

## OVERVIEW

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

### CHAPTER – I

#### SECTION ‘A’ ORGANISATION, FINANCES, DEVOLUTION AND ACCOUNTABILITY FRAME WORK OF PANCHAYATI RAJ INSTITUTIONS (PRIs) & URBAN LOCAL BODIES (ULBs)

There were 2407 PRIs and 89 ULBs in the State as on 31 March 2012. The Principal Secretary, Panchayat and Rural Development Department (PRDD) and the Principal Secretary, Urban Development Department (UDD) are the administrative heads of PRIs and ULBs {except Guwahati Municipal Corporation (GMC)} respectively. The Secretary, Guwahati Development Department (GDD) is the administrative head of GMC.

*(Paragraphs 1.1; 1.4)*

There was acute shortage of manpower at each level of PRI and urgent need to make them fully operational with adequate manpower. There was no prescribed staffing pattern for ULBs. The staffing pattern of ULBs and GMC proposed by the respective departments is under the consideration of the State Government. A clear policy in this regard need to be formulated by the State Government in the context of enhanced work load entrusted to PRIs & ULBs.

*(Paragraph 1.8)*

District Planning Committee (DPC) had been formed in all districts of General Areas, but they were yet to perform their mandated functions as envisaged in Article 243 ZD of the Constitution.

*(Paragraph 1.9)*

Devolution of Fund, Functions and Functionaries (3Fs) to Panchayats and Municipalities is far below the desired level. Nevertheless, the GoA has created a Panchayat/Municipal window in the State Budget and every year a substantial portion of budgetary outlays under plan and non-plan in the revenue account is earmarked for Panchayats and Municipalities against the transferred subjects. In the absence of suitable administrative machinery under the PRIs and ULBs, the amount earmarked is being spent through the functionaries of the respective line departments.

*(Paragraph 1.11)*

The State Government in November 2011 appointed 10 Ombudsmen and two Deputy Ombudsmen in 12 out of 27 districts in the State under section 27 (1) of the MGNREG Act, 2005. However, there was no provision in the Assam Panchayat Act (AP Act), Assam Municipal Act (AM Act) and GMC Act regarding setting up of Ombudsman for LBs.

*(Paragraph 1.19.1)*

**SECTION 'B'**  
**FINANCIAL REPORTING OF PANCHAYATI RAJ INSTITUTIONS (PRIs) &  
URBAN LOCAL BODIES (ULBs)**

The present system of accounting of both rural and urban bodies suffers from various shortcomings relating to formats used, manner of reporting and more importantly the way budget is prepared. The accounts of ULBs were continued to be maintained on cash basis and thereby true and fair view of financial affairs of ULBs and their assets and liabilities were not disclosed.

*(Paragraph 1.22)*

There were more than one Cash Book which were not closed daily or monthly in 21 PRIs for the period ranging from 2002-03 to 2010-11. Asset Registers were not maintained by 57 test checked PRIs and the State Government also did not call for any return on the nature of asset, year of creation and monetary value of the assets.

*(Paragraph 1.22.2)*

Annual accounts were not prepared by any of the 74 test checked LBs, reflecting poor internal controls and inadequate accounting arrangements in LBs. These records are important as they are included to constitute evidence of proper receipt and utilization of funds.

*(Paragraph 1.22.5)*

The results of audit conducted by DALF remained unreported in the absence of Annual Consolidated Reports. As a result no follow up action could be taken up by the Finance Department thereby weakening the accountability mechanism of LBs in Government.

*(Paragraph 1.25.2)*

## CHAPTER II

### THEME AUDIT ON BACKWARD REGIONS GRANT FUND (BRGF)

There were short release of ₹473.63 crore (₹23.04 crore under Capacity Building and ₹450.59 crore under Development Grant). Short release of funds was due to under utilisation of funds and delay in submission of proposals and Utilisation Certificates by the State Government.

*(Paragraph 2.7.1.1)*

In the two test checked districts, the Government of India (GoI) released ₹61.55 crore as development grants during 2007-11 and ₹31.96 crore to State Institute of Rural Development (SIRD) for capacity building of 11 BRGF districts. However, State Government failed to release the funds to PRIs, SIRD and North Eastern Regional Institute of Water and Land Management (NERIWLM) within the stipulated period of 15 days.

*(Paragraph 2.7.1.2)*

In the two test checked districts, it was noticed that Perspective Plans were prepared without indicating the priority of works to mitigate the critical gaps in the development. As a result, the provision of guidelines to prioritize the identified critical gaps in the backward district addressing specific requirement was not achieved.

*(Paragraph 2.7.2.1)*

There was total absence of institutional support arrangements under BRGF at PRIs and ULBs level to strengthen the planning process and preparation of Annual Plans in a participatory mode.

*(Paragraph 2.7.2.6)*

Morigon and Bongaigaon ZPs diverted the BRG fund of ₹41.70 lakh for execution of projects outside the plan approved by HPC in violation of the scheme guidelines. Besides, the necessity for such changes addressing the backwardness had also not been specified.

*(Paragraph 2.7.3.1)*

Gram Sabhas were not involved in the selection of beneficiaries. Self Help Groups (SHGs) were selected by the President and Members of the Morigaon ZP. Criteria adopted for selection of SHGs were not found on record. As a result the genuineness in selection of beneficiaries also could not be ascertained in audit.

*(Paragraph 2.7.3.2)*

Incurring of expenditure on other purposes not covered under the guidelines meant that the rural people were deprived of the otherwise intended benefits from the stipulated sectors that would accrued from diverted fund of ₹47.25 lakh.

*(Paragraph 2.7.3.3)*

₹3.19 crore released by the GoI for capacity building remained unutilised as of March 2012. Keeping of scheme fund unutilised not only affected the achievement of desired target for providing training to Elected Representatives (ERs) but also resulted in blocking up of Government funds to that extent.

*(Paragraph 2.7.4.1)*

Government did not institute any monitoring system to ensure the quality of works executed under BRGF scheme.

*(Paragraph 2.7.5.2)*

The State Government had not issued any guidelines on Social Audit as of August 2012 as envisaged under Para 4.15 of BRGF guidelines.

*(Paragraph 2.7.5.3).*

## CHAPTER III

### AUDIT OF TRANSACTIONS

Due to non-settlement of markets/beels with the highest bidder by the Chief Executive Officer (CEO), Nagaon Zilla Parishad suffered a loss of revenue of ₹2.45 crore.

*(Paragraph 3.1.1.1)*

CEO, Zilla Parishad (ZP), Nalbari withdrew funds through self cheques in violation of the relevant executive instruction and failed to produce records of utilisation and whereabouts of ₹62.35 lakh pointing to misappropriation of Government money.

*(Paragraph 3.1.1.2)*

Out of ₹9.75 lakh paid to 39 Indira Awas Yojana (IAY) beneficiaries, ₹4.86 lakh was received by persons other than the beneficiaries themselves without any evidence of construction of IAY houses pointing towards possibility of misappropriation of IAY Fund.

*(Paragraph 3.1.1.3)*

Block Development Officers, Boko and Rangia Development Blocks incurred an expenditure of ₹7.96 lakh for providing financial assistance to 27 non deserving

beneficiaries by quoting other eligible beneficiaries BPL Id no. in violation of the scheme guidelines.

***(Paragraph 3.1.1.4)***

Proposal for works under religious activities by DPCs of Kamrup, Nalbari and Nagaon districts in violation of scheme guidelines led to lapse of District Development Fund (DDP) fund for ₹1.37 crore.

***(Paragraph 3.1.2.1)***

CEO, Nalbari ZP, unauthorisely diverted ₹65 lakh from Twelfth Finance Commission (TFC) grants to discharge the liabilities of DDP and also failed to produce the details of utilization in support of expenditure of ₹65 lakh which points to possibility of misappropriation of the amount.

***(Paragraph 3.1.2.2)***

Commencement of work without ascertaining sufficiency of funds led to unproductive expenditure of ₹1.08 crore on Construction of Indoor Hall at Morigaon.

***(Paragraph 3.1.2.3)***

Executive Officers, Barkhetri Anchalik Panchayat and Borigog Banbhag Anchalik Panchayat, Nalbari district incurred unauthorised expenditure of ₹3.08 crore towards allotment of 751 IAY houses, earmarked for SC/ST beneficiaries, to non-SC/ST beneficiaries.

***(Paragraph 3.1.3.1)***

The CEO, Nalbari ZP spent ₹21.07 lakh from DDP fund on inadmissible items rendering this expenditure unauthorised.

***(Paragraph 3.1.3.2)***

The CEO, Lakhimpur Zilla Parishad incurred unauthorized expenditure of ₹20.60 lakh by disbursing money to 206 ineligible beneficiaries in contravention of the guidelines of National Family benefit Scheme (NFBS).

***(Paragraph 3.1.3.3)***

Due to inordinate delay in finalization of Detailed Project Report (DPR) of Barpeta Strom Water Drainage (SWD) project funded under Urban Infrastructure Development Scheme for small and medium Towns (UIDSSMT) led to blocking up of funds of ₹9.38 crore.

***(Paragraph 3.2.1.1)***

Delay in handing over the sites to the contractor led to delay in commencement of the works and consequent extra liability of ₹2.26 crore (₹9.95 crore - ₹7.69 crore) on Silchar Municipal Board.

*(Paragraph 3.2.1.2)*

Chairperson of Sarbhog Town Committee (STC) and Barpeta Municipal Board (BMB) incurred an excess expenditure of ₹6.85 lakh on material component beyond the prescribed norms of material labour ratio 60:40 in violation of scheme guidelines of Swarna Jayanti Sahari Rojgar Yozana (SJSRY).

*(Paragraph 3.2.1.3)*