



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



**FOR THE YEAR ENDED
31 MARCH 2009**

**KARBI ANGLONG AUTONOMOUS
COUNCIL
DIPHU, ASSAM**



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Preface

This Report has been prepared for submission to the Governor under paragraph 7(4) of the Sixth Schedule to the Constitution of India. It contains findings arising from the audit of the annual accounts as well as selected financial transactions of the Karbi Anglong Autonomous Council, (KAAC) Diphu, Assam.

While the audit of annual accounts and transactions for 2008-09 was conducted during May - July 2011 on receipt of the accounts during January 2011, a limited re-examination of eight selected departments (January-March 2012) under the administrative control of KAAC executing entrusted functions was also conducted.

The Report contains three sections, of which the first section deals with the constitution of KAAC, the rules for the management of the District Fund and maintenance of accounts by KAAC. The remaining two sections include audit comments on the KAAC's financial position and various irregularities in transactions which came to notice in the course of test audit of accounts for the year 2008-09 as well as those which had come to notice in earlier years but could not be dealt with in previous reports in respect of inherent¹ as well as entrusted² functions.

¹ Functions enlisted in paragraph 3(1), 6(1) and 8 of Sixth Schedule.

² Functions transferred to KAAC and funded from State budget by Government of Assam.

OVERVIEW

This Report contains three sections. Section-I deals with the constitution of KAAC, rules for the management of District Fund and relevant constitutional provisions on maintenance of accounts. Section-II contains seventeen paragraphs arising out of audit of annual accounts of the Council for 2008-09 while Section-III of the Report details the audit findings in twenty two paragraphs pertaining to transaction audit relating to discharge of inherent functions as well as entrusted functions of KAAC. The significant audit findings contained in the Report are given below:

Comments on Accounts

- KAAC met its revenue deficit of ₹ 24.40 crore by diverting funds advanced by the State Government for discharging entrusted functions.
(Paragraph 2.1.2)
- Capital expenditure was overstated by ₹ 85.71 lakh with consequential understatement of revenue expenditure to that extent due to incorrect booking of revenue expenditure as capital expenditure.
(Para graph 2.2.2)
- KAAC diverted ₹ 14.76 lakh under various major heads of accounts through unauthorised re-appropriation.
(Paragraph 2.3.3)
- KAAC did not reconcile the discrepancies of closing balances appearing in three different sets of records (persisting since 1985-86) viz., Treasury records, cash book and annual accounts, despite these having been pointed out in successive Audit Reports.

(Paragraph 2.4.1)

Audit findings on transaction audit of inherent functions

- Short extraction of allotted bamboo by the firm, resulted in non generation of revenue to the tune of ₹ 1.06 crore to the council during 2008-09.

(Paragraph 3.1.1)

- KAAC short released ₹ 12.16 crore received from State budget for entrusted functions to the Drawing and Disbursing Officers and thus, deprived the attainment of intended objectives.

(Paragraph 3.3.3)

Audit findings on transaction audit of entrusted functions

- Procurement of medicines at higher rates than the approved rates, resulted in extra expenditure of ₹1.15 crore.

(Paragraph 4.1)

- Joint Director of Health Services, Diphu diverted ₹2.12 crore towards clearance of past liabilities created on account of purchase of diagnostic machines and surgical items. Further equipment and material worth ₹ 1.46 crore remained un-utilised resulting not only in blocking of fund but also in depriving the public of the intended benefit of diagnostic facilities.

(Paragraph 4.2)

- Failure of the Department in taking timely action to rescind the work and invoke relevant penalty clause of contract agreement against the defaulting contractor led to non-completion of the balance bridge work and unproductive expenditure of ₹86.44 lakh.

(Paragraph 4.3)

- Procurement of rice from open market at a rate higher than the prevailing Government controlled rate resulted in avoidable extra expenditure of ₹76.88 lakh inclusive of excess payment of ₹ 1.75 lakh due to acceptance of inadmissible VAT included in supplier's bill.

(Paragraph 4.5)

Section-I

1.1 Introduction

The Karbi Anglong District Council in Assam was set up on 23 June 1952 under the provisions of Article 244(2) read with the Sixth Schedule to the Constitution of India. In terms of Memorandum of understanding (April 1995) amongst State, Central Government and representatives of the district, the Council was renamed Karbi Anglong Autonomous Council (KAAC).

The Sixth Schedule (Schedule) to the Constitution of India provides for administration of specified tribal areas. For that purpose, it provides for the constitution of a District Council for each autonomous district with powers to make laws on matters listed in paragraph 3(1) of the Schedule, mainly in respect of allotment, occupation, use of land, management of forests (other than reserve forests), use of any canal or watercourse for agriculture, regulation of the practice of 'Jhum' or other forms of shifting cultivation, establishment of village or town committees or councils and their powers, village or town administration including, Public Health and Sanitation and inheritance of property *etc.* Paragraph 6(1) of the Schedule empowers the Councils to establish, construct or manage primary schools, dispensaries, markets, cattle pounds, ferries, fisheries, roads, road transport and waterways in the respective autonomous districts. The Councils also have the powers to assess, levy and collect within the

autonomous districts, revenue in respect of land and buildings, taxes on professions, trades, callings and employments, animals, vehicles and boats, tolls on passengers and goods carried in ferries, and the maintenance of schools, dispensaries or roads as listed in paragraph 8 of the Schedule. The above functions are called inherent functions in common parlance.

In addition, under paragraph 6(2) of the Schedule, *ibid*, the State Government entrusted additional functions (called entrusted functions) to KAAC in relation to agriculture, animal husbandry, cottage industries, soil conservation, social welfare, fisheries, forests *etc.* since June 1970 (further revised in November 1979, November 1992 and December 1996). According to the terms of the latest entrustment, the State Government is to make funds available to KAAC in advance so that the latter can finance the expenditure relating to entrusted functions. KAAC is to render monthly detailed accounts to the Principal Accountant General (A&E), Assam for making necessary adjustments. Budget provision for these functions is to be made in the State budget, and the Council remains responsible to the State Legislature in respect of all matters relating to such funds provided for discharging the functions entrusted to it in terms of Office Memorandum (31 December 1996) of the Government of Assam.

1.2 Rules for the management of District Fund

The Sixth Schedule to the Constitution of India provides for the constitution of a District Fund for each

autonomous district, to which shall be credited all moneys received by the Council in the course of administration of the District in accordance with the provisions of the Constitution. In exercise of the powers conferred under sub-Para (2) of Para 7 of the Schedule (as it stood originally), the affairs of the District Councils are being regulated under the respective District Council Fund Rules. In respect of the instant District Council, these are regulated under the Karbi Anglong District Fund Rules, 1952 (called Fund Rules) as approved by the Governor of Assam.

1.3 Maintenance of Accounts

In pursuance of paragraph 7(3) of the Sixth Schedule to the Constitution, the form in which the accounts of the District Council are to be maintained was prescribed by the Comptroller and Auditor General of India with the approval of the President in April 1977. The State Government forwarded this format of accounts to the KAAC in March 1978. Annual accounts for 2008-09 have been prepared in the prescribed format and submitted to audit in January 2011. Audit of annual accounts was taken up during May-July 2011 which was followed up by a limited re-examination of selected entrusted or transferred sector departments in January-March 2012.

Results of test check of annual accounts of KAAC for 2008-09 are given in the succeeding paragraphs.

Section-II

2.1.1 Receipts and Expenditure

Revenue receipts and expenditure of KAAC for 2008-09 and the resultant revenue and capital deficit were as under:

Table 1

(₹ in lakh)

Part-I District Fund				
A		Revenue Receipt and Expenditure		
Revenue Receipts		Revenue Expenditure		
2007-08	2008-09		2008-09	2007-08
(1)	(2)	(3)	(4)	(5)
134.62	236.57	Taxes on Income and Expenditure	--	--
10.67	31.00 ³	Land Revenue	455.88	410.38
9.45	4.83	Stamps and Registration	0.20	0.23
--	--	Public Health Sanitation and Water Supply	10.62	2.00
37.30	33.11	Other Administrative Services	--	--
--	--	Education	1018.22	3965.53
--	--	Agriculture	0.33	0.64
1.67	2.42	Fisheries	--	--
318.43	464.65	Forests	555.40	473.90
42.62	38.31	Mines and Minerals	--	--
1.08	1.26	Roads and Bridges	69.75	6.65
--	--	District Council Secretariat	77.55	64.18
--	--	Executive Members	100.51	83.90
--	--	Administration of Justice	11.28	10.12
--	--	Secretariat Central Services	317.61	287.92
--	--	Pension and other Retirement Benefits	76.10	79.28
--	--	Art and Culture	25.21	31.81
--	--	Urban Development	100.50	64.00
--	--	Social Security and Welfare	0.58	--
--	--	Relief on Account of Natural Calamities	0.78	--
6.74	6.18	Roads and Transport Services	66.56	94.30
--	0.02	Stationery and Printing	254.90	235.05
9.22	7.05	Public Works	419.60	396.33
177.91	165.64	Other General Economic Services	41.60	33.24
4060.18	172.00	Grants in Aid from State Government	--	--
4809.89	1163.04	Total -A: Revenue Receipts and Expenditure	3603.18	6239.46
1429.57	2440.14	Revenue Deficit		

³ Rounded for agreement with total revenue receipt.

(1)	(2)	(3)	(4)	(5)
B		Capital Receipts and Disbursements		
--	--	Capital account	172.00	171.93
--	--	Debt	--	--
--	--	Loans and Advances	--	--
3.47	9.71	Recoveries of Loans and Advances	--	--
--	--	Disbursement of Loans and Advances	--	--
3.47	9.71	Total-B: Capital Receipts and Disbursements	172.00	171.93
168.46	162.29	Deficit under Capital and Loans and Advances	--	
4813.36	1172.75	Total Receipts and Payments under Part-I- District Fund	3775.18	6411.39
6411.39	3775.18	Total Part -I District Fund	3775.18	6411.39
C		PART-II Deposit Fund		
		Receipts and Disbursement under entrusted functions of the State Government		
44605.90	55518.88	Funds Received from the State Government	--	--
--	--	Expenditure incurred out of Deposit Fund	42445.99	43678.56
--	--	Surplus/Savings on Deposit Fund	13072.89	927.34
44605.90	55518.88	Total of Part-II Deposit Fund	55518.88	44605.90
49419.26	56691.63	Total Receipts and Disbursement under Part-I & II	46221.17	50089.95
D Opening Balance			Closing Balance	
94.85	94.36	Cash	61.24	94.36
(-)1771.03	(-)2441.23	Treasury PLA & Bank Account	8062.35	(-)2441.23
47743.08	54344.76	Grand Total (A+B+C+D)	54344.76	47743.08

Source: Annual Accounts

2.1.2 Revenue Deficit

Revenue Receipts (including Grants-in-Aid from the State Government) of the KAAC for 2008-09 pertaining to the functions as specified in the Sixth Schedule to the Constitution were ₹11.63 crore. Against this, KAAC spent ₹36.03 crore resulting in revenue deficit of ₹24.40 crore which was attributable to less release of Grants-in-Aid by the State Government. The excess expenditure was met during the year by irregular diversion of funds provided by the State Government for discharging entrusted functions despite this

being pointed out in earlier Audit Reports. This irregular diversion was bound to adversely affect the outcome of the allotments made by Government as earmarked in the state budget for different specific programmes/ functions which needs to be avoided. Further, as Grants-in-Aid released by the State Government to KAAC is not sufficient enough to meet its expenditure, efforts should be made to ensure release sufficient amount of Grants-in-Aid by the State Government meeting KAAC's requirement of funds to arrest the situation of deficits and irregular diversion of funds in future.

2.1.3 Receipts and Expenditure compared with the actuals of previous year

Decrease in receipts and increase in expenditures under different heads of accounts between current and previous-years were noticed. A few instances of decrease in receipts during the year are given in Table-2A below:

**Table - 2
A-Receipts**

SL. No.	Heads of Accounts (Receipts)	Actual Receipts in 2007-08	Actual Receipts in 2008-09	Variation Decrease (-)	Percentage of variation
		₹ in lakh			
1	Mines & Minerals	42.62	38.31	4.31	10
2.	Roads & Transport Services	6.74	6.18	0.56	8
3.	Stamps and Registration	9.45	4.83	4.62	49
4.	Other Administrative Services	37.30	33.11	4.19	11
5	Other General Economic Services	177.91	165.64	12.27	7
	Total	274.02	248.07	25.95	9

Source: Annual Accounts

Increase in expenditure under ten heads of accounts between current and previous years were noticed. A

few instances of such cases are given in Table - 2 B below:

Table - 2
B-Expenditure

Sl. No.	Heads of Accounts (Expenditure)	Expenditure in 2007-08	Expenditure in 2008-09	Variation Increase	Percentage of variation
		₹ in lakh			
1.	Land Revenue	410.38	455.88	45.50	11
2.	Secretariat Central Services	287.92	317.61	29.69	10
3	Public Health /Sanitation and Water Supply	2.00	10.62	8.62	431
4.	Roads and Bridges	6.65	69.75	63.10	949
5.	Urban Development	64.00	100.50	36.50	57
6.	Forests	473.90	555.40	81.51	17
7.	District Council Secretariat	64.18	77.55	13.37	21
8.	Executive Member	83.90	100.51	16.61	20
9.	Administration of Justice	10.12	11.28	1.16	11
10.	Other General Economic Service	33.24	41.60	8.36	25
	Total	1436.29	1740.70	304.42	21

Source: Annual Accounts

KAAC stated (July 2011) that the decrease in revenue receipts ranging from 7 to 49 *per cent* and increase in expenditure ranging from 10 to 949 *per cent* in the heads of accounts with reference to the previous year was mainly due to less collection of revenue due to law and order problem and creation of necessary infrastructure respectively. KAAC needs to streamline and revitalize its system of collection of revenue and minimize unforeseen necessities through a time bound action plan and by strengthening the monitoring mechanism.

2.1.4 Receipts and expenditure compared to budget provision

Revenue Receipts (excluding grants-in-aid of ₹1.72 crore) during 2008-09 were ₹9.91 crore against the estimated amount of ₹34.73 crore (overall shortfall by 71 *per cent*). Significant shortfall ranging from 41 to 100 *per cent* was noticed under 13 heads of account as shown in Table - 3 below:

Table - 3

Sl. No.	Heads of Accounts	Revenue Collection		Shortfall	Percentage of Shortfall
		Estimated amount as per Budget 2008-09	Actual Receipts as per Annual Accounts 2008-09		
		(₹ in lakh)			
1.	Taxes on Income and Expenditure	478.50	236.57	241.93	51
2.	Land Revenue	428.00	30.99	397.01	93
3.	Stamps and Registration	80.00	4.83	75.17	94
4.	Taxes on Vehicle	460.00	0.00	460.00	100
5.	Interest Receipts	20.00	0.00	20.00	100
6.	Stationery and Printing	56.00	0.02	55.98	100
7.	Public Works	95.00	7.05	87.95	93
8.	Education	0.10	0.00	0.10	100
9.	Public Health Sanitation and Water Supply	20.00	0.00	20.00	100
10.	Other General Economic Services	280.00	165.64	114.36	41
11.	Forests	960.00	464.65	495.35	52
12.	Mines and Minerals	219.00	38.31	180.69	83
13.	Roads and Transport Services	357.00	6.18	350.82	98
	Total	3453.60	954.24	2499.36	72

Source: Annual Accounts and Budget documents.

An excess expenditure of ₹16.90 lakh over the budget provision was also noticed under one head of account during 2008-09 as shown in Table- 4 below:

Table - 4

Heads of Account	Budget Provision 2008-09	Actual Expenditure as per annual accounts, 2008-09	Excess	Percentage of excess
<i>(₹ in lakh)</i>				
Stationery and Printing	238	254.90	16.90	7

Source: Annual Accounts and Budget documents

As for reasons for shortfall in receipt and expenditure as compared to budget estimates, it was stated (July 2011) that revenue and anticipated expenditure was estimated on the basis of average figures of estimates of past three years without referring to actuals and midterm review. Shortfall as shown above in collection of revenue and excess expenditure against estimated provisions underlined the need for instituting a scientific and rational estimation process based on a critical review of the potential for generation of revenue besides planning of expenditure and strengthening the monitoring mechanism at all levels.

Comments on Accounts

2.2 Part - I District Fund

2.2.1 Understatement of receipts and expenditure

2.2.1.1 KAAC received grants-in-aid (GIA) of ₹32.68 crore from the Government of Assam during 2008-09 for defraying expenditure towards salary of staff under inherent functions (primary education) and disbursed during the year. Of this, ₹16.34 crore was deposited into PLA (May 2008) but was not accounted

for in the annual accounts leading to understatement of receipts by ₹16.34 crore in the annual accounts (District fund).

2.2.1.2 Out of GIA of ₹32.68 crore, receipt of ₹16.34 crore for Primary education (inherent subject of KAAC) was accounted for in the annual accounts under Part-II Deposit Fund without transferring the same to Part-I District Fund. Thus receipts under Part-I District Fund were understated further by ₹16.34 crore with corresponding overstatement of receipts under Part-II Deposit Fund to that extent. On this being pointed out, KAAC accepted (July 2011) the audit observation.

2.2.1.3 Further, out of total expenditure under Part-I District Fund and Part-II Deposit Fund from GIA of ₹32.68 crore under Education, expenditure of ₹8.67 crore only was included under Part-I District Fund under the head of account 'Education' (Statement No-6) and the balance expenditure of ₹24.01 crore was accounted for under Part-II Deposit Fund. Thus the expenditure under Part-I District Fund was understated by ₹24.01 crore with corresponding overstatement of expenditure under Part-II Deposit Fund to that extent. Thus, accounts prepared by the KAAC were materially mis-stated and do not depict the true and fair picture of accounts. On being pointed out, KAAC accepted (July 2011) the audit observation.

2.2.2 Overstatement of capital expenditure

Capital expenditure of ₹172 lakh under the Head Capital Outlay on Road Transport Service (Statement-2) also included revenue expenditure of ₹85.71 lakh incurred on purchase of spare parts, repair and maintenance of vehicles and clearance of past liabilities on revenue expenses leading to overstatement of capital expenditure by ₹85.71 lakh with corresponding understatement of revenue expenditure under Road Transport Services (Statement-6) to that extent.

2.2.3 Understatement of Pension and Retirement benefit

KAAC accounted an expenditure of ₹8.10 lakh as its contribution to Provident Funds of its employees under the Head of account "Pension and other retirement benefits" (Statement-6) against actual contribution of ₹29.54 lakh made as per records of Deputy Secretary, CPF of KAAC leading to understatement of expenditure by ₹21.44 lakh.

As the Deputy Secretary deposited the amount to the respective Pension Funds of employees only on receipt of cheques issued by different departments of KAAC, the related records of all the departments are needed to be reconciled so as to ensure disclosure of true state of affairs in the Annual Accounts.

2.2.4 Discrepancies in ways and means position

Statement-3 of annual accounts exhibits the position of ways and means of KAAC for discharging inherent function during the year showing *inter alia* month wise receipts, disbursements, opening and closing balances of cash. However, opening and closing balance as per relevant Cash Book did not tally as shown in Table-5 below. Monthly receipts and disbursements as shown in the Statement could also not be verified as KAAC did not compile monthly accounts in respect of inherent function.

Table - 5

Year	As per Cash Book		As per Annual Accounts	
	OB (April 2008)	CB (March 2009)	OB (April 2008)	CB (March 2009)
2008-09	88.42 lakh	56.76 lakh	94.36 lakh	61.24 lakh

Audit scrutiny revealed that the above discrepancy was due to errors in totaling of the entries made in the Cash Book. This is indicative of lack of adequate control mechanism to ensure correctness of books of accounts.

2.2.5 Non disclosure of receipt of grants-in-aid for Capital outlay

Receipt of grants-in-aid of ₹172 lakh as exhibited under Statement-5 of Annual Accounts for 2008-09 was actually received on account of Capital Outlay on Road Transport Services. The same was not explained by way of notes on accounts under Statement-5. KAAC, however, noted the observation (July 2011) for future compliance.

2.3 Part-II Deposit Fund

2.3.1 Non-reconciliation of disbursements

Annual accounts for 2008-09 exhibited ₹424.46 crore as amount disbursed towards discharging of entrusted functions by KAAC under Part-II Deposit Fund. However, scrutiny (June 2011) revealed that the actual disbursement against entrusted functions amounted to ₹497.03⁴ crore.

Details of fund disbursed to line departments (as depicted in Part-II Deposit Fund) were not disclosed major head-wise in the form of statement/schedule to annual accounts.

KAAC also did not maintain proper ledger or consolidated abstract showing receipt of fund from the Government, disbursement made to Drawing and Disbursement Officers (DDO) of different departments under the administrative control of KAAC (for entrusted functions). Consequently, discrepancy of ₹72.57 crore could not be correlated and reconciled.

2.3.2 Non-reflection of actual expenditure under Deposit Fund

Annual accounts exhibited disbursement of ₹424.46 crore to line departments/entrusted functions (Statement-I Part-II Deposit Fund) which included ₹13.24 crore lying unspent at the disposal of the line departments. This was also not disclosed in the notes to

⁴ As per PLA cash book : ₹ 490.64 crore plus as per Bank register : ₹ 6.39 crore

accounts. Thus, actual expenditure remained un-reflected in the annual accounts.

In reply KAAC stated (July 2011) that release of fund is treated as expenditure. Treating release of fund as expenditure in annual accounts is fraught with the risk of not reflecting the correct picture of actual expenditure.

2.3.3 Diversion of fund

According to the terms of entrustment of functions as envisaged in OM issued on 31 December 1996, KAAC is empowered to re-appropriate funds within the same major head of account, while approval of State Government is required for re-appropriation of funds between two major heads of account.

Scrutiny revealed that despite having been pointed out in successive Audit Reports, KAAC incurred an expenditure of ₹14.76 lakh in excess of the funds released from the State budget by diversion from other heads of accounts as shown in Table-6 below:

Table - 6

(₹ in lakh)

SL No.	Heads of Accounts	Plan/Non -Plan	Fund received	Fund released	Excess released
1.	Higher Education	Plan	430.00	439.95	9.95
2.	Museum	Non Plan	7.96	8.53	0.57
3.	Archeology	Plan	5.00	5.06	0.06
4.	Sports & Youth welfare	Non Plan	27.03	27.58	0.55
5.	Agriculture	Non Plan	904.98	908.10	3.12
6.	Environment & Forest	Non Plan	640.55	641.06	0.51
Total			2015.52	2030.28	14.76

Source: Information furnished by the Council

Reasons for the excess expenditure and diversion of funds was neither found on records nor stated by KAAC (August 2013).

2.4 Personal Ledger Account (PLA)

KAAC maintained a Personal Ledger Account (PLA) with the Diphu Treasury, into which all receipts on account of inherent functions as well as entrusted functions are credited and from which withdrawals for all expenditure on both the functions are made.

2.4.1 Non-reconciliation between PLA Cash Book, Treasury records and Annual Accounts

Annual Accounts for 2008-09 depicted a closing balance of ₹77.77 crore as on 31 March 2009 while PLA Pass book showed closing balance of ₹15.08 crore, maintained by the Treasury. Besides, cash book (PLA) maintained by KAAC showed closing balance of ₹11.78 crore at the end of the year as shown in Table - 7:

Table – 7

Opening Balance (OB) & Closing Balance (CB)	As per Treasury Records	As per PLA Cash Book	(₹ in crore)
			As per Annual Accounts
OB as on 01/04/2008	9.61	9.61 ⁵	(-) 24.97
CB as on 31/03/2009	15.08	11.78	77.77 ^{**}

Source: Information furnished by the Council

⁵ Instead of taking CB of ₹6.32 crore as on 31 3 2008, OB of ₹9.61 crore was taken as on 1.4.2008 without reconciliation.

* Excludes Bank Balance of ₹0.56 crore.

** Excludes Bank Balance of ₹2.85 crore.

Such discrepancies had been persisting since 1985-86, and had not been reconciled by KAAC despite these having been pointed out in previous Audit Reports.

2.4.2 Non accountal in PLA and Non reconciliation of bank balance

In contravention of Rule 14 of Karbi Anglong District Fund Rule, 1952 and OM dated 31 December 1996, fund received by KAAC in the form of Bank drafts/Bankers cheque from the State Government for implementation of Finance Commission Award and Integrated Jhumia Development Project, were not deposited into treasury and retained in Current Account with Bank. This was done as per decision taken by Executive Committee of KAAC (19 August 2006) on the plea that an amount once drawn from the Consolidated fund of the State are not required to be re-deposited into Personal Ledger Account (PLA) of KAAC as it forms part of the Consolidated fund of the State.

KAAC during 2008-09 received total fund of ₹8.68 crore in the form of Bank Draft/ Bankers Cheques and deposited into Bank's Current Account instead of depositing into PLA of which ₹6.39 crore was released during the year 2008-09. Both receipt and release of fund were not accounted for in the PLA Cash Book. Instead, a Bank register was maintained for the purpose. Thus, deposit of fund in Bank (Current) Account without provision in the Fund Rules was irregular.

Moreover, scrutiny revealed that KAAC accounted ₹285.20 lakh as closing balance at Banks (Current Accounts) in the Annual accounts for 2008-09 but as per banks' statement, closing balance was ₹379.17 lakh. Thus, there was discrepancy of ₹93.97 lakh, which needs to be reconciled.

Since PLA of KAAC operated under Major head 8443 Civil Deposit does not form part of the Consolidated fund of the State but Public Account, the above act of KAAC is not only against the District Fund Rule and modalities of entrustment of functions (OM dated December 1996), but also placement of such a huge fund at the disposal of a bank leads to extension of undue financial advantage to the concerned bank.

Section-III

3 Irregularities in transactions relating to discharge of inherent functions

3.1 Loss of revenue

3.1.1 Non generation of potential revenue

Mention was made vide Para 3.1 and 3.1.1 of Audit Report for the years 2006-07 and 2007-08 respectively about failure on the part of KAAC to extract and dispose of bamboo during the years. As a consequence, revenue to the tune of ₹2.40 crore yearly was not generated (on the basis of agreed royalty @ ₹150 per MTG on 1.60 lakh MTG bamboo allotted during 2005-06) due to the termination of agreement (August 2006) with M/S Hindustan Paper Corporation Ltd (HPC).

In December 2008, KAAC entered into a fresh agreement for the working season 2008-09 (up to 30th April, 2009) with HPC for extraction of 186712 Metric Tonne Green (MTG) bamboo @ royalty of ₹124 per MTG (including 15% monopoly fee) with the condition that HPC would pay ₹25 lakh as special financial

assistance to KAAC. But there was no penal clause for short extraction.

Scrutiny revealed that there was nothing on record to show that any amount of special financial assistance was received by KAAC. However, KAAC allotted (December 2008) 186712⁶ MTG bamboo to HPC for the working seasons 2008-09 (from December 2008 to April, 2009). However, the firm extracted only 101243.85⁷ MTG during the above period leaving a balance 85468.15⁸ MTG of bamboo un-extracted. HPC paid ₹1.34 crore against the due royalty of ₹1.25 crore. The excess payment of ₹0.09 crore was adjusted by KAAC against the royalty payable for 2009-10. Thus, KAAC failed to generate potential revenue to the tune of ₹1.06 crore⁹ during the year.

Further, possibility of loss of revenue of ₹25 lakh on account of non realisation of revenue in the form of special financial assistance from HPC also could not be ruled out.

⁶ East Division Diphu (143945 MTG) and Hamren Division (42.767 MTG)

⁷ East Division (74264.84 MTG) and Hamren Division (26979.01 MTG)

⁸ East Division 69680.16 MTG + Hamren Division 15787.99 MTG

⁹ 85468.15 x 124

3.1.2 Entry Tax

KAAC circulated (February 2008) Notice Inviting Tender (NIT) for sale of Entry Tax Gates (ETG) and markets of the district for 2008-09 with one of the pre-conditions that the selected tenderer should deposit the entire settlement price in one installment prior to issue of settlement order and no modification in settled value/rate would be entertained.

3.1.2.1 Outstanding ETG revenue

Test check revealed that in spite of a stipulation in the NIT for realisation of entire settled price in one installment, KAAC realised ₹43.13 lakh against aggregate settled prices of ₹48.18 lakh in respect of four ETGs and nine markets leaving outstanding/recoverable balance of ₹5.05 lakh as shown in Table-8. This amounted to extension of unjustified benefit to the ETG operators.

Table – 8

(₹ in lakh)

Sl. No	Name of ETG/Markets	Settled value	Amount paid by the lessee	Amount outstanding
(1)	(2)	(3)	(4)	(5)
1	Lahorijan NH 36 ETG	7.81	7.77	0.04
2	Parokhuwa ETG	13.51	13.41	0.10
3	Ranaima ETG	9.00	5.41	3.59
4	Dayangmuki ETG	5.41	5.33	0.08
5	Rajapathar (Weekly) Market	0.69	0.33	0.36

(1)	(2)	(3)	(4)	(5)
6	Sarihajan (Daily) Market	1.28	1.24	0.04
7	Doyanemuk (Weekly) Market	1.51	1.47	0.04
8	Balipathar (Weekly) Market	0.71	0.67	0.04
9	Amtueng Market	0.81	0.41	0.40
10	Mailo (Weekly) Market	2.70	2.61	0.09
11	JaparaJan (weekly) Market	0.46	0.30	0.16
12	Kherioni chariali (Weekly) Market	2.29	2.22	0.07
13	Jengkha (Weekly) Market	2.00	1.96	0.04
Total		48.18	43.13	5.05

Source: Settlement order and information furnished by Suptd. of Tax, KAAC

3.1.2.2 Lack of transparency in settlement leading to less generation of revenue

Scrutiny of records revealed that KAAC invited (February 2008) NIT for the settlement of Hollowkhuwa ETG for the year 2008-09 along with other ETGs, markets etc., fixing reserve price/government value at ₹7.31 lakh, but in response, no tender was received. However, an application offering ₹2.50 lakh for the year 2008-09 was received by EM who in turn directed (May 2008) to examine the same for taking necessary action. The ETG was settled by the Council (May 2008) with the applicant at ₹3.15 lakh after negotiation, without putting the ETG for retendering. Thus, KAAC by resorting to direct negotiation with the applicant failed to derive the reserve price of ₹7.31 lakh and sustained a loss to the tune of ₹4.16 lakh.

3.1.2.3 Settlement of ETG/market at lower price than previous year's settled value

(i) Scrutiny of records relating to settlement of the ETGs pertaining to the period 2008-09 revealed that the eight ETGs were settled at the total value of ₹75.20 lakh against their previous year's settled value of ₹102.99 lakh (during 2007-08) as detailed in Table-9. Reasons for settlement at lower rates as compared to previous year 2007-08 were neither recorded nor stated by the KAAC though called for in audit. Thus, due to settlement of ETGs/markets during 2008-09 at a price lower than previous years' settled value, the possibility of loss of revenue to the tune of ₹27.80 lakh could not be ruled out.

Table 9

(₹ in lakh)

Sl. No.	Name of the ETG	Settled value during 2007-08	Settled value during 2008-09	Loss of revenue compared to settled value of 2007-08
1	Garampani NH 39	74.00	51.20	22.80
2	Hollowkhua	5.26	3.15	2.11
3	Khatkhati	2.50	2.00	0.50
4	Begijan	0.16	0.10	0.06
5	Borbhet	0.55	0.44	0.11
6	Ranaime	9.52	9.00	0.52
7	Doyangmukh	5.50	5.41	0.09
8	Tumpreng	5.50	3.89	1.61
Total		102.99	75.19	27.80

Source: Settlement order and information furnished by Suptd. of Tax, KAAC

(ii) Similarly, NIT floated in February 2008, included proposed sale of Doyangmukh weekly market

and Tumpreng weekly market for the year 2008-09 fixing the Government value/reserve price at ₹1.34 lakh and ₹2.88 lakh respectively. As the markets were settled in previous year (2007-08) at the higher price of ₹2.10 lakh and ₹3.70 lakh respectively, the fixation of reserve price on lower side during 2008-09 led to loss of revenue to the tune of ₹0.99 lakh as detailed in Table -10.

Table – 10

(₹ in lakh)

Sl. No.	Name of the market	Settled value of 2007-08	Settled value of 2008-09	Loss of revenue compared to previous years
1	Tumpreng Weekly market	3.70	3.30	0.40
2	Doyangmukh weekly market	2.10	1.51	0.59
Total		5.80	4.81	0.99

Source: Settlement order and information furnished by Suptd. of Tax, KAAC

On this being pointed out, the reason/ justification for fixation of lower reserve price and the settlement of ETG on that basis could not be explained during exit conference by the Council.

3.1.3 Non realisation of Councils' share of Motor Vehicle Tax

While referring to the arrangement of remittance of 90 per cent of the gross collection of Motor Vehicle tax by Deputy Commissioner of North Cachar Hill and Karbi Anglong District to the concerned District Council

(erstwhile) made effective from April 1983, the State Government directed (March 1991) the Deputy Commissioners of the above two districts to release 90 *per cent* of Motor Vehicle Tax on quarterly basis to the Councils.

Scrutiny revealed that during 2008-09, no amount of MV Tax was remitted to KAAC. Even records of due amount of MV Tax were also not available with KAAC. On being asked, the Executive Engineer (M), KAAC obtained the position of due MV Tax (being 90% share) from the District Transport Authority which showed that the amount of MV Tax pertaining to the period 2008-09 due for collection was ₹146.31 lakh. Reasons for non-remittance of due amount of MV tax were not stated, though called for. Such situation needs to be avoided by instituting an appropriate monitoring mechanism and delineating responsibilities among officials of KAAC and the State government.

3.1.4 Non maintenance of Stock Register of revenue receipt and way side ticket

Besides receiving Grants from the State Government, KAAC also levies and collects certain revenue on its own sources like Land Revenue, auction of market

space, trade license fees, transport services, etc, for which the council used to issue printed money receipt book and way-side tickets books to its collectors.

It was noticed in audit that KAAC did not maintain stock register of money receipt books or way side ticket books to keep track of the receipt, issue and utilization of such important documents. In the absence of any stock book, actual position of printing and utilisation of money receipt books and way side ticket books could not be ascertained. Thus, it could also not be ensured whether all the receipts for 2008-09 of KAAC have duly been included as receipts in its annual accounts. Further, absence of stock register is fraught with the risk of misuse of money receipt books and way side ticket books.

3.2 Revenue remittance

According to Rule 18 of the District Fund Rules, 1952 all moneys received by KAAC shall be remitted into the treasury promptly and shall on no account be appropriated towards KAAC's expenditure. Rule 17 of the said Rules further provides that all receipts due to KAAC collected by any employee authorized to collect

such receipts, should be deposited with the cashier, who shall enter them in the 'Cash Book' of KAAC.

3.2.1 Irregular utilization of departmental receipts towards departmental expenditure

Test check of the records of the Transport Department of KAAC and scrutiny of information furnished to audit revealed that during 2008-09, KAAC collected revenue to the tune of ₹12.02 lakh as proceeds of passenger fare, auction of vehicle, hire charges of buses etc., under Road Transport Services. Of this, KAAC spent ₹8.15 lakh towards departmental expenditure like repair and maintenance of vehicles during 2008-09 without depositing the amount first into the treasury (PLA of KAAC).

3.2.2 Improper maintenance of revenue receipt register

Scrutiny revealed that revenue received by the cash branch of KAAC from time to time was not deposited promptly into the treasury (PLA of KAAC). It was partially deposited retaining a portion of it with Cashier. The extent of delay in depositing revenue thus occurred could not be ascertained in audit due to non maintenance of receipt register exhibiting details of

receipt, receipt head of account, and date of deposit into PLA. This practice by KAAC was not only in violation of the District Fund Rules but also fraught with the risk of misappropriation/misutilisation.

3.3 Revenue expenditure

3.3.1 Idle stock of teaching and non teaching material

District Primary Education Officer, KAAC, Diphu procured teaching and non teaching material worth ₹13.97 lakh during 2008-09 for distribution to the Lower Primary Schools of the district, but these were left undistributed till the date of audit (July 2011) leading to stock of material lying idle. Details of material procured are shown in Table - 11.

Table -11

Item	Date of entry in the Stock book	Quantity	Amount (₹ in lakh)
Desk & Bench	6/8/08	202 pairs	5.00
Desk & Bench	-do-	40 pairs	0.99
Steel Almirah	16/10/08	95 nos	7.98
TOTAL			13.97

Source : Records maintained by District Primary Officer

Neither the records in support of assessment of requirement of the material nor the reasons for non distribution of the same were furnished to audit, though called for.

3.3.2 Work done without call of tender

Test check of the records of the Executive Engineer Works (EE) of KAAC revealed that during 2008-09, the division had executed construction/repair/maintenance/ extension works, worth ₹218.16 lakh without calling for tenders through 96 work orders with the value of each work ranging from ₹0.69 lakh to ₹16.18 lakh.

E.E in response to audit query stated that the KAAC did not prescribe any financial limit for awarding work without call of tender and the award of work order depends on the pleasure of KAAC. The Council also did not have an approved panel of Contractors.

Awarding the work without tendering not only deprived KAAC of the benefit of competitive bidding, but the entire process also lacked transparency. Some works were split up (a few illustrative cases detailed in *Annexure -I*) and awarded to several persons whose technical capability to execute the works especially roads and buildings etc., could not be verified from the available records.

KAAC would need to provide a transparent procedure for availing best possible rates and ensuring quality of work in accordance with generally accepted canons of financial propriety laid down in GFRs/AFRs/APWD code.

3.3.3 Withholding of funds of entrusted function

KAAC short released a total amount of ₹12.16 crore (Plan: ₹11.25 crore and Non-plan: ₹ 0.91 crore) to line departments depicting the difference as deduction at source towards administrative charges on account of bearing extra and additional burden to administer the entrusted functions, from the total funds received under (Part-II Deposit Fund) without any such provision in modalities of entrustments or approval from the State Government. This action by KAAC was not only in violation of the approved procedures but also deprived the attainment of objectives of entrusted functions to the corresponding extent.

4 Irregularities in transactions relating to discharge of entrusted functions

HEALTH AND FAMILY WELFARE DEPARTMENT

4.1 Extra expenditure

Government of India (GOI) decision (i) below Rule 6 of General Financial Rule (GFR) provides that “every officer is expected to exercise the same vigilance in respect of expenditure incurred from public moneys as a person of ordinary prudence would exercise in respect of expenditure of his own moneys”.

Director of Health Services (DHS), Assam circulated (October 2008) the rates of drugs and pharmaceutical items for 2008-09, duly approved by the Purchase Committee for purchases from the approved manufacturers by all indenting officers in the State.

The standard operating procedure being followed throughout Assam and also by Additional Chief Medical and Health Officer (FW), Karbi Anglong in respect of supply of medicines *inter alia* included the following:

- For quality assurance it should be categorically mentioned in the supply order/indent that valid GMP¹⁰ certificate from the manufacturers should be furnished along with supplies. Besides, analytical test report of the medicines from the principal manufacturers must accompany each consignment.

- Supplies should be accepted as per standard with Batch number, date of manufacturing, date of expiry, brand name, license numbers etc. These particulars must be mentioned in the bills also.

Scrutiny (January – February 2012) of the records of Jt. Director of Health Services (Jt. DHS), Diphu indicated that despite availability of approved rates from approved manufacturers circulated by GOA, Jt. DHS, Diphu invited (February 2009) quotations (NIT) to ascertain lowest rates in respect of 15 medicines. Jt. DHS, while floating the NIT had not insisted upon quoting the names of the manufacturers or submission of GMP certificate along with quoted rates. Of the three quotations received, the lowest rate of

¹⁰ GMP – Good Manufacturing Practice – A certificate issued by the Ministry of Health to enforce and ensure that drug products are produced safely and correctly by manufacturers.

M/s Caretake Pharma Private Limited, Guwahati was approved (February 2009) by Health and Family Welfare Department, KAAC, Diphu. It was, however, noticed that the address, telephone numbers and fax numbers indicated in the three quotations were the same rendering the existence of two of the firms doubtful and the lowest rate¹¹ questionable.

It was observed in audit that based on the proposal (March 2009) of Jt. DHS, Executive Member, H & FW Department, KAAC sanctioned ₹3.14 crore for the purchase of medicines and also instructed to issue supply orders to five firms¹² other than the firm which quoted the lowest rates. Accordingly, supply orders were issued (March 2009) to these five firms and supplies obtained for ₹3.14 crore between March 2009 to March 2010.

Scrutiny of the supply orders and copies of vouchers revealed that GMP certificate, analytical test report, batch numbers etc., were neither mentioned in the supply order nor in the bills furnished. Consequently,

¹¹ M/s. Caretake Pharma Pvt. Ltd.

¹² (i) M/s Hills Pharmaceuticals, Diphu, (ii) M/s Kalyani Traders, Diphu, (iii) M/s Medicos, Diphu, (iv) M/s New Jamuna Pharmaceuticals, Guwahati and (v) M/s Riso Drugs, Diphu.

there was no quality assurance of the medicines purchased by Jt. DHS.

Scrutiny further revealed that amongst the total 67 items of medicines purchased by Jt. DHS, 36 items were purchased at the rates approved by DHS, Assam. Of the rest 31 items, seven major items were purchased at KAAC approved rates which were 140 to 1,580 *per cent* higher than the rates approved by DHS, Assam. As a result of purchase of these seven items at higher rates, Jt. DHS incurred an excess expenditure of ₹1.15 crore (*Annexure-II*). There was nothing found on record to show that the manufacturers approved by DHS, Assam were approached before issue of supply order at KAAC approved rate.

Thus, procurement of medicine at higher rate when lower approved rates were available resulted in extra expenditure of ₹1.15 crore. Besides quality assurance of the medicines purchased was also not ensured.

This irregularity had also been pointed out vide paragraph 1.3.1 of the Report of the Comptroller and Auditor General of India on Social, General and Economic (Non-PSUs) Sectors for the year ended

31 March 2012 (Report No. 2) Government of Assam
laid before Assam State Legislature on 04 April 2013.

4.2 Injudicious procurement and blocking of fund

Fundamental principles of public procurement as laid down in Rule 137 of General Financial Rules (GFR) *inter alia* provides that (i) the specifications in terms of quality, type etc., as also quantity of goods to be procured, should be clearly spelt out keeping in view the specific needs of the procuring organisations; (ii) the procuring authority should satisfy itself that the price of the selected offer is reasonable and consistent with the quality required; and (iii) care should also be taken to avoid purchasing quantities in excess of requirement.

The High Level Committee (HLC) constituted under the Chairmanship of Additional Chief Secretary, Government of Assam (GOA), for devolution of Twelfth Finance Commission (TFC) grants, sanctioned ₹266.15 lakh to Health Department, Karbi Anglong Autonomous Council (KAAC) in their meeting held in October 2006. The fund was meant for utilization

during 2006-07. GOA, however, released the first installment of ₹54.50 lakh in January 2007 and the second installment of ₹211.65 lakh in September 2009, after a delay of almost three years. No reason for this inordinate delay was found on record.

Scrutiny (January – February 2012) of the records of Jt. Director of Health Services (Jt. DHS), Diphu revealed that on receipt of HLC sanction of October 2006 (₹266.15 lakh), Jt. DHS submitted (November 2006) project proposal to Health Department, KAAC for utilization of the sanctioned amount under seven¹³ items of expenditure as envisaged in HLC's minutes of the meeting of October 2006. There was nothing on record to show that this project proposal was approved by KAAC. Meanwhile 1st installment of ₹54.50 lakh was spent for purchase of medicines in accordance with original proposal. Subsequently, Jt. DHS submitted (October 2009) another proposal to utilize the entire 2nd installment of ₹211.65 lakh in clearing the liabilities created (June/July 2009) on account of purchase of

¹³ (1) Installation of computer system (₹28.07 lakh), (2) Morgue chamber (₹17.46 lakh), (3) Incinerator building (₹29.14 lakh), (4) Upgradation of office building of Jt. DHS and DMS, Diphu (₹18.99 lakh), (5) Hospital equipments (₹65.49 lakh), (6) Hospital furniture and linens (₹37.00 lakh) and (7) Medicines (₹70.00 lakh).

diagnostic machines and surgical items, on the occasion of Golden Jubilee Celebration of Civil Hospital, Diphu and for other hospitals in Karbi Anglong district. KAAC accorded (October 2009) administrative approval and released (March 2010) the fund which was paid to the suppliers in May 2010. The sanction of GOI/GOA for utilization of the TFC grant towards clearance of past liabilities instead of implementation in accordance with HLC guidelines was not found on record.

Scrutiny of the stock register of Jt. DHS disclosed that out of the machines and surgical items shown to have been procured, materials and other peripherals worth ₹64.89 lakh only were shown to have been issued to Civil Hospital. Balance materials worth ₹146.76 lakh were lying in stock till the date of audit (February 2012). Details are in *Annexure - III*.

Scrutiny further revealed that apart from absence of quality assurance of the machines/equipment, the purchase process was also not transparent because:

- The rates were fixed through limited tender (only three quotations) without ascertaining it from

manufacturers or from DHS, GOA. It was thus not clear as to how economy in purchase was ensured.

- Specification, efficiency and cost of equipment differ from manufacturer to manufacturer. It was essential to indicate the name of manufacturer in the tenders, supply order, bills/vouchers, delivery challans and stock entries. While delivery challans were not produced to audit, the other records did not indicate the name of manufacturer, date of manufacturing, period of warranty, specification, agreement, etc. Thus, quality of the equipment was not ascertainable.

- Non-utilization/idle stock of machines and surgical items worth ₹146.76 lakh was indicative of the fact that those were procured without assessing the actual requirement.

It is evident that the purchase was made without observing the relevant provisions of GFR. Moreover, the Jt. DHS had not conducted physical verification of stock since its purchase (July 2009) till the date of audit (February 2012) though in accordance with Rule 219 of Assam Financial Rules, this was to be done periodically. Consequently, it could not be ascertained

whether the balance materials and equipment worth ₹146.76 lakh were available in stock.

In reply, GOA admitted (July 2012) that the fund was utilized for clearing the old liabilities but did not comment on the purchase irregularities pointed out by audit.

Thus, Jt. DHS, Diphu procured equipment worth ₹211.65 lakh without observing basic financial norms of economy in purchase and also without ensuring quality by procurement from reputed manufacturers. Besides, Jt. DHS failed to utilize materials and equipment worth ₹146.76 lakh even after elapse of 31 months rendering the procurement injudicious besides leading to blocking of fund to the extent of ₹146.76 lakh.

This irregularity had also been pointed out vide Report of the Comptroller and Auditor General of India on Social, General and Economic (Non-PSUs) Sectors for the year ended 31 March 2012 (Report No. 2) Government of Assam (Paragraph 1.5.4 of the Report refers) laid before Assam State Legislature on 04 April 2013.

PUBLIC WORKS DEPARTMENT

4.3 Unproductive expenditure on bridge work

Government of Assam (GOA) accorded (March 2005) administrative approval (AA) of ₹1.68 crore for construction of RCC Bridge No. 26/3 on Nagarjan Samar Ali Das Road in Karbi Anglong with approach and protection work under Non Lapsable Central Pool of Resources (NLCPR) for 2004-05. Technical Sanction (TS) for ₹1.68 crore was accorded (November 2005) by Chief Engineer, PWD (Roads), Assam. The work was awarded (May 2005) to a contractor¹⁴ at a tendered value of ₹1.69 crore with the stipulation to complete the work within 18 months from the date (May 2005) of issue of work order *i.e.*, within November 2006.

Scrutiny (February 2010) of the records of Executive Engineer, PWD, Bakulia Road Division and further information collected (December 2011) from the Division revealed that progress of work was slow and the contractor finally stopped the work since October 2008 after completing only 'foundation and

¹⁴ Rajen Borah, Howraghat, Karbi Anglong.

substructure' and was paid (October 2009) ₹86.44 lakh by the Division. Extension of time was neither sought for by the contractor nor was granted. Reason for stopping of work by the contractor was stated to be 'poor machinery back up' and 'poor mobilisation of construction materials' by the contractor at work site. The Department took 26 months to withdraw (December 2010) the work from the contractor and subsequently imposed (March 2011) penalty of ₹7.50 lakh on the contractor towards compensation for delay in completion of the work. Documentary evidence in support of realization of ₹7.50 lakh from the contractor was neither available on record nor furnished though called for. The balance work was allotted (March 2012) to another contractor¹⁵ at a tendered cost of ₹80.85 lakh which is stated to be in progress now.

Thus, failure of the Department to take timely and effective action to complete the bridge work even after a lapse of 66 months from the stipulated date of completion resulted in unproductive expenditure of ₹86.44 lakh.

¹⁵ Shri Haradhan Das, Bokulia, Karbi Anglong.

In reply, while admitting about non-completion of the work, GOA stated (July 2012) that the work will be completed within December 2012 which only reaffirmed the fact that the expenditure remained unproductive till date (November 2012).

This irregularity had also been pointed out vide paragraph 2.7.1 of the Report of the Comptroller and Auditor General of India on Social, General and Economic (Non-PSUs) Sectors for the year ended 31 March 2012 (Report No. 2) Government of Assam which laid before State Legislature on 04 April 2013.

FOREST DEPARTMENT

4.4 Unadjusted and untraceable civil advance

In accordance with Rule 104 (e) of Assam Financial Rules (AFR), the responsibility for effective check and control of the accounts of the entire division, both in respect of revenue and expenditure, rests on Divisional Forest Officer (DFO). In each forest division there are several forest ranges and forest beats under the ranges, through which DFO administers the activities of the division. Funds are drawn by the DFO through cheques and disbursed normally to ranges as civil advances

(CA). The range, in turn, disburses the fund (CA) to beats, the smallest constituent units in the division. Against this monthly CA received, the beat officer furnishes cash account to the range. The range officer after consolidating the cash accounts of the beats, prepares cash account of the range including its own expenditure and submits it to the division. The division, on receipt of cash account of the ranges, further consolidates the cash accounts of all ranges and sends the monthly account to the Accountant General (A&E), Assam along with vouchers, schedules and cash accounts of beats and ranges (for development function) and to KAAC for inherent function.

4.4.1 Divisional Forest Officer, West Division

4.4.1.1 Development Function (Entrusted)

Scrutiny (February 2012) of the records (Development function) of DFO, Karbi Anglong West Division, Diphu for 2008-09 disclosed that there were altogether five ranges in the division, of which three ranges had six beat offices (2 each) under it whereas two ranges had no beat office under them.

While checking the disbursement of monthly CA to the ranges and beats from the division, it was noticed that monthly CA was disbursed to five ranges and contrary to the normal procedure, also to the five beats by the division. Both disbursements were reflected in the CA register of the division.

Test-check of the monthly accounts submitted by the division to the Accountant General (A&E), and KAAC Assam revealed that there was no discrepancy between the CA disbursed to the two ranges (Northern Range, Protection Range) having no beat office and the adjusting cash account submitted by these two ranges. As for the other three¹⁶ ranges having two¹⁷ beat offices each, CA was disbursed to the ranges including the share of the beats. Further scrutiny revealed that identical amounts (being the share of the five¹⁸ beats already disbursed to the ranges) were again disbursed to these five beats directly from the division. This phenomenon was observed in respect of these five beats

¹⁶ Western Range (WR), Central Range (CR), Eastern Range (ER).

¹⁷ WR (Kanger Basti, Lang), CR (Nailalung, Abordium), ER (Dhansiri, Lahorijan).

¹⁸ Kanger Basti, Lang, Abordium, Dhansiri and Lahorijan.

in 11 monthly accounts of the 12 monthly accounts during 2008-09.

During these 11 months of 2008-09, CA disbursed to these three ranges and five beats amounted to ₹178.32 lakh of which, adjusting cash account furnished with monthly accounts accounted for only ₹128.62 lakh (as detailed in *Annexure-IV*) leaving an unadjusted balance CA of ₹49.70 lakh. As the fund was not reflected in the cash book of the beats and whereabouts of the amount of ₹49.70 lakh was not traceable, the possibility of misappropriation of funds cannot be ruled out.

In November 2012, Hill Areas Department, GOA forwarded the reply furnished by DFO, Karbi Anglong West Division through the Principal Secretary, KAAC, wherein it was stated that funds were disbursed to Ranges only and no fund was disbursed to the beats directly by the DFO. The reply was, however, silent as to why, in the cash book as well as in the "Civil Advance Register" of the DFO, funds were shown as disbursed not only to Ranges but also to these five beats separately. While funds released to the Ranges were

adjusted (2008-09), funds shown as having disbursed directly to the beats, remained unadjusted and thus, needs to be reconciled.

This irregularity had also been pointed out vide Report of the Comptroller and Auditor General of India on Social, General and Economic (Non-PSUs) Sectors for the year ended 31 March 2012 (Report No. 2) Government of Assam (Paragraph 1.2.1 of the Report refers) laid before Assam State Legislature on 04 April 2013.

4.4.1.2 Inherent Function

During test check of the records (February 2012) (inherent function) of DFO, Karbi Anglong West Division, Diphu for 2008-09 regarding disbursement of monthly CA to the ranges and beats from the division, it was noticed that monthly CA was disbursed to three ranges and contrary to the normal procedure, also to the beats by the division. Both disbursements were reflected in the CA register of the division.

Test check of the monthly accounts submitted by the division to the KAAC revealed that CA including the share of the beats was disbursed to three ranges having

two beats each in two ranges and one beat in one range. Further scrutiny revealed that identical amounts (being the share of the five¹⁹ beats already disbursed to the ranges) were again disbursed to these five beats directly from the division. This phenomenon was observed in respect of these beats in nine monthly accounts of the 12 monthly accounts during 2008-09.

During these nine months of 2008-09, CA disbursed to three ranges and five beats amounted to ₹98.36 lakh of which, adjusting cash account furnished with monthly accounts, accounted for only ₹74.31 lakh (as detailed in *Annexure-V*) leaving an unadjusted balance CA of ₹24.05 lakh. As the fund was not reflected in the cash book of the beats and whereabouts of the amount of ₹24.05 lakh was not traceable, the possibility of misappropriation of funds cannot be ruled out and thus, needs reconciliation of accounts of the division.

4.4.2 Divisional Forest Officer, East Division

Scrutiny (February 2012) of the records (inherent function) of DFO, Karbi Anglong East Division, Diphu

¹⁹ Kanger Basti beat & Lang Beat (Western Range), Dhansiri Beat, Lahorijan Beat (Eastern Range) and Aborduim Beat (Central Range).

for the year 2008-09 disclosed that there were altogether seven ranges in the division, of which four ranges had eight beat offices (2 each) under them while three ranges had no beat offices.

While checking the disbursement of monthly CA to the ranges and beats from the division, it was noticed that monthly CA was disbursed to four ranges and contrary to the normal procedure, also to the four beats directly by the division. Both disbursements were reflected in the CA register of the division.

Test-check of the monthly accounts submitted by the division to the KAAC revealed that there was no discrepancy between the CA disbursed to the two ranges (Western Range and Central Range) and the adjusting cash account was being submitted by these two ranges. As for the other two²⁰ ranges having two²¹ beat offices each, CA was disbursed to the ranges including the share of the beats. Further scrutiny revealed that identical amounts (being the share of the four²² beats already disbursed to the ranges) were again disbursed to these four beats directly from the division.

²⁰ North East Range (NER) and North west Range (NWR).

²¹ NER (Deopani, Bogijan), NWR (Hyanthal, Borjuri).

²² Deopani, Bogijan, Hyanthal and Borjuri.

This phenomenon was observed in respect of these four beats in 10 monthly accounts out of 12 monthly accounts during 2008-09.

During 10 months of 2008-09, CA amounting to ₹201.11 lakh were disbursed to these two ranges and four beats of which, adjusting cash account furnished with monthly accounts, accounted for only ₹177.77 lakh leaving an unadjusted balance CA of ₹23.34 lakh (as detailed in *Annexure-VT*). As the fund was not reflected in the cash book of the beats and whereabouts of the amount of ₹23.34 lakh was not traceable, the possibilities of misappropriation of funds could not be ruled out and thus, needs reconciliation of accounts in East Division.

PANCHAYAT AND RURAL DEVELOPMENT DEPARTMENT

4.5 Avoidable extra expenditure

GOI decision (i) below Rule 6 of General Financial Rules provides that “every officer is expected to exercise the same vigilance in respect of expenditure incurred from public moneys as a person of ordinary

prudence would exercise in respect of expenditure of his own money”.

Scrutiny (June 2009) of the records of Deputy Director, Panchayat and Rural Development (P&RD) Department, Diphu revealed that the Deputy Director procured 6,642 quintals ‘Parimal rice’ at a cost of ₹1.38 crore under Special Nutrition Programme (SNP) 2008-09 for distribution to beneficiaries through respective Block Development Officers of Karbi Anglong District as detailed in *Annexure -VII*. Out of the total procurement of 6,642 quintals rice, 2,380 quintals were procured (April 2008) at ₹1,800 per quintal offered by the suppliers and 4,262 quintals of same quality rice was procured (December 2008 to January 2009) through a single supplier at ₹2,200 per quintal approved by Karbi Anglong Autonomous Council (KAAC) during 2008-09 without inviting tender. Rice so procured was received by the respective Block Development Officers, but actual payee’s receipts in support of distribution of rice to intended beneficiaries were not furnished to audit, though called for (August 2013).

Scrutiny also revealed that the Deputy Director had not made any attempt to procure rice (Parimal) from the department of Food and Civil Supplies, Diphu at prevailing Government controlled rate of ₹925.73²³ per quintal. There was no qualitative difference between the rice purchased from market (Parimal variety) and the APL rice (also Parimal variety) supplied from FCI through Food and Civil Supplies Department. Cost of 6,642 quintals rice at Government controlled rate of ₹925.73 per quintal would be ₹61.49 lakh (6,642 x ₹925.73), whereas the Deputy Director procured the same for ₹138.37 lakh and thereby resulted in avoidable extra expenditure of ₹76.88 lakh.

Scrutiny further revealed that instead of deducting four *per cent* VAT amounting to ₹1.75 lakh from the gross amount of the bill of ₹43.78 lakh for supply of 1,990 quintals of rice @ ₹2,200 per quintal, the Dy. Director erroneously added ₹1.75 lakh to the gross amount

	Ex FCI price:	₹830 per quintal
Add:	Whole sale commission @3.10 per cent	₹25.73 per quintal
Add:	Maximum allowable transportation cost	₹16 per quintal
	Total	₹871.73 per quintal
Add:	Retail price margin	₹54 per quintal
	Total	₹925.73 per quintal

(₹43.78 lakh) and this added amount was deducted at source as VAT together with other statutory deductions.

On this being pointed out, the Deputy Director requested (October 2010) the supplier to refund the excess amount of ₹1.75 lakh stated to having been released due to oversight. The amount, however, remained unrealized (August 2013).

Thus, procurement of rice of same quality from open market instead from the FCI at a rate higher than the prevailing Government controlled rate without observing prescribed financial procedures, resulted in avoidable extra expenditure of ₹76.88 lakh; which includes excess payment of ₹1.75 lakh due to inadmissible VAT included in supplier's bill.

This irregularity had also been pointed out vide Report of the Comptroller and Auditor General of India on Social, General and Economic (Non-PSUs) Sectors for the year ended 31 March 2012 (Report No. 2) Government of Assam (Paragraph 1.4.6 of the Report refers) laid before Assam State Legislature on 04 April 2013.

5 Internal Control Mechanism

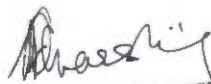
Internal Control is a mechanism designed to provide reasonable assurance to the management with regard to efficiency and effectiveness of operations and compliance of applicable Rules and regulations. It also ensures the degree of accountability and good governance in terms of the objectives of the organizations and enable them to discharge their functions efficiently and effectively.

The following deficiencies in the internal control system of KAAC were noticed.

1. Considering the size and volume of transactions of KAAC, an internal Audit (IA) wing is required to be set up for conducting proper checks of all financial matters so as to ensure accuracy and reliability of figures of books of accounts.
2. There were wide variation between estimation and actuals in respect of revenue generation and expenditure as the process of estimation was not based on analysis of past performance and proper evaluation.
3. Policy procedures and internal checks towards generation and realisation of revenue like forest, mines

and minerals and taxes were not adequately documented, spelt out by proper guideline, orders or manual.

4. Reconciliations between cash book (PLA) with Treasury records and between bank statements and bank ledgers were not done to ensure accuracy of figures of Annual Accounts.



(C. H. KHARSHIING)
Accountant General

Guwahati
The

17 JAN 2014

Countersigned



New Delhi
The

(SHASHI KANT SHARMA)
Controller and Auditor General of India

27 JAN 2014

Annexure -I
(Para reference 3.3.2)

Statement showing illustrative cases of splitting up in awarding works

Sl. No.	Name of work	Total value of work	Value of the work awarded	Name of contractor	Admn. Approval No. & date
		₹ in lakh			
(1)	(2)	(3)	(4)	(5)	(6)
1	Construction of Village Road at Phuloni	10.00	5.00	Dilip Teron	KAAC/W/GIA/W-613/08-09/3192(A) dated 25.04.2008.
			5.00	Ashima Khepri	
2	Installation of Hand Tube Well at Phuloni Member of Autonomous Council MAC constituency.	7.50	3.75	Ashima Khepri	
			3.75	Sanjib Teron	
3	Construction of Village Road under Phuloni (MAC) constituency	10.00	5.00	Indra Milik	
			5.00	Sanjib Teron	
4	Construction of Minor Irrigation works under Phuloni MAC constituency.	10.00	5.00	Mangal Ingti	
			5.00	Kave Teronpi	
5	Repairing and renovation of officer and Staff quarter.	25.91	1.99	Kave Teronpi	KAAC W-273 2008-09/3529 dated 22.09.2008.
			1.75	Sanjib Teron	
			1.18	H. Senarpi	
			1.95	K. Hansepi	

(1)	(2)	(3)	(4)	(5)	(6)
			1.81	M. Terong	
			1.67	R. Teronpi	
			1.82	K. Senarpi	
			1.66	M. Timungow	
			1.24	S. Engti	
			1.20	D. R. Teron	
			1.96	L. Teron	
			1.71	N. C. Das	
			1.02	D. Terong	
			1.78	D. Terong	
			1.38	B. Terong	
			1.79	M. Teron	

Annexure-II

(Reference Paragraph 4.1)

Extra expenditure due to procurement of medicines at higher rates

Sl. No.	Name of supplier	Supply order No. and date	Name of medicines	Rate allowed (₹)	Approved rate of DHS, Assam 2008-09 (inclusive of all taxes)	Difference of rate (Percentage)	Quantity procured (tablets)	Extra expenditure (₹)	Bill value (₹)	Bill No. and date
1	2	3	4	5	6	7	8	9	10	11
1.	M/s. Riso Drugs, Diphu	185, 05.03.09	Pantoprazole 40mg Tab.	₹55 per strip of 10 tab.	₹4.50 per strip of 10 tab	50.50 (1122%)	100000	505000	550000	008, 08.06.09
	M/s. Riso Drugs, Diphu	197, 05.03.09	Pantoprazole 40mg Tab.	₹55 per strip of 10 tab.	₹4.50 per strip of 10 tab	50.50 (1122%)	50000	252500	275000	011, 24.07.09
	Kalyani Traders	184, 03.03.09	Pantoprazole 40mg Tab	₹55 per strip of 10 tab.	₹4.50 per strip of 10 tab	50.50 (1122%)	100000	505000	550000	K-005, 10.03.09
Sub-total (A) :								1262500	1375000	
2.	M/s. Riso Drugs, Diphu	185, 05.03.09	Cough Syrup each 5ml 100 ml bottle	₹56 per 100 ml	₹7.49 per 60 ml	48.51 (648%)	20000	970200	1120000	008, 08.06.09

1	2	3	4	5	6	7	8	9	10	11
	Kalyani Traders	232, 12.01.10	Cough Syrup each 5ml 100 ml bottle	₹56 per 100 ml	₹7.49 per 60 ml	48.51 (648%)	21000	1018710	1176000	K-016, 06.03.10
Sub-total (B) :								1988910	2296000	
3.	M/s. Riso Drugs, Diphu	185, 05.03.09	Cetixme 200 mg tab.	₹225 per strip of 10 tab.	₹39.98 per strip of 10 tab	185.02 (462.78%)	100000	1850200	2250000	009, 08.06.09
	M/s. Riso Drugs, Diphu	197, 05.03.09	Cetixme 200 mg tab.	₹225 per strip of 10 tab.	₹39.98 per strip of 10 tab	185.02 (462.78%)	50000	925100	1125000	011, 24.07.09
	Kalyani Traders	184, 03.03.09	Cetixme 200 mg tab	₹225 per strip of 10 tab.	₹39.98 per strip of 10 tab	185.02 (462.78%)	100000	1850200	2250000	K-005, 10.03.09
	Kalyani Traders	227, 04.01.10	Cetixme 200 mg tab	₹225 per strip of 10 tab.	₹39.98 per strip of 10 tab	185.02 (462.78%)	35000	647570	787500	K-015, 22.02.10
Sub-total (C) :								5273070	6412500	
4.	M/s. Riso Drugs, Diphu	197, 05.03.09	Enzyme Syrup 200ml bottle	₹65 per 200 ml	₹17.99 per 200 ml	47.01 (261.31%)	3000	141030	195000	010, 24.07.09
	Kalyani Traders	184, 03.03.09	Enzyme Syrup 200ml bottle	₹65 per 200 ml	₹17.99 per 200 ml	47.01 (261.31%)	10000	470100	650000	K-005, 10.03.09
	Kalyani Traders	193, 05.03.09	Enzyme Syrup 200ml bottle	₹65 per 200 ml	₹17.99 per 200 ml	47.01 (261.31%)	20000	940200	1300000	K-007, 10.06.09
Sub-total(D) :								1551330	2145000	

1	2	3	4	5	6	7	8	9	10	11
5.	M/s. Riso Drugs, Diphu	197, 05.03.09	Syrup Cetirizine 5 mg each 5 ml	₹ 42 per 30 ml	₹2.50 per 30 ml	39.50 (1580%)	3000	118500	126000	010, 24.07.09
	Kalyani Traders	193, 05.03.09	Syrup Cetirizine 5 mg each 5 ml	₹ 42 per 30 ml	₹2.50 per 30 ml	39.50 (1580%)	10000	395000	420000	K-007, 10.06.09
Sub-total (E) :								513500	546000	
6.	Kalyani Traders	194, 05.03.09	Cefotaxime + Sulbactam 1.5 mg	₹42.25 per vial	₹17.60 per vial	24.65 (140%)	10000	246500	422500	K-008, 12.05.09
Sub-total (F) :								246500	422500	
7.	Kalyani Traders	196, 05.03.09	Botropase Inj.	₹71.25 per Amp.	₹21.30 per Amp.	49.95 (234.51%)	5000	249750	356250	K-010, 10.04.09
Sub-total (G) :								249750	356250	
Grand total (A) to (G) :								11085560	135553250	
Add: Vat @ 4% :								443422	542130	
Total :								11528982	14095380	

Annexure-III
(Reference Paragraph 4.2)

Statement showing procurement of machines and surgical items by diverting TFC fund for the year 2006-07 and lying idle in stock

Sl. No.	Name of the supplier	Supply order No. and date	Items supplied	Quantity received on 30.07.09	Rate (₹)	Amount (₹)	Quantity issued	Balance in stock	Value of idle stock (₹) (6 x 9)	Stock register No. and page No.	To whom issued	Bill No. and date
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1.	New A.R. Traders, Guwahati	206, 19.06.09	Fallop Ring Applicator	1001	990	990990	Nil	1001	990990	New Surgical items 2008-09	--	132, 30.07.09
2.			Flat Jaws	1	130900	130900	Nil	1	130900	P/206	--	
3.			Founalin Chamber Laparoscopic	1	55330	55330	Nil	1	55330	P/207	--	
4.			Gall Bladder Extractor	1	200000	200000	Nil	1	200000	P/208	--	
5.			Gastroscope	1	2300900	2300900	Nil	1	2300900	P/209	--	
6.			Guide Wire	1	44400	44400	Nil	1	44400	P/210	--	
7.			Harmonic	1	3100000	3100000	Nil	1	3100000	P/211	--	
8.			Labors Trolley	10	265000	2650000	7	3	795000	P/212	PHC, CHC	

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
9.		204, 19.06.09	Laryngeal Mirror with handle	3	1600	4800	3	Nil	--	P/142	DCH	128, 30.07.09
10.			Headlight clark	3	3700.00	11100	Nil	3	11100	P/144	--	
11.			Macintosh Laryngoscope Superior	6	4725.00	28350	Nil	6	28350	P/146	--	
12.			Mouth Gag Danis Boyle	3	11055	33165	Nil	3	33165	P/148	DCH	
13.			Mouth Gag Doyen	3	3600	10800	3	Nil	--	P/150	DCH	
14.			Mouth Gag Heister	3	7851	23553	3	Nil	--	P/152	DCH	
15.			Amal Syringe	3	4650	13950	3	Nil	--	P/154	DCH	
16.			Light stand	4	45300	181200	Nil	4	181200	P/134	--	
17.			Baby Warmer	4	149000	596000	4	Nil	--	P/136	DCH	
18.			Tuba Optic light set	1	140000	140000	Nil	1	140000	P/137	--	
19.			Stethoscope	100	11550	1155000	97	3	34650	P/138	DCH, PHC, CHC	

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
20.		200, 19.06.09	Portable X-Machine set	3	152000	456000	Nil	3	456000	P/140	--	121, 30.07.09
21.			Laparoscopic Biopsy Forceps	1	134175	134175	1	Nil	--	P/50	DCH	
22.			Laparoscopic Knot Pusher	1	67575	67575	1	Nil	--	P/52	DCH	
23.			Laparoscopic Needle Holder Curved Jaws	1	187500	187500	1	Nil	--	P/54	DCH	
24.			Laparoscopic Suture Pusher	1	187500	187500	1	Nil	--	P/56	DCH	
25.			Laparoscopic Trolley	1	261000	261000	1	Nil	--	P/59	DCH	
26.			Ligaclip 300	6	40000	240000	6	Nil	--	P/60	DCH	
27.			Ligaclip 400	6	45000	270000	6	Nil	--	P/62	DCH	
28.			Light	1	243000	243000	1	Nil	--	P/64	DCH	
29.			Morcellator set	3	1135850	3407550	Nil	3	3407550	P/66	--	

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
30.			Multi Parameter BPL & Cartograph	1	495000	495000	1	Nil	—	P/67	DCH	
31.		206, 19.06.09	Microscope CX41	2	503500	1007000	Nil	2	1007000	P/124	—	133, 30.07.09
		Total:				1,86,26,738			1,29,16,535			
		Add: VAT 12.5 per cent				23,28,342			16,14,567			
		Total				2,09,55,080			1,45,31,102			
		Add : P. Tax 1 per cent				2,09,551			1,45,311			
		Grand Total :				2,11,64,631			1,46,76,413			

Annexure-IV

(Reference to Paragraph-4.4.1.1)

Non-adjusted and non-traceable CA in three ranges and five beats during 2008-09

(In ₹)

Year	Development	Western Range and Beat			Central Range and Beat		Eastern Range and Beat			Total
		Range	Kanger Basti Beat	Lang Beat	Range	Abordium Beat	Range	Dhansiri Beat	Lahorijan Beat	
2008-09	Funds disbursed	37,09,029	8,04,123	9,30,916	60,49,110	74,152	46,94,377	8,56,397	7,14,166	1,78,32,270
	Accounts submitted	18,50,156	8,96,547	9,62,326	43,66,359	92,578	29,93,426	9,03,521	7,97,430	1,28,62,343
	Difference	18,58,873	-92,424	-31,410	16,82,751	-18,426	17,00,951	-47,124	-83,264	49,69,927

Annexure-V

(Reference to Paragraph-4.4.1.2)

Non-adjusted and non-traceable CA in ranges and beats during 2008-09

(In ₹)

Year	Inherent	Western Range and Beat			Central Range and Beat		Eastern Range and Beat			Total disbursed in three ranges and five beats
		Range	Kanger Basti Beat	Lang Beat	Range	Abordium Beat	Range	Dhansiri Beat	Lahorijan Beat	
2008-09	Funds disbursed	1406778	358198	250005	3673409	157404	2350430	968696	671428	9836348
	Accounts submitted	798576	358198	250005	3516005	157404	710306	968696	671428	7430618
	Difference	608202	0	0	157404	0	1640124	0	0	2405730

Annexure-VI

(Reference to Paragraph-4.4.2)

Non-adjusted and non-traceable CA in four ranges and four beats during 2008-09

(In ₹)

Year	Inherent	North East Range			North West Range			Central Range	Western Range	Total
		Range	Deopani Beat	Bogljani Beat	Range	Hyanthal Beat	Borjuri Beat	Range	Range	
2008-09	Funds disbursed	3723791	608568	326025	2619214	537421	862236	6502123	4931942	20111320
	Accounts submitted	2789198	608568	326025	1219557	537421	862236	6502123	4931942	17777070
	Difference	934593	0	0	1399657	0	0	0	0	2334250

Annexure – VII
(Reference Paragraph 4.5)

Details of procurements of Rice from different suppliers at higher rate

Sl. No.	Supply Oder No. and date	Name of supplier	Quantity of rice supplied (In quintal)	Rate per quintal (In ₹)	Total payment made (₹)	Name of recipient Block
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Details of rice procured at the rate offered by different suppliers						
1.	DPRD/H/Accts/SNP/20 07-08/228 dtd. 24.04.08	Shri Deuri Lekthe, Howraghat	320	1,800	5,76,000	Langsomepi Development Block, Bakulia
2.	DPRD/H/Accts/SNP/20 07-08/224 dtd. NA	Shri Deuri Lekthe, Howraghat	470	1,800	8,46,000	Langsomepi Development Block
3.	DPRD/H/Accts/SNP/20 07-08/239(A) dtd. 24.04.08	Shri Birson Engti, Parakhowa	320	1,800	5,76,000	Amri Development Block, Ulukonchi
4.	DPRD/H/Accts/SNP/20 07-08/222 dtd. 24.04.08	Shri Ajoy Tokbi, Diphu	330	1,800	5,94,000	Bokajan Development Block
5.	DPRD/H/Accts/SNP/20 07-08/236 dtd. 24.04.08	Shri Damian Hanse, Ulukunchi	300	1,800	5,40,000	Chinthong Development Block

(1)	(2)	(3)	(4)	(5)	(6)	(7)
6.	DPRD/H/Acctts/SNP/20 07-08/232 dtd. 24.04.08	Shri Tutu Engti, Howraghat	320	1,800	5,76,000	Rongmongwe Development Block
7.	DPRD/H/Acctts/SNP/20 07-08/242 dtd. 24.04.08	Shri Habe Engti, Rongmongwe	320	1,800	5,76,000	Nilip Development Block
(A) Total			2,380		42,84,000	
Details of rice procured at a rate approved by KAAC						

1.	DPRD/H/Acctts/SNP/20 07-08/59 dtd. 1.10.08	Eastern Traders, MG Road, Diphu	2,272	2,200	50,00,000	11 Blocks ²⁴
2.	DPRD/H/Acctts/SNP/20 07-08/ dtd. 22.12.08	Eastern Traders, MG Road, Diphu	1,990	2,200+ 4% VAT	45,53,120	- do -
(B) Total			4,262		95,53,120	
Grand total (A+B)			6,642		1,38,37,120	

²⁴ 1. Amri, 2. Bokajan, 3. Chingthong, 4. Howraghat, 5. Langsomepi, 6. Lumbajong, 7. Nilip, 8. Rongkhang, 9. Rongmongwe, 10. Samelangso and 11. Socheng.