yojana
ID	Infrastructure Development
IDPL	Indian Drugs and Pharmaceuticals Limited
IGP-SB	Inspector General of Police(Special Branch)
IRDP	Intigrated Rural Development Programme
ITDP	Integrated Tribal Development Project
IWT	Inland Water Transport
JRY	Jawahar Rozgar Yojana
Jt. DHS	Joint Director of Health Services
KAAC	Karbi Anglong Autonomous Council
LIS	Lift Irrigation Scheme
LOC	Letter of Credit

MD	Managing Director
MDR	Major District Road
MLA	Member of Legislative Assembly
MNP	Minimum Need Programme
MOU	Memorandum of Undertaking
MOWR	Ministry of Water Resources
MP	Member of Parliament
MAP	Modified Action Plan
MPO	Modified Plan of Operation.
MR	Master Roll
MSD	Medical Store Depot
MV	Motor Vehicle
MWS	Million Wells Scheme
NABARD	National Bank for Agriculture and Rural Development
NEC	North Eastern Council
NGO	Non-Government Organisation
NH	National Highway
NMEP	National Malaria Eradication Programme
OFD	On Farm Development
OPD	Out-patient Department
ORD	Other District Road
PAOs	Pay and Accounts Officers

PD	Project Director
PHCs	Public Health Centres
PHE	Public Health Engineering
PIB	Public Investment Board
PIC	Project Implementation Committee.
PIM	Participatory Irrigation Management
POL	Petrol Oil Lubricants
PWD	Public Works Department
RCC	Reinforced Cement Concrete
RM	Running Metre
RRL	Road Research Laboratory
SAD	Secretariat Administration Department
SAIL	Steel Authority of India Limited
SC	Scheduled Caste
SCA	Special Central Assistance
SCERT	State Council of Education, Research and Training
SDO	Sub-Divisional Officer
SH	State Highway
SP	Superintendent of Police
SPT	Semi Permanent Timber
ST	Scheduled Tribe.
STATFED	State Co-operative Marketing and Consumers' Federation Limited
TCC	Temporary Capital Construction

TO	Treasury Officer
TSP	Tribal Sub-Plan
WT	Wireless Transmission
WC	Work Charged
WPT&BC	Welfare of Plain Tribes and Backward Classes
WUA	Water Users Association

