



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

**on**

**Social, General and Economic (Non-PSUs) Sectors  
for the year ended 31 March 2012**



**Government of Assam  
(Report No 2 of 2013)**

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## *Preface*

1. This Report has been prepared for submission to the Governor under Article 151 of the Constitution.
2. The Report contains findings on performance audit and audit of transactions in various Civil departments including public works, irrigation and public health engineering departments, audit of stores and stock and audit of autonomous bodies.
3. Consequent upon restructuring of Audit offices on Sectoral basis, this Report is prepared in three chapters dealing with Social, Economic and General Sectors.
4. The Report containing audit observations on matters arising from examination of Finance Accounts and Appropriation Accounts, audit observations on Statutory Corporations, Boards and Government Companies and Revenue Receipts are presented separately.
5. The cases mentioned in this Report are among those which came to notice in the course of test-audit of accounts during the year 2011-12 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 2011-12 have also been included wherever considered necessary.
6. The audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India and also as per the auditing standards of the International Organisation of Supreme Audit Institutions.



## Executive Summary

Consequent upon restructuring of State Audit Offices on Sectoral basis by redistribution of departments, Audit Report (Civil) has been renamed as “Audit Report on Social, General and Economic (Non-PSUs) Sectors” and also rearranged showing sector-wise chapters in the order of importance/significance viz; Chapter I: Social Sector, Chapter II: Economic Sector, Chapter III: General Sector. Position of general issues consisting of (a) Follow up on Audit Reports, (b) Action taken on recommendations of the PAC and (c) Response to audit observations and compliance thereof by senior officials is reflected in Chapter III: General Sector.

This Report contains 42 paragraphs (Social Sector: 23, Economic Sector: 13 and General Sector: six including three general paragraphs) and three performance reviews (Economic Sector: two including one CCO based audit and General Sector: one concerning IT audit). The draft audit paragraphs and draft performance reviews were sent to the Commissioner/Secretary of the Departments concerned with a request to furnish replies within six weeks. However, in respect of 11 paragraphs included in the Report, no replies were received. The audit findings relating to the draft performance reviews were discussed with the Commissioners/Secretaries to the State Government and the views of the Government were incorporated wherever appropriate. A synopsis of the important findings contained in the Report is presented below.

## SOCIAL SECTOR

### AUDIT OF TRANSACTIONS

#### 1. *Cases of fraud/misappropriation/losses*

Civil advance of ₹2.21 crore disbursed during 2005-10 by Divisional Forest Officer (DFO), Karbi Anglong West Division, Diphu to ranges and beats under it remained unvouched and untraceable leading to suspected misappropriation of ₹2.21 crore.

**(Paragraph 1.2.1)**

GMDA incurred a loss of revenue of ₹3.80 crore on account of short receipt of lease rent (₹50 lakh) and less allotment of capital share (₹3.30 crore) by the joint venture company, in addition to unquantifiable loss of dividend, otherwise due.

**(Paragraph 1.2.2)**

Joint Director of Health Services (Jt. DHS), Diphu had shown purchase and issue of medicines (tablets) for malaria treatment worth ₹22.68 lakh to District Malaria Officer (DMO), Diphu, the receipt of which was not reflected in DMO's records pointing to fictitious purchase and suspected misappropriation.

**(Paragraph 1.2.3)**

Joint Director of Health Services (DHS), Diphu failed to observe and follow the statutory provision of financial Rules in maintaining cash book leading to lack of internal control in financial management and suspected misappropriation of ₹18.45 lakh.

**(Paragraph 1.2.4)**

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

**(Paragraph 1.2.5)**

Principal Secretary, Bodoland Territorial Council (BTC) spent ₹84.60 lakh on installation of Hand Tube Well (HTW), other construction/renovations (₹30 lakh) and purchase of tarpaulin (₹54.60 lakh) for relief camps, of which detailed records were not available even after seven years of execution, rendering the utilization doubtful.

**(Paragraph 1.2.6)**

## ***2. Excess payment/Wasteful/Infructuous expenditure***

Procurement of medicines at higher rates than the approved rates, resulted in extra expenditure of ₹1.15 crore. Besides, quality assurance of the medicines purchased was not ensured.

**(Paragraph 1.3.1)**

Failure of Additional Chief Medical and Health Officer (ACM&HO), Diphu to utilize medicines worth ₹72.32 lakh, before expiry of their life span resulted in wasteful expenditure to that extent.

**(Paragraph 1.3.2)**

## ***3. Avoidable/unfruitful expenditure/undue favour to contractors***

Acceptance of faulty/inappropriate design and incorrect assessment of hydrological nature of the river Brhmaputra resulted in tilting of well shaft (TR-2) during flood, thereby rendering the expenditure of ₹3.11 crore unfruitful.

**(Paragraph 1.4.1)**

Expenditure of ₹1.36 crore incurred on establishment of State Ayurvedic Pharmacy (SAP) had not served the intended purpose and remained unfruitful.

**(Paragraph 1.4.3)**

Failure of Director of Health Services, Assam and GOA in making payment of outstanding dues of ₹16.19 lakh in time, despite having budget provision resulted in avoidable extra expenditure of ₹1.32 crore towards interest payment, in addition to incurring an unpaid liability of ₹61.32 lakh towards further interest.

**(Paragraph 1.4.4)**

Procurement of rice of same quality from open market instead of from 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.

**(Paragraph 1.4.6)**

Injudicious decision of Director, Social Welfare (DSW), Assam to procure excess towels for AWCs in violation of prescribed norms resulted in avoidable extra expenditure of ₹1.11 crore.

**(Paragraph 1.4.7)**

**4. *Idle investment/blocking of funds/delays in commissioning of equipment/diversion/misutilisation of funds etc.***

CEO, GMDA failed to complete the project of "reclamation and restoration of Borsola beel" due to non-execution of the work of removing organic sludge from the water body through bio-remedial process despite elapse of six years of its stipulated date of completion rendering expenditure of ₹5.22 crore unproductive.

**(Paragraph 1.5.1)**

DHS, Assam failed to utilize the "Magnetic Resonance Imaging (MRI)" system procured and installed at a cost of ₹6.91 crore which resulted in unproductive expenditure to that extent (₹6.91 crore), besides a committed liability of ₹0.73 crore as the intended objective of procurement of the MRI system could not be achieved for a considerable period.

**(Paragraph 1.5.2)**

Failure to analyse the pattern of consumption and non-assessment of actual requirement of hospital items resulted in accumulation of materials worth ₹183.59 lakh. Besides, there were instances of unauthorized issue of materials and absence of details of utilization led to possible misutilisation of Government money of ₹82.98 lakh.

**(Paragraph 1.5.3)**

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 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.

**(Paragraph 1.5.4)**

Joint Director of Health Services (Jt. DHS), Diphu unauthorisedly spent ₹1.99 crore for purposes other than those for which it was sanctioned.

**(Paragraph 1.5.5)**

Activities of Assam Building and Other Construction Workers' Welfare Board were far from satisfactory even after four years of its constitution despite having huge Cess Fund balance of ₹126.32 crore. Besides, non-investment of cess funds in fixed deposit during 2009-10 resulted in loss of interest for ₹33.24 lakh.

**(Paragraph 1.5.6)**

## **5. *Regularity issues and others***

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 1.6.1)**

CEO, Lakhimpur ZP and BDOs, Karunabari and Bihpuria Development Blocks incurred unauthorised expenditure of ₹64.15 lakh by providing financial assistance to ineligible beneficiaries in violation of the scheme guidelines thereby, depriving the corresponding benefits from reaching the intended beneficiaries.

**(Paragraph 1.6.2)**

## **ECONOMIC SECTOR**

### **Performance Audits**

#### **1. *Performance Audit of "Roads and Bridges funded from Central Road Fund (CRF)"***

*Central Road Fund (CRF) was conceived (27 December 2000) by Government of India (GOI) with a view to achieve a balanced development of the road network in the entire State. The objective of CRF had not been fully achieved as 67 per cent of the projects approved during 2007-12 remained incomplete as of March 2012. Five projects approved prior to April 2007 also remained incomplete. The composite plan*

*or the annual plan was not prepared after proper survey and investigation. In the absence of systematic selection procedure, 70 per cent of the State road projects were selected without the criteria being fulfilled. No new project was approved during 2009-12 as the Government of Assam (GOA) did not submit any proposal. Absence of systematic work plan and unsatisfactory contract and works management, delayed the completion of the projects abnormally. Completed roads got damaged as funds for maintenance was not provided by GOA. Quality control, supervision and monitoring were perfunctory. Some of the significant audit findings are highlighted below.*

(Paragraph 2.2)

## **2. Chief Controlling Officer Based Audit of Fisheries Department**

*The prime objective of the Fisheries Department is to increase fish production by adopting scientific measures of fish culture and generating employment opportunities by producing high yielding seeds (fingerlings) of fish for distribution among fish farmers at reasonable rates as well as imparting training to the fishermen community. In the CCO based audit, the State Plan schemes, Central Sector/Centrally Sponsored and Externally Aided Projects implemented by the Director of fisheries during 2006-12 were covered. There were deficiencies in planning and budgeting coupled with inadequate flow of funds and insufficient control over programme implementation.*

*It was noticed that the production of fish registered a shortfall from 4.82 per cent to 16.86 per cent against even the modest target fixed on the basis of 10 per cent annual increase during 2007-08 to 2008-12. Although the fish seed production exceeded the target, the quality of the seed was substandard due to continuous in-breeding leading to lower productivity. At the beginning of 2006-07, the State had water resources of 3.74 lakh hectare (ha) in the form of river fisheries, beel, water bodies, reservoir fisheries, ponds and tanks etc., of which four per cent was used for 'Culture fisheries' and 96 per cent for 'Capture fisheries'. At the end of 2011-12, water resources for fisheries marginally increased to 3.92 lakh ha of which six per cent was used for 'Culture fisheries' and 94 per cent for 'Capture fisheries'.*

(Paragraph 2.3)

## **AUDIT OF TRANSACTIONS**

### **1. Cases of fraud/misappropriation/losses**

Executive Engineer, Guwahati West Division (Irrigation) undertaken dewatering of the canal at headwork site before completion of the work of closing bund and diversion canal which was improbable and pointed towards doubtful utilisation of pumps rendering the expenditure of ₹57.30 lakh towards de-watering, fictitious.

(Paragraph 2.4.1)

Executive Engineer (EE) PWD (Roads), Barpathar Road Division, Silonijan, executed the same items of work in the same chainages simultaneously under two different approved works rendering earlier work in same chainage doubtful and expenditure (₹27.89 lakh) fictitious.

**(Paragraph 2.4.2)**

Failure to confirm the authenticity of the Bank Guarantee by exercising necessary checks by the Executive Engineer, Dhemaji State Road Division before allowing advance payments to a contractor led to loss of Government money to the tune of ₹30 lakh.

**(Paragraph 2.4.3)**

## ***2. Excess payment/Wasteful/Infructuous expenditure***

Executive Engineer, Guwahati West Division (Irrigation) incurred extra expenditure of ₹1.89 crore in implementation of Flow Irrigation Schemes (FIS) by injudicious inclusion of overhead charges in the estimates.

**(Paragraph 2.5.1)**

Execution of work prior to assessing the technical feasibility and not taking the protection work into consideration led to wasteful expenditure of ₹1.91 crore.

**(Paragraph 2.5.2)**

## ***3. Avoidable/unfruitful expenditure/undue favour to contractors***

Executive Engineer, Mankachar Division (Irrigation), Hatsingimari extended undue financial benefit of ₹66.85 lakh to the contractor in violation of codal provision and the terms of the tender agreement.

**(Paragraph 2.6.1)**

Executive Engineer, Guwahati West Division (Irrigation) Guwahati, extended undue financial benefit to the tune of ₹50.26 lakh through short recovery of statutory deductions from the contractors.

**(Paragraph 2.6.2)**

Deviation in the tender notice and agreement from the approved estimate sanctioned by Government of India led to an unfruitful expenditure of ₹2.10 crore incurred on incomplete and sub-standard bridges.

**(Paragraph 2.6.3)**

There was an unfruitful expenditure of ₹3.26 crore towards construction of Polytechnic building at Diphu as the building was not put to use by Education Department for the intended purpose even after a lapse of four years of construction.

**(Paragraph 2.6.4)**

**4. Idle investment/blocking of funds/delays in commissioning of equipment/diversion/misutilisation of funds etc.**

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.

**(Paragraph 2.7.1)**

Construction of bridge proper without adequate survey and proper planning for approaches to the bridge, rendered the expenditure of ₹76.59 lakh, unproductive.

**(Paragraph 2.7.2)**

## GENERAL SECTOR

### Performance Audits

**1. Information Technology Audit on “Computerisation of Land Records in Assam”**

*Revenue and Disaster Management Department (R&DMD) introduced (2006-07) “Dharitree” software in the Computerisation of Land Records (CLR). Examination in Audit revealed that R&DMD is yet to fully comply with System Requirement Specification (SRS) of the software. As a result of limitations of the software, database and system designing, cross referencing of date in various fields, detecting of errors/blanks in database, generation of different types of certificates, convertibility of land area into metric unit etc., were not possible to be done through the system. Besides, delays in data entry and completion of training programme hampered the completion of the project in accordance with the specified time schedule. The security system installed was not fool-proof. There were deficiencies in financial management leading to blocking up of funds besides idle and excess expenditure. CLR could not be fully operationalised in the entire State even after nine years of taking up the pilot project.*

**(Paragraph 3.2)**

### Audit of Transactions

**1. Cases of fraud/misappropriation/losses**

Failure of DC, Baksa to ensure genuineness of the claim before releasing fund and lack of proper monitoring by the officials of Agriculture Department, resulted in suspected fraudulent expenditure of ₹10 lakh.

**(Paragraph 3.3.1)**

**2. *Excess payment/Wasteful/Infructuous expenditure***

Failure on the part of DC, Darrang to recover ₹84.61 lakh being the cost of substandard summer paddy seeds (MTU-7029) supplied by National Seed Corporation Limited (NSCL) in violation of terms of supply order led to wasteful expenditure of ₹84.61 lakh besides depriving the drought affected farmers from the intended benefits of the programme.

**(Paragraph 3.4.1)**

Inordinate delay (24 years) in payment of compensation to the land owner by GMC as well as DC led to avoidable extra expenditure of ₹10.80 crore in addition to further excess expenditure of ₹0.75 crore towards payment of annual rent (recurring compensation).

**(Paragraph 3.4.2)**



# CHAPTER-I

## SOCIAL SECTOR

### 1.1 Introduction

The findings based on audit of State Government units under Social Sector feature in this chapter.

During 2011-12, against total budget provision of ₹15,668.10 crore, total expenditure of ₹12,263.38 crore was incurred by 16 departments inclusive of Bodoland Territorial Council (BTC) covered under Welfare of Plain Tribes and Backward Classes (WPT&BC) under Social Sector. Department-wise details of budget provision and expenditure incurred thereagainst are shown in **Appendix – 1.1**. Hill Areas department incurred expenditure of ₹890.24 crore during 2011-12 mainly for sixth schedule areas (NCHAC and KAAC) against budget provision of ₹1,214.32 crore (**Appendix – 1.2**).

Besides, the Central Government has been transferring a sizeable amount of funds directly to the implementing agencies of the State Government for implementation of flagship programmes of the Central Government. During 2011-12, out of total release of ₹6,631.69 crore, ₹5,941.41 crore was directly released to different implementing agencies under Social Sector as detailed below:

(Rupees in crore)

Sl. No.	Name of the Department	Name of Implementing Agencies	Fund released
1.	Health and Family Welfare	Assistance to State for capacity building in Truma Care	10.92
2.		GMCH and State Health Society (Health Care for the Elderly)	5.64
3.		Hospitals and Dispensaries (Under NRHM)	3.04
4.		Aids Control	16.12
5.		NRHM	848.25
6.		NRHM	2.10
7.		Redevelopment of Hospitals Institutions	19.52
8.	Rural Development	Rajiv Gandhi Rural Water and Sanitation Mission	122.51
9.		IAY	750.61
10.		DRDA Administration	28.96
11.		Integrated Watershed Management Programme	45.83
12.		MGNREGS	426.86
13.		National Rural Drinking Water Programme	522.44
14.		PMGSY	1682.84
15.	Higher Education	Central Institute of Technology, Kokrajhar	20.00
16.		IIT	110.00
17.		NITs	80.54
18.	School Education	Mahila Samakhya	4.28
19.		Asom Sarva Siksha Abhijan Mission	89.46
20.		Asom Sarva Siksha Abhijan	1069.21

21.	Environment and Forest	Environment Information Education and Awareness	1.86
22.		National Afforestation Programme	7.95
23.		Research and Development for Conservation and Development	0.22
24.	Labour and Employment	Health Insurance for unorganized sector workers	12.82
25.		National Child Labour Project	8.92
26.		Upgradation of 1396 Govt. IITs	2.50
27.	Social Justice And	Assistance to NGOs	1.74
28.	Empowerment (Social Welfare)	Aids and Appliances	1.80
29.	Human Resource	Assistance to NGOs	0.21
30.	Development	Assistance to College and University (Biotechnology)	2.14
31.		Scheme for HRD (Food Processing)	1.00
32.	Panchayati Raj	Rastriya Gram Swaraj Yojana	8.17
33.	Urban Development	SJSRY	32.95
<b>Total</b>			<b>5,941.41</b>

Source: CPSMS.

### **1.1.1 Planning and conduct of Audit**

Compliance audit is conducted in accordance with annual audit plan. The units are selected on the basis of risk assessment. Areas taken up are selected on the basis of topicality, financial significance, social relevance, internal control system of the units, occurrence of defalcation/misappropriation/embezzlement as well as findings of previous Audit Reports. Apart from the above parameters, all departmental important directorates and district level units are audited annually.

Inspection Reports are issued to the heads of unit as well as heads of departments after completion of audit. Based on the replies received, audit observations are either settled or further action for compliance is advised. Important audit findings are processed for inclusion in the Audit Report of C&AG of India.

The audits were conducted during 2011-12 involving expenditure of ₹18,149.71 crore (including expenditure of earlier years) of the State Government under Social Sector. This chapter contains 23 Transaction Audit Paragraphs.

The major observations made in audit during the year 2011-12 are discussed in succeeding paragraphs.

## AUDIT OF TRANSACTIONS

### 1.2 Cases of fraud/misappropriation/losses

#### Environment and Forest Department

##### 1.2.1 Unadjusted and untraceable civil advance

**Civil advance of ₹2.21 crore disbursed during 2005-10 by Divisional Forest Officer (DFO), Karbi Anglong West Division, Diphu to ranges and beats under it remained unvouched and untraceable leading to suspected misappropriation of ₹2.21 crore.**

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.

Scrutiny (February 2012) of the records of DFO, Karbi Anglong West Division, Diphu for the period 2005-09 disclosed that there were altogether five ranges in the division, of which, three ranges had six beat offices (two each) under it and 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 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), Assam revealed that there was no discrepancy between the CA disbursed to the two ranges (Northern and Protection Ranges) having no beat office and the adjusting cash account submitted by these two ranges. As for the other three<sup>1</sup> ranges having two<sup>2</sup> 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

<sup>1</sup> Western Range (WR), Central Range (CR), Eastern Range (ER).

<sup>2</sup> WR (Kanger Basti, Lang), CR (Nailalung, Abordium), ER (Dhansiri, Lahorijan).

the five<sup>3</sup> 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 in 30 monthly accounts out of 48 monthly accounts during 2005-09.

During these 30 months of 2005-09, CA disbursed to these three ranges and five beats amounted to ₹625.65 lakh, of which, adjusting cash accounts furnished with monthly accounts accounted for only ₹472.81 lakh leaving an unadjusted balance CA of ₹152.84 lakh (details in **Appendix-1.3**). As the fund was not reflected in the cash book of the beats and whereabouts of the amount of ₹152.84 lakh was not traceable, thus, possibility of misappropriation of fund cannot be ruled out.

Scrutiny of the records of the DFO for the year 2009-10, however, indicated that the difference, between the CA disbursed by the division as per CA register and the corresponding cash accounts submitted by the ranges, was noticed in all the five ranges including the two ranges (Northern and Protection ranges) which had no beat office. Besides, practice of disbursement of identical amounts to five beats (already disbursed to three ranges) directly by the division also continued during the year.

During these 12 months of 2009-10, Civil Advances amounting to ₹295.98 lakh were disbursed to five ranges and five beats, of which, adjustment cash accounts of five ranges and five beats accounted for ₹228.19 lakh leaving unadjusted balance CA of ₹67.79 lakh (details in **Appendix-1.4**). As the fund was not traceable in the cash book of ranges/beats, misappropriation of ₹67.79 lakh could not be ruled out.

Further, Form-15 accompanying the cash accounts of ranges and beats sent to the Accountant General (A&E), Assam each month should indicate details of the CA disbursed to ranges and beats during the month. It was, however, noticed that all the amounts indicated in CA register of the division were not entered in Form-15. Against disbursement of CA of ₹295.98 lakh during 2009-10, the sum total of entries made in Form-15 amounted to ₹131.37 lakh indicating non-inclusion of ₹164.61 lakh in Form-15. Sum total of cash accounts of ranges/beats accompanying Form-15, however, aggregated to ₹228.19 lakh as mentioned in previous paragraph. It is evident that due care was not taken in preparing Form-15 sent to AG (A&E), Assam by Karbi Anglong West Division.

Thus, DFO, Karbi Anglong West Division, Diphu disbursed CA of ₹1.53 crore during 2005-09 twice to five beats, once through the ranges and again directly to the beats, of which one was adjusted and the other remained unadjusted and untraceable leading to suspected misappropriation. During 2009-10, in addition to the non-adjusted and non-traceable CA in five beats, similar anomalies also occurred in five ranges amounting to ₹67.79 lakh during the year. Thus, total suspected misappropriation during 2005-10 aggregated to ₹2.21 crore. As the matter continued for years together, immediate investigation is necessary to ensure the bonafides of transactions.

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<sup>3</sup> Kanger Basti, Lang, Abordium, Dhansiri and Lahorijan.

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 “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 (2005-09), funds shown as having disbursed directly to the beats, remained unadjusted and thus, needs to be reconciled.

## Guwahati Development Department

### 1.2.2 Loss of revenue

**GMDA incurred a loss of revenue of ₹3.80 crore on account of short receipt of lease rent (₹50 lakh) and less allotment of capital share (₹3.30 crore) by the joint venture company, in addition to unquantifiable loss of dividend, otherwise due.**

In accordance with the direction (September 2006) of Government of Assam (GOA), Guwahati Development Department (GDD), Guwahati Metropolitan Development Authority (GMDA) invited (September 2006) “expression of interest (EOI)” for setting up a “five star hotel” in Guwahati as a joint venture enterprise. Six firms<sup>4</sup> expressed their willingness, of which, M/s Dharampal Satyapal Group (DSG), New Delhi was selected (February 2007) by the six member selection committee, under the chairmanship of vice-chairman, GMDA. The basis of selection was the evaluation report submitted (January 2007) by SBI Capital Markets Limited. Accordingly, a joint venture (JV) agreement was entered into with DSG on 1 June 2007 for setting up the hotel comprising of 200 rooms at Gotanagar, Guwahati.

(A) Article 4.2.2.3 of the JV agreement *inter alia* provided that the joint venture company (JVC) shall pay a consolidated sum of ₹25 lakh per annum annually to GMDA for initial five years commencing from the date of signing JV agreement or incorporation of the JVC, whichever is later. On 6 August 2007, the JVC was incorporated under the Companies Act 1956. As such, the JVC was to pay consolidated sum to GMDA from 6 August 2007 and as of August 2011, the amount due to GMDA was ₹one crore.

Scrutiny (May and July 2011) of the records of Chief Executive Officer, GMDA revealed that a land measuring 27 bigha at Gotanagar, Guwahati was leased to the JVC from 9 December 2009 for a period of 99 years and the JVC paid ₹50 lakh to GMDA for the period 9 December 2009 to 8 December 2011 *i.e.*, from the date of lease of the land and not from the date (6 August 2007) of incorporation of JVC. This was done in terms of Article 3, clause D of the lease agreement, which stipulated that the rent would be paid from the date of signing the JV agreement or incorporation of the lease deed, whichever is later. According to lease deed signed by both the parties,

<sup>4</sup> (i) Dona Builders Private Limited, Guwahati, (ii) M/s Contemporary Industries, Kolkata, (iii) M/s Dharampal Satyapal Group, New Delhi, (iv) M/s Hotel Polo Towers Private Limited, Shillong, (v) M/s Hyatt Regency, New Delhi and (vi) M/s Talukdar Suppliers and Construction, Guwahati.

rights and obligations with regard to the business relationship were to be regulated in accordance with the terms of the JV agreement. Lease deed can not set aside the salient provisions of JV agreement. Thus, non-adherence to the terms of JV agreement dated 1 June 2007 and non-receipt of lease rent *w.e.f* 6 August 2007, resulted in loss of revenue of ₹50 lakh (2 X ₹25 lakh annual rent). There was nothing on record to show that GMDA had taken any action to incorporate an appropriate clause in lease agreement to ensure payment of lease rent/consolidated sum in accordance with the provisions in the JV agreement.

Reply of CEO, GMDA was forwarded (May 2012) by Jt. Secretary, GOA, GDD. In reply, the CEO stated (April 2012) that ₹50 lakh was already received from the JVC and claim for outstanding lease rent of ₹50 lakh along with interest accrued thereon was submitted (January 2012) to the JVC, but GMDA had not received the outstanding lease rent of ₹50 lakh along with interest accrued thereon.

(B) Further, Article 5.2 of the JV agreement envisaged that GMDA would allot and transfer land towards capital subscription to its share (preference and equity shares) in the JVC. Value of total allotted shares to GMDA by JVC was ₹eight crore {Cumulative redeemable preference shares: ₹2.40 crore (24,00,000 shares @ ₹10 each) and Equity shares: ₹5.60 crore (56,00,000 shares @ ₹10 each)}. Audit scrutiny, however, revealed that the value of the land was assessed (May 2007) at ₹11.30 crore by a Government Registered Valuer<sup>5</sup>, appointed (May 2007) by GMDA. Thus, value of shares (both preference and equity) allotted to GMDA was less by ₹3.30 crore (₹11.30 crore - ₹8 crore) against the value of the land allotted to the JVC, resulting in loss of ₹3.30 crore.

In terms of financial offer of the JVC, the capital of ₹eight crore would be a combination of cumulative redeemable preference capital and equity capital in the ratio of 30:70. Accordingly, GMDA would get a fixed return of six *per cent* in preferential shares from the first year and 15 *per cent* on equity shares, in case of profit, from fourth year. Thus, due to less valuation of land by ₹3.30 crore, GMDA was allotted 33,00,000 shares less (9,90,000 preference shares and 23,10,000 equity shares in the ratio of 30:70) resulting in unquantifiable loss of dividend to GMDA on preferential shares from first year and on equity shares from fourth year.

In reply, CEO, GMDA stated (April 2012) that based on assessment of “Chartered Accountant (CA)” of GMDA regarding issue of share and other financial benefits, MOU was signed with the JVC. He further added that there was no involvement of fund of GMDA on the project and this being the first such Five Star Project in Assam in terms of social benefit as well as benefit to tourism sector for Assam which could not be quantified in terms of money. Reply of the CEO is not acceptable as GMDA had not conducted any comparative study of the value of land allotted to JVC *vis-à-vis* the value of the shares allotted to it before accepting the offer of the JVC. As a result, GMDA had to incur a loss of ₹3.30 crore due to less allotment of capital share.

<sup>5</sup> Rabi Sankar Dutta, BE (Mech), MIE, FIV, AIISA, Chartered Engineer and Government Registered Valuer, Regd. No. Cat VII/8/2005-06.

(C) The JVC was a lessee and the lessee legally can not mortgage the land leased out to it. In contravention to that, Article 4 A (iii) of the lease deed entered into by GMDA, empowered the lessee to assign, mortgage, sublet or otherwise, part possession of the demised premises or any of them or any part thereof and the building and structure standing thereon on obtaining requisite permission from the lessor. Further, it also provided that if no approval was issued by lessor within 45 days or no reasons for withholding the same are informed, permission would be deemed to have been granted. Pursuant to the provision of lease deed, the JVC mortgaged (March 2011) the land for obtaining term loan of ₹77.38 crore from SBI and Canara Bank. Before mortgage, SBI Commercial Branch, New Delhi requested (December 2010) GMDA for issue of NOC which was refused (June 2011) but served no purpose as the stipulated period of 45 days was already over by then.

In reply, the CEO stated that on receipt of a formal request regarding mortgage of the land from the JVC, the matter was referred to GOA, final decision on which is awaited (May 2012).

(D) According to Article 6.1.2 of JV agreement, the total number of Directors in the JVC would be seven, of which, only one member would be nominated by GMDA and rest by DSG. Again, Article 6.3 of JV agreement provided that in all material decisions, the resolution of Board can not be passed without the affirmative vote of a director nominated by DSG. Thus, it is evident that GMDA, at no point of time, could have exercised any effective control over the JVC, which was formed pursuant to the JV agreement.

In reply, the CEO stated that the JVC was requested (November 2011) for replacement of atleast one of the seven directors by one director from GMDA. Further development in this regard, if any, is awaited (May 2012).

Thus, GMDA incurred a loss of revenue of ₹3.80 crore towards short receipt of lease rent (₹50 lakh) and less allotment of capital share (₹3.30 crore) by the joint venture company besides, unquantifiable loss of dividend otherwise due to it.

## Health and Family Welfare Department

### 1.2.3 Suspected misappropriation

**Joint Director of Health Services (Jt. DHS), Diphu had shown purchase and issue of medicines (tablets) for malaria treatment worth ₹22.68 lakh to District Malaria Officer (DMO), Diphu, the receipt of which was not reflected in DMO's records pointing to fictitious purchase and suspected misappropriation.**

According to the Delegation of Financial Power Rules 1999, Jt. DHS is empowered to incur expenditure upto ₹10,000 in each case with a limit of ₹2 lakh in a year.

Scrutiny (January-February 2012) of records revealed that the Jt. Director of Health Services (Jt. DHS), Diphu purchased (August 2009) 98,800 number of "ARTESUNATE" tablets (medicine for malaria) from a Guwahati based firm at a cost

of ₹23.71 lakh for distribution to health units without receipt of requisition from health institutions. The procurement was made by the Jt. DHS beyond the delegated financial powers. The life span of the medicines was nine months (expiry date April 2010) from the date (August 2009) of purchase of tablet. Payment was made to the supplier in December 2009. According to stock register of Jt. DHS, the tablets were issued to the District Malaria Officer (DMO), Diphu (94,500 nos.) and Bokajan PHC (4,000 nos.) on 16 February 2010 *i.e.* two and half months prior to the expiry date of medicine. However, cross verification of stock register of DMO, Diphu in audit revealed that the tablets were not accounted by the DMO, Diphu, who stated (February 2012) that neither they had any requirement for the tablets nor did they receive the tablets from the Jt. DHS, Diphu. It was also stated by the DMO, Diphu that medicines for malaria treatment were usually received from the Jt. DHS, Malaria, Guwahati, against requisitions. Besides, according to the stock register, DMO had a balance of 23,500 tablets on the stated date of issue of the same by Jt. DHS. The information regarding receipt of tablets by DMO, Bokajan was also called for (May 2012), which is awaited.

It was evident that tablets recorded as issued to DMO, Diphu were neither procured nor issued while expenditure stated to being their cost *i.e.*, ₹22.68 lakh (94,500 nos. X ₹24) was incurred.

Thus, misappropriation of ₹22.68 lakh, shown as having been spent towards cost of medicines, cannot be ruled out.

In reply, the Jt. DHS stated that the medicines were purchased for urgent requirement. Reply of the Jt. DHS is not tenable as no requirement was placed by the DMO, Diphu for the said medicine and there was no trail of requisition, receipt and use of the medicines.

In reply, GOA stated (July 2012) that relevant records were called for from the Jt. DHS and DMO, Diphu for verification. Report of verification, if any, is, however, awaited.

#### **1.2.4 Suspected misappropriation**

**Joint Director of Health Services (DHS), Diphu failed to observe and follow the statutory provision of financial Rules in maintaining cash book leading to lack of internal control in financial management and suspected misappropriation of ₹18.45 lakh. Besides, attempts were made apparently to partially cover up the misappropriation by entering fictitious entries through non-existent 'receipt books' and payment of corresponding amounts without supporting vouchers.**

According to Rule 95 of Assam Financial Rules (AFR), the Head of office is personally responsible for accounting of all moneys received and disbursed and for the safe custody of cash. He should satisfy himself through periodical examination that the actual cash balance corresponds with the balance as per cash book. Further, the Head of office is required to verify day to day transactions, attest each entry that



appeared in the cash book and authenticate the analysis of daily/monthly closing balance.

Rule 95 (5) of AFR provided that a bill register should be maintained in Assam Schedule-III-I Form 116 and all bills, to be assigned by the Head of office or the officer authorised on his behalf, should be entered in the bill register and put up to the officer along with the bills for attestation of the entries in the bill register while signing the bills. The actual monetary transaction should be entered in the cash book so that the balance of the cash book represents the actual cash balance.

Rule 78 of AFR further provided that every payment must be supported by a voucher setting forth full and clear particulars of the claim. Every voucher must bear a pay order signed or initialed and dated by the disbursing officer.

Similarly, all expenditure should be supported by expenditure sanction of the competent authority. In the case of fund received through cheque and transactions made through bank account, reconciliation with bank balance and actual bank balance indicated in the cash book should be done at regular intervals and a certificate to that effect recorded in the cash book.

Karbi Anglong being a Sixth Schedule Area, the bills (salaries, contingencies etc.) of Government offices are drawn through Karbi Anglong Autonomous Council (KAAC), which issues cheques to the drawing and disbursing officers (DDOs) for the gross amount of the bills including obligatory deductions etc. On receipt of cheques, the DDOs deposit the cheques into respective bank account(s) on which cheques are drawn for disbursement. In the case of salaries, net amount drawn through cheques is disbursed to the employees and obligatory deductions like GPF/GIS/HBA etc., are credited to Council accounts (by issuing separate cheques) through treasury challans.

Scrutiny (February 2012) of records of the Joint DHS, Diphu revealed that the Joint DHS did not maintain the following statutory records or did not carry out the following prescribed functions in support of expenditure incurred in his office:

- (i) Bill Register was not maintained;
- (ii) Serial number was not recorded in vouchers alongwith chronological maintenance of vouchers in voucher guard files;
- (iii) Proof of bank reconciliation with the bank was not available;
- (iv) Physical verification of cash balance alongwith analysis of closing cash balance was not done;
- (v) Bill-wise analysis of closing balance in cash book was not carried out showing bank balance and cash balance separately.

The Joint DHS, Diphu suspected some irregularities by the cashier in depositing money realised from the gross amount of the salaries of staff of the office from September 2004 to June 2005 towards GPF/GIS/HBA etc., into the treasury and intimated (19 July 2005) the matter to Secretary, Health and Family Welfare, KAAC to initiate a thorough enquiry and lodged (30 August 2005) an FIR in Diphu police

station. The aggrieved staff after formal enquiry about non-deposit of GPF etc., had also filed (29 August 2005) an FIR on the ground that deductions towards GPF/GIS/HBA etc., made from their salaries since September 2004 were not deposited in their individual account and might have been misappropriated.

In the absence of cash analysis and non-exhibition of closing balance showing bank and cash balance separately, bank reconciliation statement and also non-maintenance of statutory records mentioned above, Audit could not work out the actual amount not deposited into Council account through the treasury on account of GPF/GIS/HBA etc., Senior Finance and Accounts Officer of KAAC conducted an enquiry and submitted (December 2009) verification report to the Council. According to the report, ₹18.45 lakh was unaccounted in the new cash book (No.40).

The previous Cash book (No. 39) was seized by State police on 30 August 2005. Transactions recorded in the Cash book were upto 19 July 2005 with a closing balance of ₹29.20 lakh and as per report of verification of cash book and bank statement of December 2009, no transaction occurred from 20 July 2005 to 31 July 2005. Due to seizure of cash book No. 39, Jt. DHS opened a new Cash book (No.40) on 1 August 2005 by engaging another cashier showing opening balance of ₹10.75 lakh available in the bank account without approval of higher authorities. The difference between the closing balance (₹29.20 lakh) of old Cash book (No. 39) and opening balance (₹10.75 lakh) of new Cash book (No. 40) of ₹18.45 lakh was shown as misappropriated. There was nothing on record to show that the Joint DHS had initiated any action against the defaulting cashier for this irregularity.

Audit scrutiny revealed that ₹18.19 lakh was deposited into treasury on four different dates<sup>6</sup> between October 2006 and June 2009 without any evidence of having actual recovery from the erstwhile cashier. The deposit of money was done from the available undisbursed cash balance of the office. In the absence of physical verification of cash balance and analysis of undisbursed cash, actual bills in respect of which payments remained outstanding due to deposit of ₹18.19 lakh could not be ascertained in audit. On the basis of these deposits, the FIR against the delinquent cashier was withdrawn (January 2009) and his suspension<sup>7</sup> was vacated disregarding the fact that deposits were made from undisbursed cash and not after actual recovery from the concerned cashier.

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<sup>6</sup>

Date	Amount
26/10/2006	3,18,678
21/07/2007	7,22,209
02/01/2009	3,79,575
05/06/2009	3,98,689
<b>Total</b>	<b>18,19,151</b>

<sup>7</sup> Suspended in September 2005.

Scrutiny further revealed that as per cash book entry of 29 January 2010 in the receipt side, ₹12.88 lakh was shown to have been received from erstwhile cashier being recovery from the misappropriated amount of ₹18.45 lakh. Neither, the counterfoil of receipt issued for this recovery was, however, available nor such receipt book used by the Jt. DHS. The amount (₹12.88 lakh) was disbursed to three suppliers on the same day for payment of outstanding diet and medicine bills. Despite requisition and pursuance, the Jt. DHS did not furnish any evidence in support of payment made to these suppliers. Thus, both receipt and expenditure of ₹12.88 lakh entered in the cash book of 29 January 2010 appeared to be fictitious as these were not supported by valid documents.

Jt. DHS, Diphu did not follow statutory provisions of Financial Rules in maintaining cash book leading to lack of internal control in financial management and suspected misappropriation of ₹18.45 lakh. Besides, attempts were made apparently to partially cover up the misappropriation by entering fictitious figures collected through non-existent 'receipt books' and payment of corresponding amounts without supporting vouchers.

In reply, GOA stated (July 2012) that a detailed report was called for from Principal Secretary, KAAC and Jt. DHS, Karbi Anglong, Diphu for taking action on the matter. Further development in this regard, if any, is, however, awaited.

## Panchayat and Rural Development Department

### 1.2.5 Misappropriation of fund

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

In order to minimize the risk of fraud/embezzlement, Principal Secretary, Panchayat and Rural Development (P&RD) Department, Government of Assam (GOA) issued (April 2010) instructions to all Chief Executive Officers (CEOs), Zilla Parishads (ZPs) of Assam to ensure that cheques are issued under the joint signature of CEO and the senior most accounts staff of each ZP.

Finance (Economic Affairs) Department, GOA released (March 2010) ₹153.64 lakh to CEO, Nalbari ZP for implementation of various schemes<sup>8</sup> under the award of Twelfth Finance Commission (TFC) grant (first instalment) 2008-09.

Test-check (January-February 2012) of the records of CEO, Nalbari ZP revealed that, of the amount of ₹153.64 lakh so released by GOA, the then CEO, sanctioned (April to December 2010) ₹61.45 lakh for execution of different works<sup>9</sup> and ₹4.13 lakh for

<sup>8</sup> 1. Maintenance of accounts (₹5.38 lakh), 2. Operation and maintenance cost (₹61.19 lakh), 3. Other income generating scheme (₹61.71 lakh), 4. Sanitation for each family of below poverty line (₹2.98 lakh) and 5. Water supply under creation of swajaldhara programme (₹22.38 lakh).

<sup>9</sup> Construction of low cost latrine and database room at ZP headquarters, installation of hand tube wells etc.

contingent expenditure, procurement of computer etc. Disregarding the order of GOA, as mentioned above, the then CEO withdrew (April to December 2010) ₹65.58 lakh by issuing 27 'self' cheques, containing only his signature, on Union Bank of India, Nalbari branch. While in the 'cheque issue register', the CEO signed as recipient of all 27 cheques, in the cash book, ₹61.45 lakh was shown to having been paid to one Junior Engineer (JE) as advance for implementation of different schemes and ₹4.13 lakh to dealing assistants of Nalbari ZP for purchase of computer and other contingent items. In reply to an audit query, the concerned JE stated (February 2012) that he had not received ₹61.45 lakh as shown against him in the cash book, while the concerned dealing assistant stated (February 2012) that the amount of ₹65.58 lakh was encashed by him and handed over to the then CEO as per his instructions and actual payees' receipt in support of disbursement was obtained in the cheque issue register. Records in support of utilization of ₹65.58 lakh viz., vouchers, actual payees receipts (APRs) etc., were not produced to audit.

Subsequent to audit (24 January 2012 to 6 February 2012), the CEO in position conducted (18 February 2012 to 15 March 2012) an enquiry, which disclosed that adjustment vouchers of only ₹3.23 lakh were found available. Documents in support of utilization of balance ₹62.35 lakh were not available. The present CEO had lodged (April 2012) an FIR with Nalbari Police Station; action taken report thereon, if any, is awaited (August 2012).

Thus, the former CEO, ZP, Nalbari withdrew ₹65.58 lakh in violation of the relevant executive instruction and the ZP failed to produce records of utilization of ₹62.35 lakh. This led to misappropriation of Government money of ₹62.35 lakh.

In reply, GOA stated (October 2012) that the then CEO (retired) and one Senior Assistant were arrested based on the FIR lodged by the current CEO. The matter is presently subjudiced. The misappropriated fund of ₹62.35 lakh however still remained unrecovered.

## **Welfare of Plains Tribes and Backward Classes Department**

### **1.2.6 Doubtful utilization**

**Principal Secretary, Bodoland Territorial Council (BTC) spent ₹84.60 lakh on installation of Hand Tube Well (HTW), other construction/renovations (₹30 lakh) and purchase of tarpaulin (₹54.60 lakh) for relief camps, of which detailed records were not available even after seven years of execution, rendering the utilization doubtful.**

Welfare of Plains Tribes and Backward Classes Department, Government of Assam sanctioned and released ₹54.65 crore as grants-in-aid against state plan provisions to BTC during 2004-05. Of this, BTC allocated ₹1 crore for "Relief and Rehabilitation" purpose and sanctioned ₹84.60 lakh during January to July 2005 for installation of HTW (₹20 lakh) at relief camps under Kokrajhar and Chirang districts. Further, ₹10 lakh was also sanctioned for the installation of HTW, construction of temporary lower primary/middle English (LP/ME) schools, Health Centres etc., at Hakama relief camp,

Gossaigaon and purchase of plastic tarpaulins (₹54.60 lakh) for use in the relief camps.

Scrutiny (November 2011 to January 2012) of the records of Principal Secretary, BTC disclosed that-

- ₹20 lakh was paid as advance to an individual<sup>10</sup> for installation of HTW in relief camps of Kokrajhar and Chirang in January 2005 without (i) any details or verifiable basis for selection of the contractor, (ii) ascertaining requirements, and also (iii) specifying the locations of installation. Only an estimate for installation of HTW @ ₹8,485 per HTW was obtained from PHE division No. 2 Kokrajhar. It was however, not ascertainable from the records whether the HTWs were actually installed.
- Apart from above, ₹10 lakh was also paid (January 2005: ₹five lakh; April 2005: ₹five lakh) to the Secretary, Hakama relief camp, Gossaigaon as an advance for installation of HTW, temporary construction of LP/ME school and Health Centre. In this case also, requirements, records of actual installation/construction, completion certificates were not available on record and the advance of ₹10 lakh remained unadjusted till the date of audit.
- Regarding purchase of tarpaulins (₹54.60 lakh), Joint Secretary, BTC issued (March 2005) supply orders to three suppliers for purchase of 27.878 MT @ ₹180/Kg involving expenditure of ₹54.60 lakh without inviting quotations. The material was received as indicated in challans during 23 March to 12 April 2005 and payments were made between May 2005 and July 2005. As per certificate appended on the body of the challans, tarpaulins were received by Executive Member (EM) of BTC but no stock entry or evidence in support of distribution to the camp inmates was available on record.

Thus, utilization of ₹84.60 lakh for the purpose for which it was sanctioned remained doubtful.

On being pointed out in audit, the Principal Secretary, BTC in reply, admitted (April 2012) that utilization certificate in respect of advance of ₹30 lakh paid to an individual (₹20 lakh) and Secretary, Hakama relief camp (₹10 lakh) had not been received. It was, however, stated that efforts were on to collect the utilization certificates including location of installations of HTW and list of beneficiaries.

As regards distribution of tarpaulins, it was intimated that these were distributed by a committee constituted for the purpose but admitted that “actual payees receipts” from the recipients were not available and being collected. The reply only reinforces the doubts regarding the veracity of expenditure and supply of ordered materials to the end users/beneficiaries.

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<sup>10</sup> Shri P. Phukan Nath.

The matter was reported to Government in June 2012; their reply had not been received (November 2012).

### **1.3 Excess payment/Wasteful/Infructuous expenditure**

#### **Health and Family Welfare Department**

##### **1.3.1 Extra expenditure**

**Procurement of medicines at higher rates than the approved rates, resulted in extra expenditure of ₹1.15 crore. Besides, quality assurance of the medicines purchased was not ensured.**

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 the 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 interalia includes the following:

- For quality assurance it should be categorically mentioned in the supply order/indent that valid GMP<sup>11</sup> 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 No., date of manufacturing, date of expiry, brand name, license No. 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 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

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<sup>11</sup> 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.

quotations were the same rendering the existence of two of the firms doubtful and the lowest rate<sup>12</sup> 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 firms<sup>13</sup> 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, 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 (**Appendix- 1.5**). 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.

The matter was reported to the Government in May 2012; their reply had not been received (November 2012).

### **1.3.2 Wasteful expenditure**

#### **Failure of ACM&HO, Diphu to utilize medicines worth ₹72.32 lakh, before expiry of their life span resulted in wasteful expenditure to that extent.**

Test-check (January-February 2012) of the records of Additional Chief Medical and Health Officer (ACM&HO), Diphu, Karbi Anglong revealed that the ACM&HO procured medicines from different suppliers during August 2002 to April 2010 for distribution to Primary Health Centres (PHCs)/Family Welfare Centres (FWCs) etc., without any requisitions from the concerned health centres of the district. The medicines were procured at the rates approved by Director of Health Services, Assam based on the administrative approval accorded by Karbi Anglong Autonomous Council (KAAC). Stock registers of medicines revealed that 32.28 lakh tablets/capsules of 12 different kind worth ₹72.32 lakh procured during 2002-07 were

<sup>12</sup> M/s. Caretake Pharma Pvt. Ltd.

<sup>13</sup> (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.

lying idle in the stock as of February 2012. Life span of these medicines had already expired<sup>14</sup>. It was also revealed from stock register of medicines that periodical physical verification of stock was not conducted by the ACM&HO since August 2002 to the date of audit (February 2012).

Thus, failure of ACM&HO, Diphu to utilize medicines worth ₹72.32 lakh, procured without assessing actual requirement, before expiry of their life span resulted in wasteful expenditure of ₹72.32 lakh.

The matter was reported to the Government in May 2012; their replies had not been received (November 2012).

#### **1.4 Avoidable/unfruitful expenditure/undue favour to contractors**

##### **Guwahati Development Department**

#### **1.4.1 Unfruitful expenditure**

##### **Acceptance of faulty/inappropriate design and incorrect assessment of hydrological nature of the river Brahmaputra resulted in tilting of well shaft (TR-2) during flood, thereby rendering the expenditure of ₹3.11 crore unfruitful.**

Government of Assam (GOA), Guwahati Development Department (GDD) accorded (March 2006) administrative approval (AA) of ₹27.72 crore for construction of ropeway between Guwahati and north Guwahati across the river Brahmaputra. Guwahati Metropolitan Development Authority (GMDA), being the executing agency, entrusted (August 2006) Rail India Technical Engineering Services (RITES) Limited, Gurgaon, a Government of India enterprise, for preparation of a detailed project report (DPR). RITES Limited prepared the DPR in December 2006 and tenders were invited (December 2007) by GMDA for execution of work on turnkey basis. The work was awarded (May 2008) to one M/s Samir Damodar Ropeway Private Limited, Guwahati at a cost of ₹28.17 crore. In July 2008, GMDA entered into an agreement with RITES Limited for project management including checking of design, quality assurance of supply items, supervision of construction, erection, testing and commissioning including handing over of the system after successful commissioning.

Test-check (May and July 2011) of the records of Chief Executive Officer, GMDA revealed that the work of two well foundations at north (TR-4) and south (TR-2) bank was started in December 2009, of which, the work relating to 'well shaft' at north bank was completed before the onset of monsoon in 2010. However, the work relating to well shaft (TR-2) at south bank had to be stopped from March 2010 before plugging of bottom and top of the shaft, due to rising of water level caused by flash flood. The submerged well shaft was tilted due to scouring of well foundation and came to rest over an inclined rock profile. Rectification measure of tilt by anchoring

<sup>14</sup> **Expired during:**

2005-06: ₹26.70 lakh, 2006-07: ₹40.03 lakh, 2007-08: ₹3.92 lakh, 2008-09: ₹0.26 lakh and 2009-10: ₹1.41 lakh.



was also stopped in February 2011 due to an objection raised by Archaeological Survey of India (ASI) for setting up anchor blocks at Urvashi Island, a heritage site. As of July 2011, an expenditure of ₹3.11 crore was incurred on TR-2 well in addition to which, there was unpaid liability of ₹3.70 crore on floating arrangement and tilt rectification measures. Though a preliminary decision on possible alternative location had been taken, no directive in this regard had been issued by GMDA till July 2011.

Test-check further revealed that despite the facts that (i) the termination level of TR-4 in North Bank was 52 m; (ii) water had risen above 41 m in the month of March during the consecutive four years (2005-2008) and GMDA opined (January 2010) to keep well cap of TR-2 above the highest flood water level (51.5 m), termination level of TR-2 well cap was lowered to 45 m by RITES Limited. Thus, apart from accepting faulty/inappropriate design, RITES Limited failed to assess hydrographic nature of the river correctly. This was corroborated by the observation made by Commissioner and Special Secretary to Public Works and National Highway Department, GOA to the effect that as maximum scour level was below the rock level at TR-2, scouring of river bed during flood was not an unforeseen event.

Thus, failure of GMDA to ensure fixing of termination level of well cap above the highest flood water level coupled with lack of adequate protective measures, was indicative of bad planning which resulted in tilting of well shaft (TR-2) during flood, thereby rendering the expenditure of ₹3.11 crore unfruitful, besides, accrual of unpaid liability of ₹3.70 crore.

In reply, while not denying the unfruitful expenditure of ₹3.11 crore, GOA stated (July 2012) that fixing of termination level of well cap was done as per design duly scrutinized and vetted by RITES. The Government had also agreed that alternatives were to be evaluated. Ultimately, the fact remains that acceptance of faulty/inappropriate design and incorrect assessment of hydrographic nature of river Brahmaputra by RITES resulted in tilting of the well shaft during flood, thereby rendering the expenditure of ₹3.11 crore unfruitful.

## Health and Family Welfare Department

### 1.4.2 Unfruitful and wasteful expenditure

**Of the mandatory two rounds of DDT spray for effective outcome, second round of spray was not done rendering the expenditure (₹69.50 lakh) on first round of spray largely unfruitful. Also acceptance of DDT of short life span resulted in wasteful expenditure of ₹36.69 lakh.**

Dichloro-Diphenyl-Trichloroethane (DDT) is being used in the National Vector Borne Disease Control Programme (NVBDCP) for control of vectors of malaria, kala-azar and dengue etc. Expert Committee of World Health Organisation had recommended that DDT may be used only for Indoor Residual Spray (IRS) twice a year.

According to norms, two rounds of DDT spray is to be done in a calendar year for complete eradication of malaria. First round of spray is done for temporary protection from malaria parasite and second round spray completely eradicates the malaria parasites. In case second round spray is not done, malaria parasites would spread even after spraying of first round of DDT spray.

Scrutiny (January – February 2012) of records of the Joint Director of Health Services (Jt. DHS), Diphu revealed that only first round of DDT spray was done during April to August 2005 covering 11 Primary Health Centres (PHCs) in Karbi Anglong district by incurring expenditure of ₹69.50 lakh (DDT: ₹58.82 lakh and wages: ₹10.68 lakh). Regarding second round spray, it was stated (February 2012) by the District Malaria Officer (DMO) that though second round of DDT spray was required, it could not be done for non-allotment of fund for remuneration to spraying squads by Government/Council. The contention of DMO was not tenable as no steps for obtaining fund and approval for the engagement of spraying squads from Council/GOA for second round spray in 2005 were taken by the DMO, though DDT was available in stock. Failure of the Department to spray DDT for the second time during 2005 caused death to 29 out of 13,430 malaria affected people in the district.

Thus, failure to take up second round of DDT spraying not only rendered expenditure of ₹69.50 lakh incurred for the first round spray unfruitful but also resulted in death of 29 people due to malaria thereby defeating the objectives of the scheme.

**(b) Wasteful expenditure**

It was further observed that DMO, Diphu received (August 2006) 158.90 MT DDT from Bihar State Warehousing Corporation between January 2006 and May 2007 for spraying during 2007. Of the quantity received, 27.90 MT DDT had a short life span upto December 2006.

Out of total 178.80 MT DDT (balance stock: 78.80 MT + total received during 2007: 100.00 MT), the DMO issued 126.90 MT to various peripherals between August 2006 and June 2007 for spraying during 2007. According to spraying report for 2007, first round of spraying was completed between February and May 2007 while the second round was completed between May and August 2007 covering 11 PHCs in Karbi Anglong district. As the spraying activities commenced (February 2007) after the expiry (December 2006) of life span of 27.90 MT DDT, it is evident that the expired DDT was either used for spraying or lying idle in the stock. Since the expired DDT (27.90 MT) would not yield the desired result, the cost thereof amounting to ₹36.69 lakh<sup>15</sup> became wasteful.

<sup>15</sup>

27.90 MT X ₹1,07,791 per MT	₹30,07,369
Add Excise duty @ 16 per cent	₹4,81,179
Add education cess @ 2 per cent	₹60,147
Add Central sales Tax @ 4 per cent	₹1,20,295
<b>Total</b>	<b>₹36,68,990</b>

On this being pointed out (February 2012), the Jt. DHS accepted the fact and stated that the DDT could not be used in time due to acceptance of DDT having short span of potency.

Thus, accepting DDT of short span of potency by DMO had resulted in wasteful expenditure of ₹36.69 lakh.

The matter was reported to the Government in May 2012; their reply had not been received (November 2012).

### **1.4.3 Unfruitful expenditure**

#### **Expenditure of ₹1.36 crore incurred on establishment of State Ayurvedic Pharmacy (SAP) had not served the intended purpose and remained unfruitful.**

State Ayurvedic Pharmacy (SAP) was established (1948) in Government Ayurvedic College (GAC) campus, Guwahati to manufacture ayurvedic medicines under Indian System of Medicine (ISM) and to conduct practical courses for students of GAC. The SAP building was constructed in 2002 at a cost of ₹54.26 lakh, provided (October 2000) by North Eastern Council (NEC) under the NEC programme - 'Support to GAC, Guwahati'. For strengthening the existing SAP in GAC, Guwahati, Director of Medical Education (DME), Assam sent (November 2002) a proposal to Government of India (GOI), Department of Indian System of Medicine and Homoeopathy (ISM&H) for central assistance under the centrally sponsored scheme of 'Drug Quality Control of ISM&H'. The objective of the project was to ensure that good quality of ISM drugs are supplied to PHC, CHC and district hospitals of the state so that needy people are not deprived of genuine ayurvedic medicines. Based on this proposal, GOI sanctioned ₹95 lakh (machinery and equipment: ₹65 lakh and building: ₹30 lakh) during 2002-03 and 2003-04.

Scrutiny (August and September 2011) of the records of Principal, GAC, Guwahati revealed that, of ₹95 lakh so released, ₹81.65 lakh was spent on upgradation of SAP building (₹30 lakh) and purchase of machinery and equipment (₹51.65 lakh). Balance ₹13.35 lakh remained unutilized since 2003-04. As of September 2011, no fund was released by Government of Assam (GOA) for procuring raw materials, though as per the proposal for central assistance sent (November 2002) to GOI, GOA was to bear the recurring expenditure towards cost of raw materials. The Department also did not conduct basic feasibility studies like requirement of medicines, availability of fund for procurement of raw materials and did not pursue with GOA for release of fund. As a result, the SAP could produce only 25,607 phials of ayurvedic medicine of various categories using Hospital Management Society Fund (₹2.91 lakh) since 2006 against the requirement of GAC of 750 to 900 phials per day (2.74 lakh per year). To meet the requirement, instead of preparing ayurvedic medicines in SAP, these were procured from market and supplied to GAC by Director of Health Services (DHS), Assam. Moreover, allopathic medicines received from DHS/NRHM were also issued to the patients. Meanwhile, warranty of the machines installed between June 2005 and July 2010 had expired after one year of their installation. Annual Maintenance

Contract (AMC) was not entered into with suppliers of machinery in spite of request (August 2011) made to GOA by the Principal, GAC.

Expenditure of ₹1.36 crore<sup>16</sup> incurred on establishment of the SAP had not served the intended purpose and thus, the desired benefit contemplated while establishing SAP was also not achieved.

On this being pointed out, Principal, GAC while accepting the audit observation, stated (September 2011) that the SAP remained unproductive due to non-release of fund for purchase of raw material by GOA. The fact, however, remained that the Department had failed to utilize the potential of SAP to ensure manufacture of good quality ISM drugs locally for use by general public.

The matter was reported to Government in May 2012; their reply had not been received (November 2012).

#### **1.4.4 Avoidable extra expenditure**

**Failure of Director of Health Services, Assam and GOA in making payment of outstanding dues of ₹16.19 lakh in time, despite having budget provision resulted in avoidable extra expenditure of ₹1.32 crore towards interest payment, in addition to incurring an unpaid liability of ₹61.32 lakh towards further interest.**

Government of India introduced "Interest on Delayed Payments to Small Scale and Ancillary Industrial Undertakings Act 1993", which provides for and regulates payment of interest on delayed payment to small scale and ancillary industrial undertakings. The Act was amended in 1998 and named as "Interest on Delayed Payment to Small Scale and Ancillary Industrial Undertakings (Amendment) Act 1998." Government of Assam (GOA) constituted the Industry Facilitation Council (IFC) under section 7(A) of the said Act vide notification dated 12 February 1999.

Scrutiny (January and February 2012) of the records of Director, Health Services (DHS), Assam revealed that Joint Directors of fifteen<sup>17</sup> districts placed supply orders between July 1991 and September 1999 on one "M/s Pragjyotish Drugs, Gauripur", an associated Small Scale Industry (SSI) unit promoted by Assam Small Industries Development Corporation Limited (ASIDCL) for supply of medicines worth ₹16.19 lakh. The supplier submitted bills between 1991 and 1999 through ASIDCL for payment against the supplies made, which were not paid (till August 2002) by DHS for reasons not on record although the funds were available with the department being savings under the head of account '29 - Medical and Public Health' ranging between ₹70.28 crore and ₹114.76 crore were registered during the period 1999-2003<sup>18</sup>. The supplier took (September 2002) up the matter with IFC, which awarded (September 2002) the claimant ₹36.82 lakh as accrued interest as of March 2002 in addition to cost of the medicines of ₹16.19 lakh. DHS only paid ₹16.19 lakh (cost of medicines) to the supplier in March 2005 but did not pay accrued interest of ₹36.82 lakh.

<sup>16</sup> ₹0.54 crore (construction of SAP building) + ₹0.52 crore (purchase of machineries and equipments) + ₹0.30 crore (upgradation of SAP building).

<sup>17</sup> Cachar, Darrang, Dhemaji, Dhubri, Dibrugarh, Goalpara, Jorhat, Kamrup, Karimganj, Morigaon, Nagaon, Nalbari, North Lakhimpur, Sonitpur and Tinsukia.

<sup>18</sup> 1999-2000 (₹103.01 crore), 2000-01 (₹70.28 crore), 2001-02 (₹91.47 crore) and 2002-03 (₹114.76 crore).

Meanwhile, the supplier declared (September 2005) that interest beyond March 2002 would not be claimed if payment of interest of ₹36.82 lakh was made immediately. The DHS, however, failed to make payment for want of sanction of fund, though DHS had approached GOA several times for necessary sanction and release of fund. In March 2008, the supplier filed writ petition in Gauhati High Court and the Court sought comments of GOA in the matter. Finally, GOA sanctioned (March 2011) ₹1.32 crore, which was paid (May 2011) to the supplier as interest accrued up to February 2009 leaving unpaid liability of ₹61.32 lakh claimed by the supplier as interest accrued up to April 2011.

Thus, failure of Director of Health Services, Assam and GOA in making payment of outstanding dues of ₹16.19 lakh on time resulted in avoidable extra expenditure of ₹1.32 crore towards interest payment. In addition, an unpaid liability of ₹61.32 lakh remains to be discharged towards further interest till April 2011.

In reply, the DHS accepted (October 2012) that extra expenditure of ₹1.32 crore towards interest payment was incurred and added that the DHS was unaware of the procurement made by Jt. DHSs of 15 districts between July 1991 and September 1999 as the power for purchase was delegated to the Jt. DHSs during that period. This only reaffirmed the audit observation that failure of the office of the DHS and GOA in clearing old liability on time resulted in avoidable extra expenditure of ₹1.32 crore and unpaid liability of ₹61.32 lakh.

The matter was reported to Government in April 2012; their reply had not been received (November 2012).

#### 1.4.5 Unfruitful expenditure

**Failure of GOA to ensure smooth and timely flow of funds to the Drug Testing Laboratory led to expenditure of ₹72.18 lakh incurred on establishment of the Laboratory becoming unfruitful leading to non-achievement of intended objectives.**

The Drugs and Cosmetics Act, 1940 and rules made thereunder, envisage periodical testing of samples of Ayurvedic, Siddha and Unani medicines. Health and Family Welfare Department of Government of Assam (GOA) proposed (November 2002) to set up a Drug Testing Laboratory (DTL) in Government Ayurvedic College, Guwahati under the Centrally Sponsored Scheme, 'Drug Quality Control of Indian System of Medicine and Homeopathy (ISM&H)'. The objective of the scheme was to ensure that good quality of Indian System medicines are sold in the market. GOA was to run DTL with financial assistance from Government of India (GOI), which accordingly released (March 2003 and January 2004) ₹93.50 lakh<sup>19</sup> to GOA.

<sup>19</sup>

GOI release				Expenditure
Period of release	Fund released	Purpose	Allocation	
March 2003	₹70 lakh	Building	₹18.50 lakh	₹18.50 lakh
January 2004	₹23.50 lakh	Machinery and Equipment	₹65 lakh	₹48.14 lakh
		Manpower	₹10 lakh	₹5.54 lakh
<b>Total</b>	<b>₹93.50 lakh</b>		<b>₹93.50 lakh</b>	<b>₹72.18 lakh</b>

Of ₹93.50 lakh so released, ₹18.50 lakh was spent on construction of building, ₹48.14 lakh on purchase and installation of 'machinery and equipment' and ₹5.54 lakh towards payment of salary of contractual staff till July 2009. Balance ₹21.32 lakh remained unutilized since 2003-04.

Scrutiny (August and September 2011) of records of Principal, Government Ayurvedic College, Guwahati revealed that construction of the building for DTL was completed in January 2006 and sophisticated equipment worth ₹47.77 lakh was installed by July 2008. Due to delay of two years in completion of building and delay in installation of equipment for more than four and half years, setting up of DTL was abnormally delayed. Even after setting up of DTL, it failed to run effectively due to lack of financial support from the State Government as salaries of laboratory staff were not paid since August 2009. As a result, five out of eight contractual staff of the laboratory discontinued their work. Further, no Annual Maintenance Contract (AMC) was entered into with the suppliers of equipment in spite of request (February 2010) made to the Government by the Principal, Government Ayurvedic College. Meanwhile, warranty of four machines had expired and two machines<sup>20</sup> worth ₹22.48 lakh stopped functioning since April 2010 and July 2011 respectively. Since its establishment, the laboratory tested only 130 out of 324 samples received from various Drug Inspectors.

Thus, not only there was abnormal delay in setting up DTL but also GOA failed to ensure regular flow of funds for smooth running of the institution. As a result, expenditure of ₹72.18 lakh incurred on its establishment becoming unfruitful besides leading to non-achievement of intended objectives.

While Principal, Government Ayurvedic College accepted (September 2011) the audit observation, Government stated (July 2012) that the DTL has now been taken over by GOI from GOA and drug testing is being done by them. However, the fact remains that due to inept handling of the project, the setting up of DTL was abnormally delayed and even after setting up, failure to ensure regular flow of funds by GOA led to non-achievement of the objectives for which it was set up, till July 2012.

## **Panchayat and Rural Development Department**

### **1.4.6 Avoidable extra expenditure**

**Procurement of rice of same quality from open market instead of from 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.**

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

<sup>20</sup> i) Double beam UV visible spectrophotometer and ii) GC 3800 Varian.

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 *Appendix- 1.6*. 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 (November 2011) for.

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 ₹925.73<sup>21</sup> 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 of ₹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 (₹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 unrealised.

Further, GOA while not commenting about the avoidable extra expenditure, stated (October 2012) that the prices of the rice were fixed by the Executive Member, KAAC.

<sup>21</sup>

	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
	<b>Total</b>	<b>₹925.73 per quintal</b>

Thus, procurement of rice of same quality from open market instead of from 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.

## **Social Welfare Department**

### **1.4.7 Avoidable extra expenditure**

#### **Injudicious decision of Director, Social Welfare (DSW), Assam to procure excess towels for AWCs in violation of prescribed norms resulted in avoidable extra expenditure of ₹1.11 crore.**

Integrated Child Development Service (ICDS), a centrally sponsored scheme, was launched (1975) with the aim of holistic development of children up to six years of age, adolescent girls and pregnant and lactating mothers. It provides a package of services comprising supplementary nutrition, immunization, health check up, referral services, non-formal pre-school education and health and nutrition education. The ICDS packages of services are delivered through Anganwadi Centres (AWCs) by engaging Anganwadi Workers (AWWs) and Anganwadi Helpers (AWHs).

The Anganwadi Hand Book for implementation of scheme under ICDS stipulated that four towels are to be supplied as bathroom item to each AWC. Scrutiny (January and February 2012) of records of the Director, Social Welfare (DSW), Assam revealed that, contrary to the prescribed norm, the DSW considered eight towels for each AWC and submitted (April 2010) proposal to Government for procurement of 3,94,832 (49,354 X 8) towels at ₹65 per piece (rate approved by the State Level Purchase Committee headed by DSW, Assam) for 49,354 AWCs of Assam under ICDS scheme during 2010-11. Based on the proposal submitted by the DSW, Government sanctioned (April 2010) and released (January and February 2011) ₹4.35 crore for procurement of AWC materials. DSW placed (April 2010) supply order on Assam Government Marketing Corporation (AGMC) Limited and incurred an expenditure of ₹2.22 crore (till February 2012) towards procurement of 3,42,189 towels for 42,774 AWCs. It was observed in audit that the DSW did not receive any demand from the AWCs for providing additional four towels to each AWC nor was any assessment made in this regard. It was further observed that though the DSW in its proposal clearly mentioned the basis of rates at which the towels were to be procured, it did not mention the basis of proposal for procuring eight towels for each AWC, nor did the Government call for the same prior to according approval for the purchase of eight towels instead of four towels for each AWC as provided in Anganwadi hand book. Documentary evidence in support of actual distribution of the towels so procured for the AWCs and their proper utilisation was not furnished, though called for (February 2012) in audit.

Reply of DSW, Assam was forwarded (June 2012) by Commissioner and Secretary, GOA, Social Welfare Department. In reply, the DSW stated (June 2012) that the



handbook for AWW on the use of different materials was an illustrative one and the requirement was based on the local condition/needs. He also added that requirement was assessed after due deliberation and discussion held with CDPOs/DPOs/DSWOs. Reply of DSW is not tenable as the procurement of excess towels was made without any requisition/demand from AWCs/CDPOs. Further, the DSW did not enclose (i) any copy of minutes of discussion/deliberations wherein it was decided to allot more towels over and above the stipulated number of towels to be issued, and (ii) records to substantiate that relevant provisions of the hand book were only suggestive.

Thus, injudicious decision of DSW, Assam of procuring excess towels for AWCs in violation of prescribed norms resulted in avoidable extra expenditure of ₹1.11 crore (1,71,096<sup>22</sup> X ₹65).

## **1.5 Idle investment/blocking of funds/delays in commissioning of equipment/diversion/misutilisation of funds etc.**

### **Guwahati Development Department**

#### **1.5.1 Inordinate delay in implementing project**

**CEO, GMDA failed to complete the project of “reclamation and restoration of Borsola beel” due to non-execution of the work of removing organic sludge from the water body through bio-remedial process despite elapse of six years of its stipulated date of completion rendering expenditure of ₹5.22 crore unproductive.**

Borsola Beel is a natural wetland situated in the heart of the city and was declared as Reserved Wetland by Government of Assam (GOA) in 1995. Due to siltation and sewage coming into the lake from adjoining area, it became a health hazard and was in a very deplorable condition. Based on the proposal mooted by Guwahati Metropolitan Development Authority (GMDA), GOA, Guwahati Development Department (GDD) accorded (October 2003) administrative approval (AA) and financial sanction (FS) of ₹5.29 crore (excluding consultancy and other charges) under the award of Eleventh Finance Commission for ‘reclamation and restoration work’ of Borsola Beel. GMDA invited (May 2003) bids for the work and accepted (November 2003) the bid of one M/s Aireff De-Tox Incineration Private Limited, Thane, Maharashtra and entered (December 2003) into an agreement with the firm for execution of the work at an estimated cost of ₹5.38 crore. The main components of work were clearing of water hyacinth; removal of sludge (both organic and inorganic) and construction of sewage treatment plant, boundary wall, sluice gate, pathway, bituminous topped peripheral road, drain etc., including beautification and the work was stipulated to be completed before March 2005.

Test-check (May and July 2011) of the records of Chief Executive Officer (CEO), GMDA revealed that as of June 2011, ₹5.22 crore was spent and all other works except removing of organic sludge of the water body through “bio-remediation process applying bio product” were completed. Total estimated quantity of 40 MT consumable bio-products (*i.e.*, consortium of microbes) worth ₹52.80 lakh (40 MT X

<sup>22</sup> 42,774AWCs X 4 towels (purchased in excess of requirement) = 1,71,096.

₹1.32 lakh) was to be used for removal of 97,470 cum organic sludge through bio-remediation technique and the process was to be started from April 2004. However, the process was not started till June 2011. As a result, the project was not completed despite elapse of six years of the stipulated date (March 2005) of completion, though an expenditure of ₹5.22 crore had already been incurred on the project. Besides, non-use of bio-remediation process with proper disposal would result in recurrence of water hyacinth making the exercise of cleaning the water body futile. The Department issued several reminders to the firm for expediting execution of the work for timely completion. No penal action was, however, taken against the defaulting firm for reasons not on record, though such provision existed in bid documents.

Further, as per estimates, the firm was to be paid ₹315.57 per cum (inclusive of 10 per cent contractor's profit) for removal of inorganic sludge by mechanical means. The rate included ₹70 per cum as hire charge for disposal of the sludge in truck within Greater Guwahati. Instead of dumping the sludge at a distant place through trucks, it was used in the bank of the water body for making embankment. As removed sludge was dumped on the bank of the water body instead of carrying to a distant place, element of carriage by truck at ₹77 per cum (₹70 + 10 per cent contractor's profit) was to be deducted from the composite rate of ₹315.57 per cum. Audit noticed that the firm was paid ₹84.53 lakh (26,787 X ₹315.57) towards removal and carriage of 26,787 cum sludge without deducting hire charge of truck load of sludge dumped (5,695 cum) on the bank of water body resulting in excess payment to that extent.

Thus, CEO, GMDA failed to implement the project of "reclamation and restoration of Borsola beel" even after six years of its stipulated date of completion rendering expenditure of ₹5.22 crore unproductive which was inclusive of an excess payment towards carrying cost of removed sludge kept on the bank of the beel by truck load.

As per the reply of GMDA forwarded (July 2012) by GOA, GDD indicated that several other issues viz., encroachment, lack of road connectivity, shifting of power line and power connection, diversion of excess sewage water etc., were to be settled before execution of the project work. The reply is not convincing because GMDA had not stated the reason for non-removal of organic sludge of the water body by the contractor through bio-remedial process, using bio-product, which is the only work left out. Consequently, the project still remained incomplete (July 2012).

## **Health and Family Welfare Department**

### **1.5.2 Unproductive expenditure**

**DHS, Assam failed to utilize the "Magnetic Resonance Imaging (MRI)" system procured and installed at a cost of ₹6.91 crore which resulted in unproductive expenditure to that extent (₹6.91 crore), besides a committed liability of ₹0.73 crore as the intended objective of procurement of the MRI system could not be achieved for a considerable period.**

Test-check (January and February 2012) of the records of Director, Health Services (DHS), Assam revealed that DHS, Assam submitted (June 2008) a proposal to GOA,

Health and Family Welfare (H&FW) Department for sanction of ₹7.41 crore for purchase of “Magnetic Resonance Imaging (MRI)” system on turnkey basis to be used at Jorhat Civil Hospital, Jorhat. On receipt of approval (November 2008), DHS, Assam invited (November 2008) tenders from manufacturers and their accredited dealers for supply and installation of the machine on ‘turnkey’ basis in Jorhat Civil Hospital, Jorhat. The ‘Schedule of Requirement’ attached with bid document disclosed that supply and installation should be completed within 120 days of signing the contract. The purchase board under the chairmanship of DHS, Assam approved (January 2009) the lowest rate of ₹9.41 crore (which comprised of cost of machine: ₹7.37 crore, civil work: ₹0.41 crore and annual maintenance cost: ₹1.63 crore) offered by “M/s Wipro GE Health Care Private Limited”. GOA accorded (March 2009) sanction of ₹7.41 crore in annual plan 2008-09, which was drawn (March 2009) in one AC bill<sup>23</sup>.

The availability of fund for civil works (₹0.41 crore) which was meant for construction of seven room building for installation of MRI system was also not confirmed. Instead of ordering for supply and installation of the machine on turnkey basis, the DHS placed (March 2009) order with the supplier only for supply of 1.5 Tesla MRI system at a cost of ₹7.37 crore to be executed within thirty days from the date of issue of the supply order. No agreement was signed with the supplier as revealed from the letter (November 2011) of DHS, Assam to the supplier, though signing of agreement with the supplier was a prerequisite as per terms of the supply order. DHS took another 11 months after placing (March 2009) supply order to open (February 2010) one LC account, required for obtaining foreign equipment, in favour of the supplier in SBI, Dispur branch for ₹7.36 crore, which delayed the entire process of supply and installation of the system. The MRI system was dispatched to Jorhat Civil Hospital, Jorhat in April 2010 and 90 *per cent* payment (₹6.63 crore) was released (May 2010) to the firm by the bank.

As per approved rate, the supplier was supposed to install the MRI system on a turnkey basis in Jorhat Civil Hospital (JCH) which included construction of new seven room building as per supplier’s own specification at a cost of ₹41.69 lakh. This fund was not provided by Government and DHS was directed to install the machine in Jorhat Medical College and Hospital (JMCH) being constructed under National Rural Health Mission (NRHM) adjacent to JCH. As the construction was not completed, the MRI system was kept in godown. It is worthwhile to mention here that prior to dispatching the machine, the supplier requested (March 2010) the Department to provide necessary AC environment for safe storage of the machine, which was not provided and the magnet of the machine got damaged. As the building constructed by NRHM was not as per specification, it was required to be renovated by the supplier. In this connection in November 2010, seven months after submitting (April 2010) the site plan by supplier, Superintendent, JMCH awarded, “internal civil and electrical

<sup>23</sup> AC bill No. 761 dated 27 March 2009.

work including commissioning of the system” to the supplier which was to be completed by January 2011.

Thus installation and commissioning of MRI system was delayed by more than three years of drawal of fund due to:

- Not signing the contract with the supplier.
- Non-adherence to the schedule of installation of 120 days.
- Not confirming the availability of funds for civil works.
- Delay in opening LC account by DHS.
- Change of plan to install it in JMCH being constructed by NRHM instead of installation in Jorhat Civil Hospital by completing seven room building by the supplier at a cost of ₹41.69 lakh.
- Delay in awarding “internal Civil and Electric work” including commissioning.
- Further delay by the supplier for more than one year in completing “internal Civil and Electric work” for the necessity of renovating MRI building as per specification.

Instead of ordering the machine on turnkey basis after signing the agreement, DHS split up the order, first for supply of machine as soon as fund was sanctioned (March 2009) and later on, for internal civil and electric work including installation (November 2010) after a gap of almost 20 months.

On this being pointed out in audit, DHS, Assam replied (June/October 2012) that the magnet of the system was replaced by the manufacturer free of cost and the machine was commissioned in May/June 2012. However, audit scrutiny revealed that there was not only delay of three years in installation of MRI system and resultant denial of modern diagnostic facilities to the patients requiring investigation, but also even after its installation, it could not be ensured whether it was being utilised for patient care facilities as the department failed to furnish such information despite requests made (October and December 2012) by audit.

Thus, DHS, Assam failed to utilize the “Magnetic Resonance Imaging (MRI)” system procured and installed at a cost of ₹6.91 crore which resulted in unproductive expenditure to that extent (₹6.91 crore), besides a committed liability of ₹0.73 crore as the intended objective of procurement of the MRI system remained unachieved for a considerable period.

### **1.5.3 Idle outlay and misutilisation**

**Failure to analyse the pattern of consumption and non-assessment of actual requirement of hospital items resulted in accumulation of materials worth ₹183.59 lakh. Besides, there were instances of unauthorized issue of materials and absence of details of utilization led to possible misutilisation of Government money of ₹82.98 lakh.**

Scrutiny (January-February 2012) of the records of Joint Director of Health Services (Jt. DHS), Diphu and further information collected revealed that Jt. DHS, Diphu

procured 10<sup>24</sup> hospital items valued ₹2.68 crore during 2005-10 for 17 health institutions with a total of 499 bed capacity in Karbi Anglong District. On the basis of year-wise proposals sent by the line Department during 2005-10 as per detailed head-wise budget allocation, the Karbi Anglong Autonomous Council (KAAC) allocated and released fund each year, on receipt of the same from the Hill Areas Department (HAD), Government of Assam (GOA). Specific expenditure sanctions for purchase of individual items were however, not found on record.

Scrutiny of stock books and other relevant records disclosed that the Jt. DHS purchased hospital items every year on the basis of allocation and release made by KAAC. The purchases were made without ascertaining stock position of the materials in hand and the annual requirements of the hospitals and health institutions in the district. As a result of excess purchase, balances of hospital items continued to accumulate in stock.

The Jt. DHS did not carry out periodical physical verification of stock to ascertain the physical existence of materials and also not verified whether the materials lying in store were fit for further use by patients. There is every possibility of deterioration of these materials due to prolonged storage. Thus, procurement of items without assessing actual requirement of hospital items had resulted in huge accumulation of materials worth ₹183.59 lakh (*Appendix- 1.7*). An assessment was made in audit in respect of ten major hospital items lying in stock as on March 2010 and it was found that based on the quantum of average consumption of these material during the last five years (2005-10), the accumulated stock would be sufficient to meet the future requirement of eight to 28 years for eight<sup>25</sup> items and two to three years for two<sup>26</sup> items.

(B) Further, instances of misutilisation of the accumulated stock were observed as indicated below:

The Jt. DHS had issued hospital items worth ₹75.89 lakh to Executive Member (EM), KAAC during the period 2007-10. It was stated that materials were issued as per verbal order and the purpose for which materials were issued was not disclosed by the EM. It was noticed in audit that there was no documentary proof of written requisition/order etc., found on record except entry in the stock register maintained by Jt. DHS. Similarly, the Jt. DHS also issued hospital items valued ₹7.09 lakh during 2005-10 for “relief” as indicated in stock book for which neither any requisition nor valid acceptable documentation was available on record. Neither Utilisation Certificate (UC) nor acknowledgement of receipt of materials in respect of above issues was submitted by the recipients even after a lapse of two to four years (as of 2011-12) from the period of issue of materials.

<sup>24</sup> 1. Blanket (red), 2. Blanket (deluxe), 3. Mosquito net, 4. Bed sheet, 5. bed cover, 6. Window screen, 7. Mattress, 8. Pillow, 9. Pillow cover and 10. Towel.

<sup>25</sup> 1. Blanket (Red), 2. blanket (Deluxe), 3. mosquito net, 4. bed sheet, 5. bed cover, 6. window screen, 7. pillow and 8. pillow cover.

<sup>26</sup> 1. Mattress and 2. towel.

Thus, failure to analyse the pattern of consumption and non-assessment of actual requirement of hospital items resulted in accumulation of materials worth ₹183.59 lakh. Besides, possibility of misutilisation of Government money of ₹82.98 lakh (₹75.89 lakh + ₹7.09 lakh) (**Appendix- 1.8**), could not be ruled out in the absence of valid documentation/utilization details in support of material issued by the Jt. DHS.

In reply, GOA stated (July 2012) that a detailed report has been called for from Principal Secretary, KAAC for taking necessary action on the matter. Further development in this regard, if any, is, however, awaited.

#### **1.5.4 Injudicious procurement and blocking of fund**

**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 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.**

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 seven<sup>27</sup> 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 1<sup>st</sup> installment of ₹54.50 lakh was spent for purchase of medicines in accordance with original proposal. Subsequently, Jt. DHS submitted (October 2009) another proposal

<sup>27</sup> (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).

to utilize the entire 2<sup>nd</sup> installment of ₹211.65 lakh in clearing the liabilities created (June/July 2009) for purchase of 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 *Appendix- 1.9*.

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.

## Hill Areas Department

### 1.5.5 Unauthorised diversion of fund

**Joint Director of Health Services (Jt. DHS), Diphu unauthorisedly spent ₹1.99 crore for purposes other than those for which it was sanctioned.**

Government of Assam (GOA), Hill Areas Department (HAD) sanctioned and released (October 2007) ₹two crore to Karbi Anglong Autonomous Council (KAAC), Diphu under Additional Central Assistance (ACA) 2007-08 for procurement of life saving medical equipment and medicines. According to release order, KAAC had to maintain separate accounts of fund released by GOA and submit detailed monthly accounts of expenditure to Accountant General (A&E), Assam. Release order further stipulated that the fund should be utilized properly against the specific scheme and for the purpose for which it was sanctioned and the implementing Department (Jt. DHS, Diphu) should submit quarterly physical and financial progress report, utilization and completion certificate to GOA.

KAAC released (November 2007) ₹two crore to Jt. DHS, Diphu reiterating the above mentioned Government instructions to be followed for procurement of equipment and medicines. The Jt. DHS drew (November 2007) ₹two crore against AC bill and submitted DCC bill in March 2008.

Scrutiny (January – February 2012) of the records of Jt. DHS, Diphu revealed that instead of incurring expenditure on life saving equipment and medicines, the Jt. DHS procured furniture, hospital linen etc., for ₹1.99 crore which included clearance of past liability incurred before sanction and release of fund (₹76.60 lakh<sup>28</sup> - upto September 2007) and purchase of furniture etc., (₹122.18 lakh<sup>29</sup>) in January 2008. The reasons for purchase of furniture, linen etc., instead of life saving medicines without prior approval of GOA were not furnished by the Jt. DHS, though called for (February 2012) in audit.

Thus, the Jt. DHS, Diphu unauthorisedly spent ₹1.99 crore for purposes other than those for which it was sanctioned.

The matter was reported to Government in May 2012; their reply had not been received (November 2012).

## Labour and Employment Department

### 1.5.6 Non-achievement of objective

**Activities of Assam Building and Other Construction Workers' Welfare Board were far from satisfactory even after four years of its constitution despite having huge Cess Fund balance of ₹126.32 crore. Besides, non-investment of cess funds in fixed deposit during 2009-10 resulted in loss of interest for ₹33.24 lakh.**

With the objective of providing welfare facilities to building and other construction workers in the State, Government of Assam (GOA) constituted (February 2008)

<sup>28</sup> Furniture: ₹15.41 lakh, vehicle repairing: ₹34.31 lakh, documentary film: ₹15.00 lakh, Misc. bills: ₹11.88 lakh.

<sup>29</sup> Furniture: ₹80.67 lakh, hospital linens: ₹39.40 lakh and office stationery: ₹2.11 lakh.



“Assam Building and Other Construction Workers Welfare Board (the Board)” under Section 18 of the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 (the Act) read with rule 253 of the Building and Other Construction Workers (RE&CS) Assam Rules (BOCWAR), 2007.

Rule 255 of BOCWAR 2007 envisaged holding of Board meetings at least six times every year for effective management of activities of the organisation. Regarding identification and registration of beneficiaries as per the requirements of Section 12 of the Act, Board stated (April 2012) that awareness programmes at various places were being conducted through distribution of leaflets, installation of hoardings and publicity through print media etc.

Scrutiny (April-May 2012) of the records of the office of Member Secretary of the Board revealed that during 2008-12, the Board had held only 15 meetings (including two emergent meetings) as against total 24 meetings mandated under BOCWAR 2007. Year-wise details of meetings held are as under:

**Table-1**

Year	Target	Meetings actually held	Shortfall	Remarks
2008-09	6	4	2	The resolutions taken by the Board was stated to have been implemented. The action taken report was, however, not prepared by the Board.
2009-10	6	4	2	
2010-11	6	3	3	
2011-12	6	4	2	
<b>Total</b>	<b>24</b>	<b>15</b>	<b>9</b>	

It was stated (April 2012) that the shortfall in the number of meetings of Board was due to non-fulfillment of the quorum of members required under the provisions of the Act.

The position of collection of cess, beneficiaries identified and registered and benefits extended during 2008-12 are depicted in Table-2.

**Table-2**

Particulars	2008-09	2009-10	2010-11	2011-12	Remarks
1. Collection of cess (₹ in crore)	3.91	11.80	53.71	56.90	Accumulated balance as on 31 March 2012 was ₹126.32 crore
2. Beneficiaries registered (Nos.)	Nil	Nil	4,294	13,802 (up to September 2012)	Total registered up to September 2012: 18,096
3. Benefits extended to beneficiaries (Nos.)	Nil	Nil	Nil	13,470 (up to September 2012)	-
4. Amount distributed	Nil	Nil	Nil	₹17,79,550 (up to September 2012)	-

Scrutiny further revealed that during 2008-10, the Board did not identify or register a single beneficiary. The Board had initiated awareness and publicity programme to attract and enroll the construction workers only from 2010-11. Though Board had

identified and registered 4,294 beneficiaries<sup>30</sup> in 18 out of 27 districts in Assam during 2010-11, no financial benefits were provided to any beneficiary till 2010-11 despite having an accumulated cess balance of ₹69.42 crore in the Board's fund account. The updated position till September 2012 disclosed that the Board registered 18,096 beneficiaries and financial benefits were extended to 13,470 beneficiaries<sup>31</sup> amounting to ₹17.80 lakh till that date. No yearly target for registration and extending benefits to the beneficiaries was fixed. Meanwhile the accumulated cess fund balance increased to ₹126.32 crore as on 31 March 2012.

Thus, the Board's activities were far from satisfactory even after four years of its constitution and despite having huge Cess Fund balance of ₹126.32 crore.

Apart from non-achievement of the objectives of the Board, there was an element of loss of interest for not investing the idle Cess fund of ₹3.91 crore during 2009-10. Rule 294 of BOCWAR provides that all moneys belonging to the fund constituted under Rule 268 may be invested in nationalised banks or any scheduled bank. The Board, however, invested funds in fixed deposit only with effect from 31 March 2010.

Thus, due to retention of Cess fund of ₹3.91 crore in current account for more than one year without any returns, in contravention to relevant rules, the Board failed to tap potential interest income of ₹0.33 crore<sup>32</sup> on idle funds.

Reply of the Board was forwarded (November 2012) by Joint Secretary, Labour and Employment Department, GOA envisaged that-

(i) Though the Board was constituted by GOA in February 2008, the required manpower for its functioning as well as fund management was not provided till May 2009. (ii) Section 24 (2) (b) provides that salaries, allowances and other remuneration of the members can be paid from the Fund. (iii) Cess fund of ₹391.03 lakh accumulated during 2008-09 was not expended as Section 24 (3) of the Act disallowed expenditure out of the Cess fund till benefits were provided to the registered beneficiaries.

Reply of the Board is not tenable due to following reasons:

(i) Failure of GOA in providing required manpower to the Board was indicative of its indifferent approach in providing financial assistance to deserving workers, resultantly, the intended purpose of constitution of the Board was defeated; (ii) Section 24 (3) of the Act does not disallow expenditure of Cess fund for welfare activities till benefits are provided to the registered beneficiaries. It only restricts expenditure towards salary, allowances and other expenses to its members upto five *per cent* of total expenses of a financial year.

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<sup>30</sup> 1. Baksha: 82, 2. Barpeta: 514, 3. Bongaigaon: 11, 4. Chirang: 13, 5. Darrang: 875, 6. Dhemaji: 248, 7. Dhubri: 52, 8. Dibrugarh: 145, 9. Golaghat: 547, 10. Jorhat: 209, 11. Kamrup (Metro): 28, 12. Kamrup (Rural): 96, 13. Lakhimpur: 400, 14. Morigaon: 30, 15. Nalbari: 480, 16. Sivasagar: 137, 17. Sonitpur: 198 and 18. Tinsukia: 229.

<sup>31</sup> (i) Death, funeral, medical assistance etc.: 67 and (ii) Janashree Bima Yojana (@ ₹100 each): 13,403.

<sup>32</sup> Calculated at the prevailing fixed deposit interest rate of 8.5 *per cent* in State Bank of India as on 31 March 2009.

## 1.6 Regularity issues and others

### Panchayat and Rural Development Department

#### 1.6.1 Unauthorised expenditure

**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.**

Para 1.5 of the guidelines of Indira Awas Yojana (IAY) *inter alia* envisaged that at least 60 per cent of the total IAY allocation during a financial year was to be utilized for construction/upgradation of dwelling units for the households of below poverty line (BPL) belonging to SC/ST category. If any particular category is exhausted or not available in a district, allocation can be utilized for other categories as per priorities given in the guidelines after it has been certified to that effect by the Zilla Parishad/District Rural Development Agency (DRDA) concerned.

(a) Test-check (March 2012) of the records of Executive Officer (EO), Barkhetri Anchalik Panchayat, Nalbari district revealed that during 2006-11, the EO was to allocate 2,120 (60 per cent of the total allotment of 3,534 IAY houses) IAY houses to SC/ST beneficiaries. Instead, violating the relevant provision of IAY guideline as mentioned above, the EO allotted 1,755 IAY houses to SC/ST beneficiaries and 365 IAY houses, earmarked for SC/ST beneficiaries during 2006-11, to non-SC/ST beneficiaries without the mandatory certificate from Zilla Parishad/DRDA thereby incurring unauthorised expenditure of ₹1.34 crore<sup>33</sup>.

(b) Similarly, Executive Officer, Borigog Banbhag Anchalik Panchayat, Nalbari district allotted 386 IAY houses, earmarked for SC/ST beneficiaries during 2009-11, to non-SC/ST beneficiaries thereby incurring unauthorised expenditure of ₹1.74 crore<sup>34</sup>. Certificates to the effect that SC/ST beneficiaries of BPL category had been

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Year	Total IAY houses allotted	60 per cent of total allocation of IAY houses earmarked for SC/ST	IAY houses allotted to SC/ST	Allotment of IAY houses earmarked for SC/ST to non-SC/ST beneficiaries	Unit cost		Value
					Unit cost	Value	
(₹ in lakh)							
2006-07	542	325	265	60	0.25	15.00	
2007-08	713	428	350	78	0.275	21.45	
2008-09	607	364	300	64	0.385	24.64	
2009-10	658	395	331	64	0.385	24.64	
2010-11	1,014	608	509	99	0.485	48.02	
<b>Total</b>	<b>3,534</b>	<b>2,120</b>	<b>1,755</b>	<b>365</b>		<b>133.75</b>	

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Year	Total IAY houses allotted	60 per cent of total allocation of IAY houses earmarked for SC/ST	IAY houses allotted to SC/ST	Allotment of IAY houses earmarked for SC/ST to non-SC/ST beneficiaries	Unit cost		Value
					Unit cost	Value	
(₹ in lakh)							
2009-10	576	346	212	134	0.385	51.59	
2010-11	605	363	111	252	0.485	122.22	
<b>Total</b>	<b>1,181</b>	<b>709</b>	<b>323</b>	<b>386</b>		<b>173.81</b>	

exhausted in the Anchalik Panchayats from Zilla Parishad/DRDA were not available on record.

Thus, Executive Officers, Barkhetri Anchalik Panchayat and Borigog Banbhag Anchalik Panchayat incurred unauthorised expenditure of ₹3.08 crore towards allotment of 751 IAY houses, earmarked for SC/ST beneficiaries, to non-SC/ST beneficiaries, which prevented the corresponding benefits from reaching the intended beneficiaries.

The matter was reported to Government in June 2012; their reply had not been received (November 2012).

### **1.6.2 Unauthorised expenditure**

**CEO, Lakhimpur ZP and BDOs, Karunabari and Bihpuria Development Blocks incurred unauthorised expenditure of ₹64.15 lakh by providing financial assistance to ineligible beneficiaries in violation of the scheme guidelines depriving the corresponding benefits from reaching the intended beneficiaries.**

(A) National Family Benefit Scheme (NFBS) was introduced (1995) by Government of India as a component of National Social Assistance Programme (NSAP) to provide one time financial assistance of ₹10,000 to the heads of the surviving members of below poverty line (BPL) household on the death of primary bread earner.

Scrutiny (May 2011) of the records of Chief Executive Officer (CEO), Zilla Parishad (ZP), Lakhimpur revealed that the CEO disbursed ₹1.13 crore to 1,125 beneficiaries at ₹10,000 each during 2007-08 to 2009-10 under NFBS. Of this, ₹20.60 lakh was disbursed to 206 non-BPL beneficiaries in contravention of the relevant provision of the guidelines of NFBS.

In reply, the CEO stated (June 2011) that the financial assistance under NFBS was provided to 206 non-BPL beneficiaries as per beneficiary list approved by District Level Committee of NSAP, Lakhimpur. Reply of the CEO is not tenable as there was no provision in the guidelines of NFBS for awarding such benefit to non-BPL beneficiaries.

(B) Government of India introduced (1985-86) Indira Awas Yojana (IAY) to help poor families of BPL households in rural areas including Scheduled Castes/Tribes, freed bonded labourers, minorities etc. The programme involved construction/upgradation of dwelling units by providing lump sum financial assistance. Guidelines of IAY envisaged that the lists of beneficiaries selected are to be finally approved by the Gram Sabha. No further approval by any other higher body is required.

Scrutiny (June 2011) of the records of Block Development Officers (BDOs) of Karunabari and Bihpuria Development Blocks of Lakhimpur district revealed that ₹1.59 crore<sup>35</sup> was allocated by Project Director (PD), District Rural Development Agency (DRDA), Lakhimpur to the BDOs of Karunabari and Bihpuria Development

<sup>35</sup> (i) Karunabari: ₹112.81 lakh and (ii) Bihpuria: ₹46.59 lakh.

Blocks during 2008-09 for construction of 414<sup>36</sup> IAY houses. Of this, the BDOs disbursed ₹1.57 crore to 414 beneficiaries between December 2008 and September 2009, which included disbursement of ₹43.55 lakh to 115 non-BPL beneficiaries<sup>37</sup>, in violation of the relevant provision of IAY guidelines. Besides, beneficiaries were not selected by Gram Sabha as envisaged in the IAY guidelines. Instead, the beneficiaries were selected by GP/ZP/MLA<sup>38</sup>.

Accepting the audit observations, the BDOs concerned stated (June 2011) that now onwards relevant provisions of IAY guidelines would be followed strictly.

Thus, CEO, Lakhimpur ZP and BDOs, Karunabari and Bihpuria Development Blocks incurred unauthorised expenditure of ₹64.15 lakh<sup>39</sup> by providing financial assistance to ineligible beneficiaries in violation of the guidelines of NFBS and IAY depriving the corresponding benefits from reaching the intended/deserving beneficiaries.

The matter was reported to Government in June 2012; their reply had not been received (November 2012).

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<sup>36</sup> (i) Karunabari: 293 IAY houses and (ii) Bihpuria: 121 IAY houses.

<sup>37</sup> BDO, Karunabari Development Block: ₹19.23 lakh to 51 beneficiaries and BDO, Bihpuria Development Block: ₹24.32 lakh to 64 beneficiaries.

<sup>38</sup> Gaon Panchayat/Zilla Parishad/Member of Legislative Assembly.

<sup>39</sup> CEO, Lakhimpur ZP: ₹20.60 lakh; BDO, Karunabari Development Block: ₹19.23 lakh and BDO, Bihpuria Development Block: ₹24.32 lakh.

## CHAPTER-II

### ECONOMIC SECTOR

#### 2.1 Introduction

The findings based on audit of State Government units under Economic Sector feature in this chapter.

During 2011-12, against total budget provision of ₹13,876.21 crore, total expenditure of ₹9,453.09 crore was incurred by 18 departments under Economic Sector. Department-wise details of budget provision and expenditure incurred thereagainst are shown in *Appendix – 2.1*.

Besides, the Central Government has been transferring a sizeable amount of funds directly to the implementing agencies of the State Government for implementation of flagship programmes of the Central Government. During 2011-12, out of total release of ₹6,631.69 crore, ₹568.55 crore were directly released to different implementing agencies under Economic Sector as detailed below.

(Rupees in crore)

Sl. No.	Name of the Department	Name of Implementing Agencies	Fund released
1.	Science and Technology	Institute of Advanced Study in Science and Technology	9.00
2.		Research and Development (Biotechnology)	4.24
3.		Technology Development Programme	2.38
4.	Agriculture	Livestock Insurance	2.00
5.		National Food Security Mission	41.74
6.		National Mission on Bamboo	2.64
7.		National Project for Cattle and Buffalo Breeding	7.28
8.	Ministry of Commerce (Handloom and Textile)	Marketing and Export Promotion Scheme	4.71
9.	Ministry of Commerce (Weavers and Artisans Co-operative)	Marketing and Export Promotion Scheme	6.20
10.	Commerce	Research and Development (Handicrafts)	0.06
11.	Planning Statistics and Programme Implementation	MPs Local Area Development Schemes	74.50
12.	Industry	Industrial Infrastructure	1.41
13.		North Eastern Development Finance Corporation	59.99
14.		Transport subsidy	331.03
15.		Infrastructure Development	13.50
16.	Renewable Energy	Rural Applications	7.87
<b>Total</b>			<b>568.55</b>

Source: CPSMS.

### **2.1.1 Planning and conduct of Audit**

The audits were conducted during 2011-12 involving expenditure of ₹3,802.81 crore of the State Government under Economic Sector. This chapter contains one Performance Review on “Roads and Bridges funded from Central Road Fund (CRF)”, one CCO centric Audit of Fisheries Department and 13 Transaction Audit Paragraphs.

The major observations detected in audit during the year 2011-12 are given below.

## **PERFORMANCE AUDIT**

### **Public Works Department**

### **2.2 Performance Audit of “Roads and Bridges funded from Central Road Fund (CRF)”**

*The Public Works Department (Road), GOA is mainly responsible for improvement of road communication through construction and maintenance of roads, bridges and culverts for speedy development of the state. In Assam there is a total road length of 39,000 km. Three Chief Engineers (CE) of the Department viz., CE (Roads), CE (Boarder Roads) and CE (Assam Rural Infrastructure and Agricultural Services Programme) execute various projects for Roads and Bridges funded from the Government of India through National Bank for Agriculture and Rural Development (NABARD), North Eastern Council (NEC) and also from the State’s own resources under different schemes.*

*Central Road Fund (CRF) was conceived (27 December 2000) by Government of India (GOI) with a view to achieve a balanced development of the road network in the entire State. The objective of CRF had not been fully achieved as 67 per cent of the projects approved during 2007-12 remained incomplete as of March 2012. Five projects approved prior to April 2007 also remained incomplete. The composite plan or the annual plan was not prepared after proper survey and investigation. In the absence of systematic selection procedure, 70 per cent of the State road projects were selected without the criteria being fulfilled. No new project was approved during 2009-12 as the Government of Assam (GOA) did not submit any proposal. Absence of systematic work plan and unsatisfactory performance of contract and works management, delayed the completion of the projects abnormally. Completed roads got damaged as funds for maintenance was not provided by GOA. Quality control, supervision and monitoring were perfunctory. Some of the significant audit findings are highlighted below.*

### **Highlights**

**GOA did not prepare any work plan, either annual or composite, to execute the works in a systematic and integrated manner.**

(Paragraph 2.2.8.1)

Contrary to the provisions of CRF (*State Roads*) Rules 2007, 51 out of 69 State road projects selected prior to March 2007 and seven out of 13 state road projects selected during 2007-12 and approved by GOI for creation through CRF, were having road length below the prescribed minimum criteria of 10 km length.

(Paragraph 2.2.8.2)

GOI had not sanctioned any project during 2009-12 as GOA had not submitted proposals, though in successive budget speeches of all these years, GOA had committed to increase the road infrastructure throughout the State, by making arrangement of funds under different Central schemes including CRF.

{Paragraph 2.2.8.2(ii)}

Central share of ₹6.78 crore pertaining to the years prior to March 2007 received by GOA was not released to the executing divisions which adversely affected the smooth implementation of the works undertaken.

(Paragraph 2.2.9.3)

Incomplete portion of road work not allotted to another contractor for execution despite elapse of more than four years from the scheduled date of completion (May 2008) rendered the expenditure of ₹1.85 crore incurred unproductive.

(Paragraph 2.2.10.1)

Against permissible limit of four months in awarding of contract in 12 projects, there were delays of more than one to 23 months. These projects remained incomplete even after elapse of 17 to 69 months period beyond the prescribed time schedule of 24 months from the date of GOI's approval.

(Paragraph 2.2.10.5)

In the absence of budgetary provision of fund for maintenance of CRF work, 10 completed roads got damaged and road connectivity weakened.

(Paragraph 2.2.11)

### **2.2.1 Introduction**

CRF was created under Resolution of the Parliament passed in 1988 and later brought under CRF Act, 2000, for development and maintenance of national highways/rural roads/state roads, roads of inter-state connectivity (ISC), roads of economic importance (EI) and improvement of road safety works at railway crossings to be funded by GOI from the 'Cess collected on Petrol and High Speed Diesel Oil'. Subsequently, in exercise of the powers conferred under Section 12 of the CRF Act,



2000, Ministry of Road Transport and Highways, GOI vide its Notification dated 10 July 2007 made the Central Road Fund (State Roads) Rules, 2007 for the disbursement of the Central Road Fund in respect of specified projects.

### **2.2.2 Programme Objectives**

Assam being the gateway of North East India and surrounded by as many as seven States<sup>1</sup> and two countries<sup>2</sup>, the need for development of transport and communication sector in the State is of vital importance. Performance audit of 'Roads and Bridges funded from CRF has been considered because of its significant role in ensuring balanced development of road communication network of intra as well as inter-state connectivity.

Category of works under the programme are as follows:

- State roads *i.e.* construction of missing bridges, cross-drainage works, by-passes, parallel service roads along with National and State Highways; widening of two lanes; strengthening of weak pavement; rehabilitation of bridges and engineering aspects of road safety works;
- Road projects of inter-state connectivity between two adjacent states; and
- Road projects of economic importance *i.e.*, roads directly connecting to important market place, economic/industrial zones, agricultural region, roads benefiting vulnerable section of the society and also roads leading to socially important infrastructure such as cremation grounds, orphanages etc.

### **2.2.3 Organizational set up**

The Chief Engineer (CE), PWD (Border Roads), Assam is mainly responsible for the overall implementation of various schemes/projects under CRF. He is assisted by one Superintending Engineer (SE), one Executive Engineer (EE) and one Assistant Executive Engineer at the Headquarters. Supervision of works is done by nine SEs and EEs of 17 Divisions<sup>3</sup> who are directly responsible for implementing the schemes/projects under CRF at the field level. Organisational structure of the department is given in Chart-1.

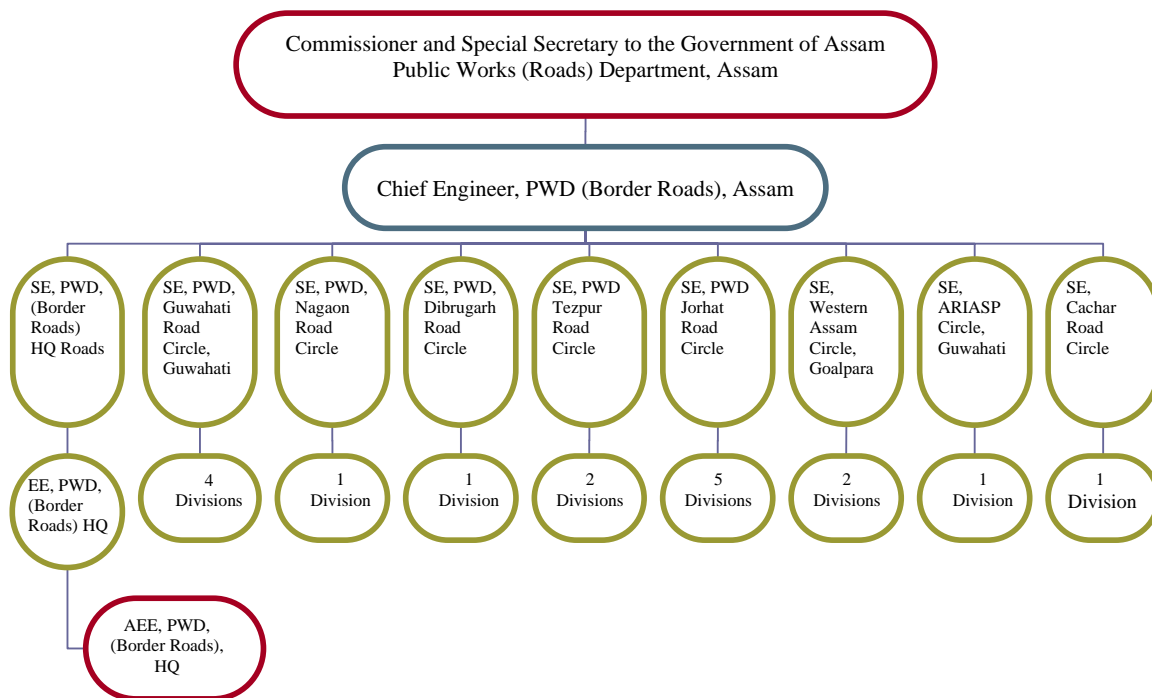
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<sup>1</sup> Arunachal Pradesh, Meghalaya, Manipur, Nagaland, Mizoram, West Bengal and Tripura.

<sup>2</sup> Bangladesh and Bhutan.

<sup>3</sup> (i) State Road Division: 5, (ii) Rural Road Division: 8 and (iii) City Division: 4.

**Chart-1**  
**Organisational Structure**



Source: Departmental records.

### 2.2.4 Scope of Audit

The Performance Audit on Construction of Roads and Bridges funded from CRF during 2007-08 to 2011-12 was carried out through test check of the records during the period April 2012 to July 2012 of the Commissioner and Special Secretary to the GOA, PWD, CE (Border Roads) and nine<sup>4</sup> out of 17 divisions covering 88 per cent expenditure (₹145.36 crore) of the total expenditure of ₹164.61 crore incurred during the period. Out of 42 projects (15 sanctioned during 2007-12 and 27 pertaining prior to 2007), 29 projects were test-checked in audit.

### 2.2.5 Audit Objectives

The main objectives of the performance audit were to assess whether:

- There was systematic planning based on surveys conducted in attaining the objectives of CRF;
- Funds were released in time and utilized efficiently, effectively and economically in accordance with scheme guidelines;

<sup>4</sup> 1. EE, City Division II, Guwahati; 2. EE, Road Division, Guwahati; 3. EE, North Guwahati Road Division; 4. EE, Sonitpur Rural Road Division; 5. EE, Golaghat Rural Road Division; 6. EE, Sibsagar State Road Division; 7. EE, Charideo Rural Road Division; 8. EE, Dibrugarh Rural Road Division; and 9. EE, Silchar Rural Road Division.

- Works were executed in accordance with DPRs/approved estimates;
- Mechanism provided for proper maintenance of roads and bridges was effective; and
- The monitoring system inspection, reporting and evaluation in implementation of the schemes/projects evolved was adequate and effective.

### **2.2.6 Audit criteria**

The Audit findings were benchmarked against the provisions of following source of criteria:

- CRF Act 2000 and Rules, guidelines, notifications, instructions with regard to implementation of the scheme;
- Survey report, detailed project report/approved estimates;
- Departmental Manuals/policies; and
- Prescribed monitoring mechanism.

### **2.2.7 Audit Methodology**

The Performance Audit commenced with an entry conference with the Deputy Secretary, PWD; Deputy Secretary, Finance along with other departmental officials in May 2012 wherein the audit objectives, criteria and scope of the performance audit were explained and inputs of the departmental officers were obtained. Nine (53 *per cent*) out of 17 divisions were selected for detailed scrutiny based on simple random sampling method. Information and documents available in test-checked divisions and responses to audit questionnaires were analysed. Photographic evidence and physical verification were also taken into consideration to substantiate audit observations. The exit conference with the Commissioner and Special Secretary to the GOA, PWD and representative from the department was held on 21 September 2012 wherein audit findings were discussed and report finalised after taking into account the views of the department duly incorporating the same at appropriate places.

### **2.2.8 Survey, Planning and Selection**

#### **2.2.8.1 Survey and planning**

Systematic and realistic planning from project formulation stage to execution is a pre-requisite for successful implementation of any project in a cost effective manner.

Audit scrutiny revealed that the primary requirement of survey and investigation for balanced development of infrastructure in the road communication network of the state was missing. The department did not prepare any works plan, either annual or composite, to execute the works in a systematic and integrated manner.

Proposals/estimates for roads and bridges were framed by the concerned EEs of the implementing divisions on the basis of perceived need as stated by the CE (Border Roads). The Department was thus deprived of realistic assessment of the needs of balanced development of the road network in the entire State for sound planning for construction of roads and bridges utilizing CRF was absent.

### 2.2.8.2 Selection of projects

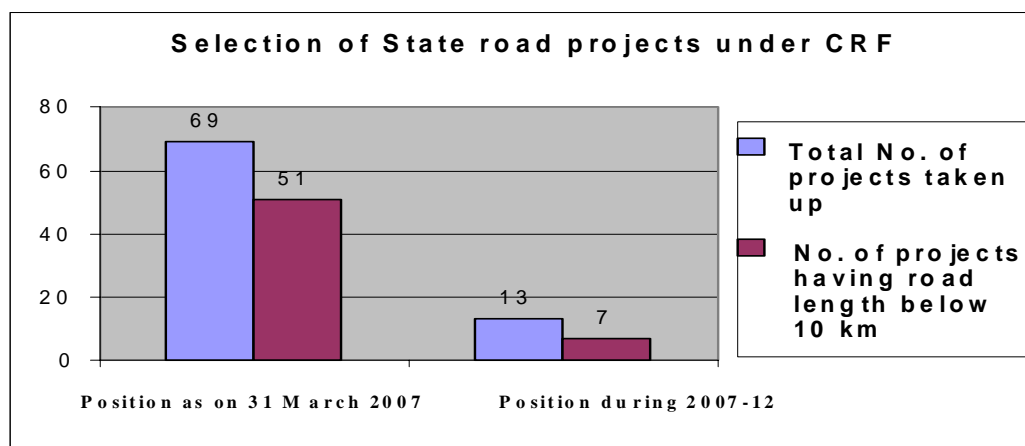
During the period April 2001 to March 2007, 80 road projects (69 State roads, five roads of Inter-state connectivity and six roads of economic importance) were selected by GOA for execution under CRF without any bridge project. Again during 2007-12 another 15 road projects (13 State roads, one Bridge and one inter State road) were selected by GOA. All the selected projects were approved by GOI.

According to CRF Rules, proposed road length of State Roads selected for execution under CRF should cover minimum 10 kilometers of length. Less than 10 kilometers of road length is permissible only in the case of following works:

- Construction of missing bridges, rehabilitation of bridges, widening to two lanes, strengthening of weak pavement sections;
- Engineering aspects of road safety works covering improvement of traffic junctions;
- Construction of bye passes, parallel service roads along national or state highways; and
- Development of connecting roads to national highways from rural roads and tourist places.

Contrary to the above provision of CRF Rules, 51 out of 69 state road projects selected prior to March 2007 were having road length below 10 km (ranging from 0.45 km to 9.45 km), violating the main criteria of selection of State Road projects of more than 10 km. Similarly out of 13 state road projects selected during 2007-12 and approved by GOI, seven state roads were below 10 km (ranging from 0.50 km to 9.92 km). The position is shown in Chart 2.

**Chart 2**



Source: Departmental records.

This indicates that 70 per cent (58 out of 82) of the state road projects of less than 10 kms length were selected by GOA and approved by GOI despite the fact that they did not fulfill the requisite criteria of funding through CRF. Scrutiny of the process of selection disclosed that GOA put forward detailed estimate of the works to GOI for sanction of the project. The detailed estimate clearly indicated the length of the road/roads included in the project proposal. Sending of project proposals of improvement of State roads below 10 km by GOA and sanction of those projects by GOI was in violation of the provisions of the guidelines circulated by Central Government itself. Thus, there were inherent deficiencies in planning and selection processes, as observed during the course of audit are detailed below.

**(i) Lack of transparency in selection**

On the basis of the proposal sent (August 2008) by GOA, GOI accorded (August 2008) administrative approval (AA) of ₹29.91 crore for the project “Improvement and up-gradation of roads within Silchar Municipal area under major district road within Cachar district”. GOA accorded (February 2009) AA to the project for the same amount after a period of more than five months.

Scrutiny of work orders and other records disclosed that total road length of 81.55 km and four culvert/drains were divided into 32 packages and awarded to 27 contractors between February 2009 and November 2011 respectively. Till March 2012, four packages were completed at a cost of ₹74.95 lakh (including a liability of ₹18.21 lakh) and the remaining 28 packages remained incomplete after incurring an expenditure of ₹12.03 crore in addition to committed liability of ₹2.69 crore. This needs to be viewed against GOI stipulation in the AA that the works were to be completed by August 2010.

57 different roads and four culverts, drain etc., taken up under the project for which technical sanctions accorded (September 2008) by CE, PWD (Roads). The work orders and progress reports disclosed that these 57 roads were of varying lengths ranging from 0.3 km to 5.5 km as depicted in Table-1.

**Table – 1**  
**Projects taken up with shorter road lengths (than prescribed)**

Road length in km	No of roads
0.300 km to 1.00 km	38
1.001 km to 2.00km	8
2.001 km to 3.00 km	6
3.001 km to 4.00 km	2
4.001km to 5.00 km	2
5.001 km to 5.50 km	1
<b>Total</b>	<b>57</b>

Source: *Divisional records.*

Copy of project proposal sent (August 2008) by GOA to GOI for sanction also indicated that proposal contained separate detailed estimates of 57 roads and four culvert/drains and the length of each road varied between 0.3 km to 5.5 km as indicated in the table above. GOI sanctioned these projects in August 2008 itself although it violated one of the provisions of the guideline that no State road projects of less than 10 km should be entertained. Besides, objective of CRF was to develop State highways, Major district roads and other roads of importance, rather than development of municipal roads. Thus, due to wrong approval of the projects, the **basic objective of the scheme was defeated.**

In reply (September 2012), the CE did not comment about shorter length of the roads undertaken through CRF but stated that these were not municipal roads. The reply is not acceptable as the nomenclature of the project indicates that the roads were in the municipal area of Silchar town and thus not covered for execution through CRF.

## **(ii) Lack of strategic planning**

Successful implementation of the projects depends on formulation of strategic planning. During 2009-12, GOA did not submit any proposal to GOI for sanction. All the 15 projects were sanctioned during 2007-09. Though, in successive budget speeches of all these years, the Government had committed to increase road infrastructure throughout the State, by arrangement of funds under different Central schemes, including CRF. Non-submission of proposals thus entailed non- receipt of any fund for new projects under CRF during 2009-12. This is indication of lapses in strategic planning of the department, *vis-a-vis* commitment of the Government in so far as creation of road infrastructure under CRF is concerned.

In reply, CE stated (September 2012) that proposals were not sent as sanction accorded during 2008-09 (₹90.45 crore) was 7.2 times the bank of sanction which according to CRF Rule, shall not normally exceed at any point of time two times of the (₹25.12 crore) annual accrual for the year in which the schemes were sanctioned. It may be pointed out that 53.8 *per cent* (7 out of 13) projects sanctioned during 2007-09 did not fulfill the road length criteria. Thus, due to sanction of inadmissible proposals parameters of sanction exceeded and GOA could not send any new proposal leading to deficiencies in strategic planning.

## **2.2.9 Financial Management**

### **2.2.9.1 Fund flow and funding pattern**

Funds under CRF for State roads including roads of ISC and EI are released by the Ministry of Road Transport and Highways (MORTH), GOI to the Finance Department, GOA, which in turn releases fund on the basis of demand placed by PWD, GOA. The PWD in turn releases Fixation of Ceiling (FOC) to the concerned

Divisions with intimation to CE, PWD (Border Roads), Assam, who issues budget allocation to the concerned divisions authorising expenditure to be incurred.

The funding pattern for development of State roads including roads of inter-state connectivity and economic importance is as under:

- (i) State roads: 100 per cent by GOI;
- (ii) Roads of Inter-state connectivity: 100 per cent by GOI;
- (iii) Roads of Economic Importance: 50 per cent by GOI and 50 per cent by GOA.

### **2.2.9.2 Preparation of budget**

Budget Manual of GOA stipulates that Budget Estimates (BE) are to be consolidated by the controlling officers based on the proposals received from the subordinate offices and should be as accurate as possible. The controlling officer (Chief Engineer) however, did not produce any record/proposal from executing divisions for 2007-12 and stated that the budget proposals were prepared on the basis of allocation made by Planning and Development department, GOA and the same were sent to Finance Department for sanction. Thus, it was not possible to ascertain that BE was prepared from the inputs of executing divisions and was need based and realistic. Further, instances of huge savings particularly during the years 2008-09, 2010-11 and 2011-12 were noticed as would be evident from the observation in paragraph 2.2.9.3.

### **2.2.9.3 Financial Outlay and Expenditure**

Year-wise position of budget allocation, receipt of funds from GOI, corresponding release by GOA and utilization of funds by the executing Department is given in Table 2.

**Table 2**

(₹ in crore)

Year	Budget estimate	Fund released by GOI	Fund released by State to implementing agencies			Expenditure	Excess (+)/savings (-) over budget estimates (percentage shown in bracket)
			Central share	State share	Total		
2007-08	36.67	26.13	34.48	0	34.48	34.48	(-) 2.19 (6)
2008-09	34.41	22.59	17.62	0	17.62	17.62	(-) 16.79 (49)
2009-10	32.37	33.87	32.52	0	32.52	32.52	(+) 0.15 (0.46)
2010-11	65.76	47.70	44.09	0.20	44.29	44.29	(-) 21.47 (33)
2011-12	58.06	34.52	35.70	0	35.70	35.70	(-) 22.36(39)
<b>Total</b>	<b>227.27</b>	<b>164.81</b>	<b>164.41</b>	<b>0.20</b>	<b>164.61</b>	<b>164.61</b>	

Source: Departmental records.

The above table indicates that during 2007-12, GOI released a total amount of ₹164.81 crore, of which GOA released ₹164.41 crore, besides State share of ₹0.20 crore, to the executive divisions. The aforesaid releases were made against the budget provision of ₹227.27 crore. Thus, there was overall shortfall in release of fund of ₹62.66 crore (28 per cent) to the executing agencies.

The overall projections of funds inflated by 28 per cent during 2007-12 further corroborates that the BE was unrealistic as it was prepared without inputs from implementing divisions. Besides, there were instances of non release of Central share received by GOA to the executive divisions. It was further revealed that Central share

of ₹6.78 crore pertaining to the years prior to March 2007 was not released by the GOA and remained with the exchequer which adversely affected the smooth implementation of the scheme. The reason for the short release of fund was not on record.

#### **2.2.9.4 Discrepancy in release of funds and expenditure**

Scrutiny revealed that there was a discrepancy of ₹7.10 crore between the statements furnished by PWD (₹130.29 crore) and the Finance accounts (₹123.19 crore) in respect of amount released by GOI during 2007-11. (Details are shown in *Appendix-2.2*). PWD could not produce all the sanction orders pertaining to the year 2008-09.

Discrepancy of ₹1.26 crore was also noticed between the statements furnished by the Department (₹163.35 crore) and the fixation of ceiling (FOC) register (₹164.61 crore) maintained by the CE (Border Roads) in respect of release of fund by GOA (*Appendix -2.3*).

Further, there was a discrepancy of ₹1.96 crore in expenditure as per expenditure statement of the divisions (₹166.57 crore) when compared with records maintained by the CE (₹164.61 crore).

Paragraphs 143 to 145 of Budget Manual, GOA stipulates that expenditure booked in the departmental record should be reconciled with the books of the Accountant General (A&E) every month. However, the department did not reconcile the expenditure booked under CRF with that of the Principal Accountant General (A&E), Assam. As a result, there was a difference of ₹5.08 crore between total expenditure projected by Department (₹128.92 crore) and total expenditure incurred (₹123.84 crore) as per Detailed Appropriation Account for the years 2007-2011. The details of year-wise difference are shown in *Appendix-2.4*. These discrepancies highlight the deficiencies in record keeping by the concerned authorities. Reasons for the above discrepancies were not furnished by the authorities, though called for in audit.

#### **2.2.10 Execution**

During 2001-07, construction of 595.85 km roads was sanctioned for execution through 80<sup>5</sup> road projects. Of these, 53<sup>6</sup> road projects were completed till March 2007 creating 385.737 km of road. Remaining 27 projects were incomplete as of March 2007.

During 2007-12, 42 projects (New projects: 15 and remaining 27 projects as of March 2007) were taken up for execution for creation of 562.45 km of road and construction of one RCC bridge. Only 27<sup>7</sup> projects could be completed after incurring an expenditure of ₹83.62 crore and creating 195.527 km of road and 15 projects remained incomplete after incurring expenditure of ₹99.31 crore against sanctioned

<sup>5</sup> 69 State roads + five roads of interstate connectivity + six roads of economic importance.

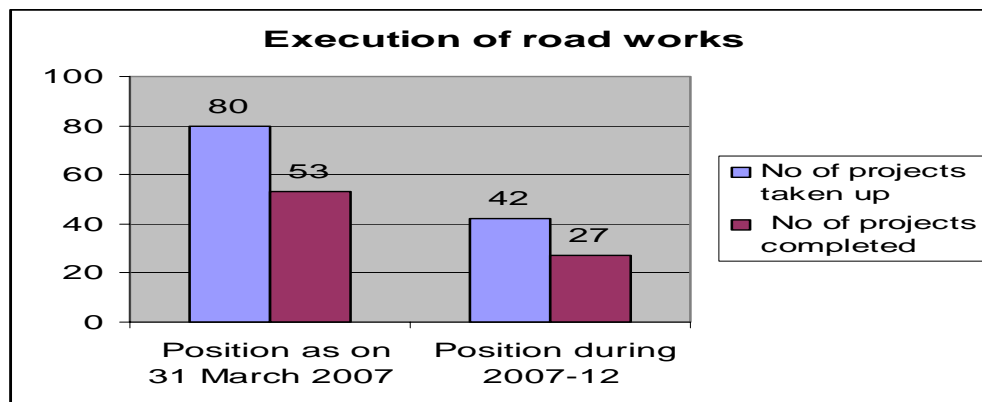
<sup>6</sup> 50 State roads + two roads of interstate connectivity + one roads of economic importance.

<sup>7</sup> 22 projects sanctioned prior to March 2007 + five projects sanctioned during 2007-12.



cost of ₹157.04 crore. The reasons of non-completion of works in stipulated time has been discussed in paragraph 2.2.10.5. Execution of road works as of March 2007 and during 2007-12 is depicted in Chart 3.

**Chart 3**



Of the 27 projects completed during 2007-12 period, 22 projects pertained to the period prior to 31 March 2007 and five projects (33.33 per cent) of the 15 projects sanctioned during 2007-12 were completed during the same period.

Absence of systematic work plan and unsatisfactory performance of contract and works management delayed the project. Delay/non-completion of the projects retarded the development process and frustrated the desired objective of providing better road connectivity through State and inter-state roads.

Out of 42 road projects (as listed in **Appendix – 2.5**) undertaken during 2007-12, 29 road projects executed by nine test checked divisions were checked in audit. Of these, 17 projects were completed after incurring an expenditure of ₹ 57.81 crore against the sanctioned cost of ₹ 64.86 crore with time overrun ranging from 4 to 48 months in case of 11 projects. Of these, six projects were, however, completed within the scheduled time. 12 projects remained incomplete as of March 2012 after incurring an expenditure of ₹95.77 crore though the stipulated time of completion of these projects was already over (lies in between June 2006 and October 2010) as discussed in succeeding paragraph 2.2.10.5 (List of projects selected for detailed examination is shown in **Appendix – 2.6**). Significant observations are summarised below.

**2.2.10.1 Unproductive expenditure**

The project “Improvement by Met & Bt of U/M Ligiri Ali (Road length 6.10 km)” under Charaideo Rural Road division, Sonari was approved (March 2007) by GOI for ₹236.04 lakh. The project was divided into three groups and awarded (August 2007) to 2 (two) Contractors at the lowest bid value with the stipulation to complete the work within nine months as shown below.

(₹ in crore)

Group	Chainage	Name of Contractor	Bid Value
I	0.00 m to 2,000 m	R.C.N. Construction Pvt. Ltd	0.76
II	2000 m to 4,000 m	U.C.N. Construction Pvt. Ltd	0.76
III	4000 m to 6,100 m	R.C.N. Construction Pvt. Ltd	0.83

Scrutiny of records revealed that Group I and Group II works were completed after incurring total expenditure of ₹1.50 crore (Group I: ₹0.76 crore and Group II: ₹0.74 crore) in December 2009 and June 2011 respectively. The contractor of Group III had, however, after execution of only 43 *per cent* of the work, showed (January 2011) his inability to complete the remaining work on the plea that objection was raised by local people about alignment of the balance portion of the road. The EE rescinded (August 2011) the work order by forfeiting security deposit (₹2.76 lakh) and earnest money (₹1.67 lakh) of the contractor. The contractor was paid (March 2012) the value of work done by him amounting to ₹0.35 crore.

The remaining portion of the work was not awarded to any other contractor as of March 2012 as the working estimate for the balance work (₹0.51 crore) was not technically sanctioned by the CE.

In reply to audit query, EE stated (June 2012) that local people allowed construction of the road as per approved alignment subsequently but the remaining work was not settled for execution with any other contractor.

Thus, due to inaction on the part of the implementing division to complete the remaining portion of the road (from Ch 4,800 to 6,100 m), despite elapse of more than four years period from the scheduled date of completion (May 2008), the expenditure to the tune of ₹1.85 crore incurred on this project not only became unproductive but also affected the intended purpose of providing road connectivity to the users.



**LIGIRI ALI ROAD (CH 4.800 M) (15-06-12)**

On this being pointed out in audit, CE in reply, stated (September 2012) that connectivity to the locality was provided through another road constructed under PMGSY. So far as this road is concerned, the incomplete road ended in a paddy field without reaching any locality as evident from the photograph above. However, existence of alternate road did not nullify the necessity of another connecting road.

**2.2.10.2 Incomplete projects shown as having been completed**

There were two<sup>8</sup> instances where incomplete works were shown as having been completed as detailed below-

(a) The work “Improvement of Joypur Road (3<sup>rd</sup> to 11<sup>th</sup> km)” under Dibrugarh Rural Road division was awarded (May 2005) to a contractor at ₹1.91 crore with due date of completion in November 2005. As the contractor abandoned (October 2005) the work, EE engaged another contractor who also abandoned (March 2008) the work after doing part of the work. The third contractor engaged also did not complete the work. The three contractors were paid total amount of ₹1.91 crore including an amount of ₹25 lakh paid as advance to the second contractor (remained unadjusted) against the value of work done to the extent of ₹1.68 crore. The work was reported as completed in June 2009 without final measurement and preparing final bill.

Scrutiny, however, revealed that value of left over work yet to be completed amounting to ₹20 lakh in addition to unadjusted advance of ₹25 lakh that remained outstanding against the second contractor as detailed in *Appendix – 2.7*.

In reply, CE stated (September 2012) that the above payment had already been adjusted through contractor’s RA bill and the work was also completed by engaging third contractor. Records showing adjustment of the advance through incomplete final bill and final bill of third contractor showing completion were not produced though called for in audit. Thus veracity of the adjustment of advance remained unconfirmed.

(b) Similarly the second work, executed by Silchar Rural Road division, was awarded (February 2005) to a contractor at a tendered value of ₹2.49 crore. The contractor was paid (January 2008) ₹2.34 crore (including advance of ₹10 lakh) against value of work done amounting to ₹2.24 crore. Although this work was also reported as completed in 2009-10 without final measurement and final bill, value of work yet to be completed amounted to ₹25 lakh in addition to outstanding advance of ₹10 lakh against the contractor which remained unadjusted as detailed in *Appendix – 2.7*.

In reply, CE stated (September 2012) that the advance was adjusted from the security deposit of the contractor and the balance work was done from the scheme, other than CRF. Documentary proof of the assertion, however, was not produced.

Thus, in the absence of documentary proof of recovery of advances from the contractor and due to non-submission of completion certificates, the claim made by CE remained unconfirmed.

**2.2.10.3 Dismal work management**

GOI accorded (March 2005) administrative approval (AA) to the project “Improvement of met Sepon Suffry Road” under Charaideo PWD Rural Road

<sup>8</sup> 1.Improvement of met. Joypur Road under Dibrugarh Rural Road Division. 2. Improvement of (i) Road from Bhowal point at NH – 54 Extension to Bye-pass Road via Station approach road, Normal School to Jail Road, Native Church Road, Chincoorie Road, (ii) Road from Badri Ferryghat to Bilpar Road via Berenga, Madhurband, Panpatty, Nagapatty Radhamadev Road (iii) Malugram Sibbari Cachar Motor works via Ration Godown approach road, Ghaniwalla Road, Jahaj Gudam Road, Link road between Ration Godown and Jahaj Dodam Road under Silchar Road Division

Division, Sonari (Road length 12 km) at a cost of ₹1.49 crore. Thereafter, GOA accorded (December 2005) financial sanction for ₹1.47 crore for the said project. The work was awarded (July 2005) to the lowest bidder<sup>9</sup> at the tendered cost of ₹1.42 crore with the stipulation to complete the work by April 2006. The contractor was paid ₹1.20 crore (September 2006) against executed work value of ₹1.24 crore. Scrutiny revealed that, in January 2009 the contractor abandoned the work after completing WBM works and without doing bituminous carpeting work. The work was rescinded (March 2009) by forfeiting the security deposit (₹9.93 lakh) and earnest money (₹2.84 lakh) of the contractor. The division took more than two and half years to take action against the erring contractor. In reply, the EE stated (June 2012) that the said road was under water due to heavy flood during 2006-08 and the contractor had submitted (December 2008) work programme assuring to complete the work within March 2009. Hence, there was delay in taking action against the contractor.

CE, however instructed (January 2010) SE, Jorhat Road Circle, to make recovery of ₹8.51 lakh (20 *per cent* of the balance work i.e. ₹3.54 lakh plus ₹4.97 lakh for restoration of the damaged work) from the original contractor. The amount was, however, not recovered (May 2012).

The remaining portion of the work (tender value ₹22.67 lakh) remained incomplete even after engagement (May 2010) of the second contractor. The re-allotted work order was also rescinded (October 2011) by forfeiting security deposit and earnest money as the contractor failed to complete the work within the stipulated time (30 November 2010). The contractor was paid ₹3.10 lakh (₹1.00 lakh in February 2011 and ₹2.10 lakh in October 2011) against bill value of ₹7.12 lakh. Ultimately, the work which was sanctioned by GOI in March 2005 remained incomplete and in abandoned state till June 2012.

The EE had not analysed the root cause of abandonment of work by the contractors one after another to take remedial measures to address the problem. Thus, absence of monitoring and efficient project management resulted in unproductive expenditure of ₹1.23 crore besides deprival of intended benefit of connectivity to the users.

#### **2.2.10.4 Unauthorized execution of work**

As per MORTH's general instructions, no work beyond the scope of the sanctioned estimate should be undertaken without obtaining prior approval of the Ministry. Further rule 7 of the CRF Rules 2007 envisaged that sanction of projects can only be considered if no improvement work was done in last three years. In the following three cases, work was executed beyond the scope of sanctioned estimates without Ministry's approval by the department.

<sup>9</sup> Jayee Construction, Guwahati.

(a) Scrutiny of records revealed that administrative approval and financial sanction was accorded by GOA (March 2005) for the work “Improvement of Metd. Dodhar Ali (29<sup>th</sup> to 32<sup>nd</sup> Km) Road under Golaghat Rural Road division at ₹57.78 lakh. The expenditure was incurred from State plan during 2005-06.

It was also revealed that though the improvement work was done only two years back (April and May 2005), GOI again sanctioned (March 2007) ₹528.13 lakh for the work “Improvement of Historic Dodhar Ali Road from 26 to 32 Km including widening and strengthening Arrengapara Amolapatty into intermediate lane with road side drain and footpath for a total length of 8.10 km” on the same chainage which was not permitted under CRF Rules, 2007.

It was further noticed that GOA accorded financial sanction once in October 2007 for ₹457.56 lakh after deducting ₹57.78 lakh which the division had already incurred from State plan fund for improvement work of the said road and revised it in January 2008 for ₹515.34 lakh including the deducted amount of ₹57.78 lakh. This additional fund of ₹57.78 lakh was utilised for construction of additional road length of 1.3 km. The said project was completed in July 2009 at the cost of ₹4.95 crore covering total road length of 8.57 km<sup>10</sup>.

Thus, taking up the work under CRF within three years of improvement work done in April and May 2005 from other schemes was irregular and unauthorized. This affected the objective of implementation of CRF programme in so far as prioritisation of project/work is concerned and showed inherent deficiencies at the planning stage.

(b) On the basis of proposal/estimate submitted (January 2005) by GOA for the project “Improvement of old A.T. road by strengthening & widening” (Road length 11.20 Km) under Sivsagar State Road division, GOI accorded (March 2005) AA for ₹2.98 crore for the said project. The work was awarded (July 2005) to a contractor<sup>11</sup> at a bid price of ₹2.86 crore with stipulation of completion by July 2006.

Scrutiny of records revealed that the division constructed road length of 8.20 km only against the approved road length of 11.20 km and executed extra items of work valued at ₹ 94.44 lakh which were not provided for in the original approved estimates. The work was completed (July 2007) at the total cost of ₹ 2.91 crore.

Construction of remaining 3 km (11.20 km – 8.20 km) was taken up (May and September 2005) under another programme with the nomenclature of “Improvement and repairing of old AT road under Assam State Road Board Maintenance Fund” and executed through two contractors<sup>12</sup> at a total cost of ₹51.42 lakh.

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<sup>10</sup> 8.10 km – 0.83 km road length covered under State plan + additional road length of 1.3 km.

<sup>11</sup> Lohit Ch. Gogoi, Sivasagar.

<sup>12</sup> Biplab Chetia, Guwahati and Lohit Ch. Gogoi, Sivasagar.

Execution of extra work and reducing the road length in violation of the approved estimate was thus, irregular and unauthorised. Execution of remaining part of the work already approved for execution under CRF under another scheme in the contemporary period depicted lapses in overall planning of the department.

In reply, CE although stated (September 2012) that the extra work was necessitated due to site condition but approval of GOI for deviation from approved estimate was not obtained.

(c) GOI accorded (January 2007) AA for ₹2.44 crore for the project “Improvement of Metd Nogora Ali to Dhodar Ali (road length 9.5 km)” under Golaghat Rural Road division. Financial sanction was accorded by GOA in August 2007.

Scrutiny of records revealed that the division constructed road length of 5.3 km against the approved road length of 9.5 km and executed the extra items of work valued at ₹46.67 lakh<sup>13</sup> which were not provided for in the original approved estimates. The work was completed in December 2008 and the contractor was paid ₹2.05 crore against the work value of ₹2.36 crore creating a liability of ₹0.31 crore.

Reduction of road length from 9.5 km to 5.3 km in violation of the estimate approved by GOI under CRF was irregular and unauthorised.

As a result of non-construction of remaining approved portion of road length, intended purpose of road connectivity to the inhabitants of the locality as contemplated in the original scheme was frustrated.

In reply, although CE stated (September 2012) that remaining portion of the work was completed under PMGSY scheme. Documentary evidences in support of reply were, however, not produced in audit.

#### **2.2.10.5 Delay in completion of projects**

According to Central Road Fund (State Roads) Rules, 2007 for the disbursement of the Central Road Fund in respect of specified projects, an individual project is required to be technically approved, financially sanctioned and awarded to contractor within a period of four months from the date of AA from GOI and the period of completion should not exceed twenty four months including the period of tendering process.

Test-check of records of nine selected implementing divisions revealed that out of 29 projects implemented by the divisions during 2007-12, 12 projects remained incomplete as of March 2012 as shown in **Appendix – 2.8** which included one road work of EI and one road of ISC. The total expenditure incurred on these 12 badly

<sup>13</sup> Earth work in core 24,479.60 cum @ ₹147 = ₹35.99 lakh  
Construction of hume pipe culvert eight nos = ₹10.68 lakh  
**Total = ₹46.67 lakh**

delayed incomplete projects was ₹95.77 crore (65 per cent) against sanctioned amount of ₹147.24 crore. The reasons for non-completion of the projects as apparent from the records were as under-

- (i) Withdrawal of contract due to unsatisfactory progress and non-allotment/delayed award of unfinished work;
- (ii) Abnormal delay in submission of revised estimate and approval of drawings;
- (iii) Inaccessibility to the construction site etc. on account of ongoing bridge work under different programme;
- (iv) Delay in approval of working estimates with change of scope of works and design/drawing;
- (v) Short/late payment of contractor's bill with consequent withdrawal of tender;
- (vi) Lack of proper survey and non-removal of electrical poles on the road alignment and
- (vii) Land dispute etc.

It would be evident from the details (***Appendix – 2.8***) that there was delay of more than one to 23 months in awarding contract and the projects remained incomplete even after lapse of 17 to 69 months beyond prescribed time schedule of 24 months from the date of GOI's approval. Delays due to reasons mentioned against (i) to (vi) above could have been addressed if appropriate timely action, monitoring and efficient work management was undertaken by the EE of the respective divisions in these cases.

#### **2.2.11 Maintenance and upkeep of the project**

Maintenance and upkeep of the projects after completion is the sole responsibility of the GOA for which adequate fund provision under maintenance head would require to be ensured. Scrutiny revealed that GOA neither made any specific budget provision nor provided any fund for maintenance of work under CRF. Thus, in the absence of budgetary provision non-maintenance/upkeep of projects by GOA led to damage of the ten completed CRF roads as listed in ***Appendix – 2.6*** (Sl. No. 1 to 10) (out of 16 physically inspected) requiring capital expenditure towards major repair. The damages noticed were in the nature of removal of hard crust, sub-base, base coarse, black topping including intermittent pot holes, as would be evident from some of the photographs taken during joint verification. Thus, non-maintenance of completed works damaged the assets created besides weakening road connectivity.



KANUBARI LUKHURAKHAN ROAD (CH 4,400 M)  
(15-6-12)



IMPROVEMENT OF KAMARGAON ALI ROAD  
(CH 1,230 M TO 1,290 M) (2-6-12)



ROAD FROM MISAMARI CENTRE TO MAILBAGZAR  
VIA GOMIRI CENTRE (CH 430 M) (29-5-12)



IMPROVEMENT OF UNMETALLED CHAYANG ALI  
(NORTH) (CH 3,200 M) (22-6-12)

### 2.2.12 Quality control/monitoring

As per CRF Rules, funds to the extent of three *per cent* of the cost of the work shall be placed at the disposal of the regional officer appointed by GOI or any other officer authorized for the State for incurring expenditure on manpower required for effective quality control of the works. It was, however, intimated (July 2012) by the Regional Officer, MORTH, Guwahati, that GOA did not place any fund at his disposal for execution of the quality control of the works. Thus, quality control measures to be exercised by GOI or through office other than the executing authority could not be undertaken.

On enquiry about the internal arrangement of quality control and monitoring in the department, it was stated (June 2012) by CE (Border Roads) that the quality control of works is monitored by the concerned Junior Engineer/Assistant Engineers and checked by the Assistant Executive Engineers of the implementing divisions at the field level.

The implementing divisions (test-checked), however, failed to produce any quality control reports/registers in respect of 17 completed projects (out of 29 projects). Thus, significant aspect of ensuring quality control through checking the standard of execution was found missing which was contrary to provision of CRF Rule.



Information furnished regarding inspection of works conducted by SE and CE disclosed that out of 29 projects test checked in audit, only nine projects were inspected by SE and one project was inspected by CE. No inspection was conducted in respect of the remaining 20 projects. Reports of inspection were, however, not made available though called for in audit. This indicates that in majority of the cases even internal inspection was not conducted and in cases where it was done, details of follow up action taken, if any, as a result of inspection, were not available. Thus, the purpose of inspection which is integral part of monitoring and supervision of the projects was not fulfilled.

### **2.2.13 Conclusion**

The primary requirement of survey and investigation for balanced development of infrastructure in the road communication network of the state was not conducted by the department. In the absence of survey and investigation with a view to identify the road projects and due to non-preparation of either composite or annual plan based on survey, *70 per cent* of the state road projects were selected despite not fulfilling the criteria under the provision of CRF rules. There were inherent deficiencies in strategic planning as apparent from the fact that no new project was approved during 2009-12 by GOI for want of submission of proposals during the period by GOA. Thus, commitments made by the State Government in successive budget speeches to increase road infrastructure through arrangement of funds from different central schemes (including CRF), were not fulfilled so far as CRF is concerned. The objective of CRF for balanced development in road communication network of intra and inter-state connectivity had not been achieved in the State to the desired extent as *67 per cent* projects sanctioned during 2007-12, due for completion within October 2010, could not be completed till March 2012.

The major hurdles in the timely completion of projects were the absence of systematic work plan, non-release/delayed release of funds by GOA, delays in payment to contractors and lack of proper initiative by the executing divisions coupled with lacunae in works management. In the absence of provision of funds from GOA for maintenance of CRF projects, completed roads created through CRF got damaged. These issues could have been addressed suitably with special care and due emphasis on effective planning, supervision and monitoring at all levels in the State.

### **2.2.14 Recommendations**

- PWD should prepare database to develop the macro picture of State roads based on proper field survey so as to prepare well structured annual plan for effective use of limited resources under scheme, on “priority” works.
- Budget estimates should be prepared more realistically by the department considering proposals received from the field offices to ensure optimum utilisation of fund.

- The causes attributable to stoppage of works, works remaining incomplete and slow progress should be analysed and remedial measures taken in accordance with a time bound monitoring plan to arrest such situation in future.
- Maintenance and upkeep of completed projects need to be ensured by making specific budgetary provisions.
- Proper verifiable mechanism with adequate follow up action should be put in place to ensure effective quality control/monitoring as required under CRF, Rules, 2007.

## CCO BASED AUDIT

### Fisheries Department

#### 2.3 Chief Controlling Officer Based Audit of Fisheries Department

*The prime objective of the Fisheries Department is to increase fish production by adopting scientific measures of fish culture and generating employment opportunities by producing high yielding seeds (fingerlings) of fish for distribution among fish farmers at reasonable rates as well as imparting training to the fishermen community. In the CCO based audit, the State Plan schemes, Central Sector/Centrally Sponsored and Externally Aided Projects implemented by the Director of fisheries during 2006-12 were covered. There were deficiencies in planning and budgeting coupled with inadequate flow of funds and insufficient control over programme implementation.*

*It was noticed that the production of fish registered a shortfall from 4.82 per cent to 16.86 per cent against even the modest target fixed on the basis of 10 per cent annual increase during 2007-08 to 2008-12. Although the fish seed production exceeded the target, the quality of the seed was substandard due to continuous in-breeding<sup>14</sup> leading to lower productivity. At the beginning of 2006-07, the State had water resources of 3.74 lakh hectare (ha) in the form of river fisheries, beel, water bodies, reservoir fisheries, ponds and tanks etc., of which four per cent was used for 'Culture fisheries' and 96 per cent for 'Capture fisheries'. At the end of 2011-12, water resources for fisheries marginally increased to 3.92 lakh ha of which six per cent was used for 'Culture fisheries' and 94 per cent for 'Capture fisheries'.*

#### Highlights

**Annual plans were prepared without obtaining inputs from field offices. Plan proposals for funds were arrived at increasing the previous year's allocation by 10-18 per cent as per instruction of Planning and Development Department (PDD), GOA. Besides, the entire exercise of preparation of plan proposals was futile for want of co-relation between plan proposals and budget estimates.**

(Paragraph 2.3.7.2)

**Savings of plan fund ranged between 24.78 and 53.11 per cent totalling ₹82.92 crore (39.03 per cent) of budgetary allocation during 2006-12.**

(Paragraph 2.3.8.1)

<sup>14</sup> Breeding among the same stock of fish.

**Department failed to utilise the Research units and the Mobile Fish Health Care Vans gainfully for water testing to undertake preventive measure in reducing mortality rate of fish and thereby increasing fish production. There was infructuous expenditure of ₹86.12 lakh incurred on non-functioning Centers.**

{Paragraph 2.3.9.3(ii)}

**The Department incurred unproductive expenditure of ₹5.57 crore on constructions and development and towards salary of Government owned fish farms as 71 per cent of the farms were non-functional and activities in the rest 29 per cent were negligible.**

{Paragraph 2.3.9.2(i)}

**There was suspected misappropriation of sale proceeds of fishery products amounting to ₹38.12 lakh noticed in JB Garh Fish Farm, Nagaon.**

{Paragraph 2.3.14(viii) (b)}

### **2.3.1 Introduction**

The main function of Fisheries Department is to augment fish production in the state through development of inland fisheries in three different sectors viz., Government Sector, Co-operative Sector and Private Sector. In addition, socio-economic development of the fishermen community is also a function of the department. Fish is consumed by about 95 per cent of the population of Assam. The annual fish production as of March 2007 in the state was 1.81 lakh Metric Tonne (MT) against the estimated demand of 2.81 lakh MT<sup>15</sup> and that at the end of March 2012 was 2.43 lakh MT (74.54 per cent) against the demand of 3.26 lakh MT. The gap was partially met by importing fish from other States. The productivity percentage increased marginally from 64 (in 2007) to 75 per cent in 2012.

At the beginning of 2006-07, the State had water resources of 3.74 lakh hectare (ha) in the form of river fisheries, *beel*/Ox-bow lake, forest fisheries, derelict water bodies, reservoir fisheries, ponds and tanks. Out of the total water resources, only 0.15 lakh ha (four per cent) were 'Culture Fisheries'<sup>16</sup> and 3.59 lakh ha (96 per cent) were 'Capture Fisheries'<sup>17</sup>. At the end of 2011-12, out of total area of 3.92 lakh ha of water bodies, 0.24 lakh ha (six per cent) was Culture Fisheries and 3.68 lakh ha (94 per cent) was Capture Fisheries. The position of resource area of fishery in 2006 and 2012 relating to Culture Fisheries and Capture Fisheries are depicted in Chart 4.

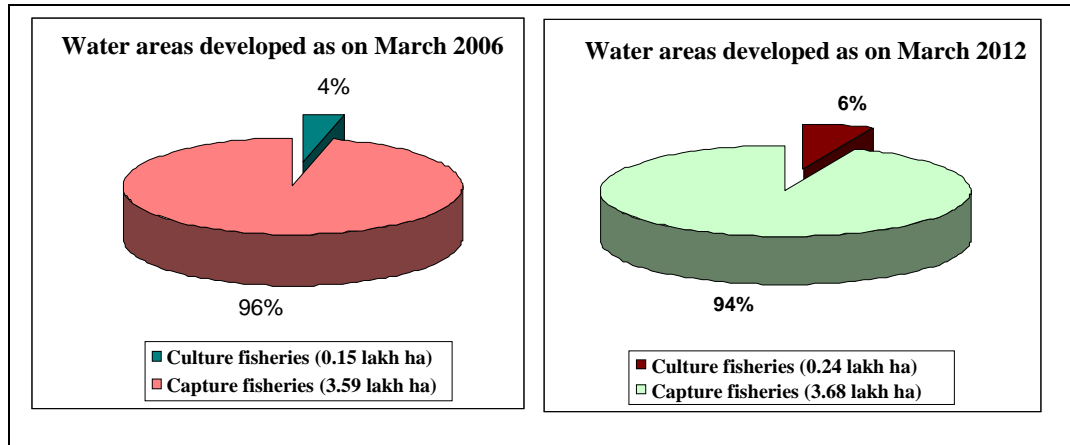
<sup>15</sup> Calculated on the basis of minimum national requirement of 11 kg per capita.

<sup>16</sup> Culture fisheries are fisheries where human intervention contributes in rearing and growing of fish.

<sup>17</sup> Capture fisheries are fisheries where fishes breed naturally and available for capture by humans.

**Chart-4**

**Water resources area of ‘Culture Fisheries’ and ‘Capture Fisheries’ in Assam**



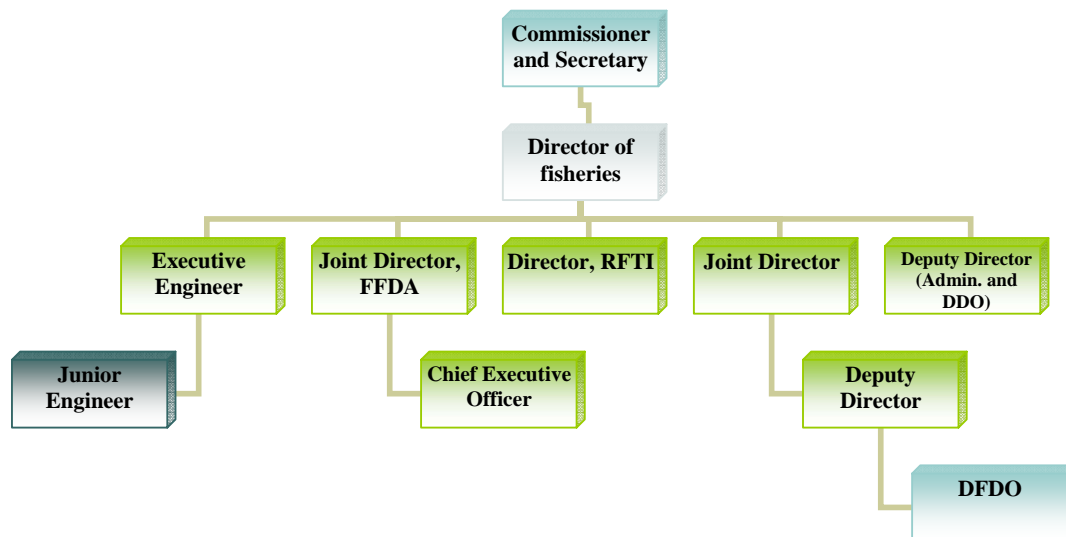
Source: Departmental records.

**2.3.2 Organisational set up**

Fisheries Department comprises of 26 district units in the State, headed by District Fishery Development Officers (DFDO). In addition, there are Fish Farmers Development Agencies (FFDA) in 11 districts headed by Chief Executive Officers (CEO). These are supervised by three Deputy Directors of Fisheries (DDF) and two Joint Directors of Fisheries (JDF) at the state level under the control of the Director, Fisheries Department. Besides, there are one Engineering Branch and one Regional Fisheries Training Institute (RFTI) headed by Executive Engineer and the Director of Instruction respectively under the control of the Director. The Department is headed by the Commissioner and Secretary, who is the administrative head.

The organisational set up of the department is given in Chart 5.

**Chart-5**



Source: Departmental records.

**2.3.3 Scope of Audit**

Audit of the Chief Controlling Officer (CCO) of the Fisheries Department was carried out during November 2010 to May 2011 and also from April to June 2012 covering the functioning of the Department during 2006-12. Records of the Commissioner and Secretary of Fisheries Department, Directorate of Fisheries, nine<sup>18</sup> (35 per cent) of the 26<sup>19</sup> District Fisheries Development Offices (DFDOs) covering expenditure of ₹54.83 crore (23 per cent) of the total expenditure of ₹238.41 crore were test-checked. The nine DFDOs were selected by using simple random sampling method. Apart from above, information was also collected from marketing offices, Fishery Research Centre and Fishery Training Institute, Amranga, while records of DFDOs of Karbi Anglong, Jorhat and Morigaon were test-checked partially.

### 2.3.4 Audit Objectives

The department centric audit facilitates a comprehensive appraisal of a department's functioning to identify systemic issues that need to be addressed at appropriate higher levels for better performance.

The objectives of audit were to assess performance of the Department on the following parameters:

- Adequacy and effectiveness of Planning Process;
- Effectiveness of Financial Control and Budgetary Management;
- Effectiveness of Programme Management;
- Store Management Mechanism;
- Human Resource Management;
- Effectiveness of Internal Control and monitoring; and
- Adequacy and effectiveness measures to vulnerability to Fraud and Corruption.

### 2.3.5 Audit Criteria

Audit findings were benchmarked against the provisions of the following sources of criteria:

- Assam Budget Manual;
- Assam Treasury Rules, 1950;
- Assam Fishery Rules, 1953;
- Assam Fish Seed Act, 2005;
- Assam Financial Rules;
- Guidelines/Norms of different Schemes;

### 2.3.6 Audit Methodology

The CCO based audit commenced with an 'entry conference' (3 November 2010) with Commissioner and Secretary to the Government of Assam, Deputy Secretary, Director of Fisheries and other departmental officers, wherein the audit objectives, criteria and scope of audit were discussed. The audit involved examination of

<sup>18</sup> 1. Cachar, 2. Goalpara, 3. Golaghat, 4. Hailakandi, 5. Kamrup, 6. Karimganj, 7. Nagaon, 8. North Lakhimpur and 9. Sivasagar.

<sup>19</sup> Kamrup (Metro) and Kamrup (Rural) districts are controlled by one DFDO.

records/documents of the selected units and analysis of information/data collected from the audited entity through questionnaire/requisition.

An exit conference was held on 9 November 2012 with Commissioner and Secretary, Fisheries department, GOA wherein the audit findings were discussed and views of the department were suitably incorporated wherever appropriate.

### **2.3.7 Planning**

#### **2.3.7.1 Five Year Plan (FYP)**

Planning is an integral part of programme implementation. Survey and continuous updating has a direct relationship with future planning followed by programme implementation. Survey for collection of fishery statistics was not done in 10<sup>th</sup> FYP<sup>20</sup> (2002-07) due to fund constraint as stated (December 2006) by the Director and it was proposed to conduct during 11<sup>th</sup> FYP<sup>21</sup>. Scrutiny of records however, disclosed that detailed survey was not conducted during 11<sup>th</sup> FYP {details in paragraph-2.3.9.3(i)} also.

Manpower constraint, both at Directorate and Districts level was cited as the reason for not conducting the survey. Planning and Development Department (P&DD), GOA suggested for creating a separate cell in the department which was also not created. In reply (November 2012), the department stated that survey could not be completed due to increase in areas of water resources and indicated that it would complete the survey in 2012-13 by engaging enumerators in each district.

In the absence of authentic fishery statistics, FYP as well as annual plans (AP) were prepared based on incorrect/unreliable data. This was also commented by Director of Fisheries in the AP of 2009-10. Financial planning was in disarray as evident from the facts that against plan proposal of ₹239.14 crore during 2006-12, ₹212.43 crore (88.83 *per cent*) was sanctioned and the department could only incur an expenditure of ₹129.51 crore (54.15 *per cent* of plan proposal). Further, the target of fish production totaling 14.29 lakh MT during 2006-12 was not achieved as discussed in succeeding paragraph-2.3.9.1 (i).

Thus, FYP prepared failed to serve the purpose of systematic development of fishery sector in the State as it was formulated based on incorrect data/inputs.

#### **2.3.7.2 Annual Plan (AP)**

The department prepared Annual Plans (AP) for the years 2006-12 for implementation of ongoing and new production oriented fishery development

<sup>20</sup> Date of submission of 10<sup>th</sup> Plan to P&D Department could not be made available to audit.

<sup>21</sup> Date of submission of 11<sup>th</sup> Plan to P&D Department: 30.12.2006 (letter No. AF (P) 41/2006-07/11477).

schemes. Year-wise details of plan fund proposed in the APs for 2006-12 are shown in Table-3.

**Table-3**  
**Fund proposed in the Annual Plans for 2006-12**

(₹ in crore)

Year	Source-wise proposed annual plan funds					
	State Share	Central Share	Externally Aided project	Tribal Sub Plan	Schedule Cast Sub Component	Total
2006-07	5.52	7.41	10.80	0.68	1.43	25.84
2007-08	27.45	9.01	12.00	1.20	1.41	51.07
2008-09	19.50	3.75	10.37	1.25	1.49	36.36
2009-10	21.70	8.06	4.44	0.80	4.90	39.90
2010-11	32.57	7.10	0.50	0.70	4.78	45.65
2011-12	23.56	1.00	10.00	1.20	4.56	40.32
<b>Grand total</b>	<b>130.30</b>	<b>36.33</b>	<b>48.11</b>	<b>5.83</b>	<b>18.57</b>	<b>239.14</b>

Source: Departmental records.

The Deputy Director (Planning) stated (November 2012) that APs were finalised only after consultation with the DFDOs, Minister and the Commissioner and Secretary, administrative head of the department. However, minutes of such discussions, though called for, were not furnished to audit.

Scrutiny of the records of nine selected districts disclosed:

- The incomplete works were to be projected in AP as spill over target of the next year, but these were neither projected in the 11<sup>th</sup> FYP nor in the APs during 2006-12.
- Reallocation of funds under different schemes is generally made by P&DD in November/December each year depending on the priority list of schemes submitted by the department. In spite of request (August 2006) from P&DD, the department did not submit priority list in 2006-07. The list of 2008-09 and 2009-10 were submitted after approval by the Minister, Fisheries department without obtaining and consolidating inputs from field level offices.
- Although Socio-economic development of BPL families of Schedule Caste and Schedule Tribes was one of the objectives of the FYP as well as APs through registration of these families, the registration process could not be completed till November 2012.
- Achievement of the physical target of Fish Seed, Fish production and development of water area was recorded, but the target for revenue, to be realised during 2006-12 was not projected in FYP and AP by the department. In reply, the department stated (November 2012) that as the revenue actually earned was not very substantial, it was not projected in FYP and AP.



- Annual plans were prepared without obtaining inputs from the field offices. Plan proposed for fund allocation was arrived at by increasing the previous year's allocation by 10-18 *per cent* as per the instruction of P&DD, GOA. Thus, participation of the implementing units in the planning process was absent. Besides, the entire exercise of preparation of plan proposals became futile as there was no co-relation between plan proposals and the budgetary projections ultimately approved (paragraph-2.3.8.1).

### **2.3.8 Financial control**

#### **2.3.8.1 Budgetary control**

Budget Manual of GOA stipulates that Budget Estimates (BEs) are to be consolidated by the Controlling Officers based on the proposals received from the field offices and should be as accurate as possible. Controlling Officer is responsible for surrender of savings. The annual Plan proposals, budget proposals, budget estimates and expenditure during 2006-12 are shown in Table 4.

**Table-4**  
**Annual Plan proposals, budget proposals, budget estimates and expenditure**

(₹ in crore)								
Year	Annual plan proposal	Budget proposal	Approved Annual Plan Budget	Budget allocation	Fixation of Ceiling received	Expenditure	Savings <sup>22</sup>	Percentage of savings
2006-07	25.84	18.52	19.42	18.32	8.59	8.59	9.73	53.11
2007-08	51.07	26.25	17.52	17.31	11.16	11.08	6.23	35.99
2008-09	36.36	39.83	39.32	39.23	32.23	28.75	10.48	26.71
2009-10	39.90	42.85	39.90	39.50	31.32	29.71	9.79	24.78
2010-11	45.65	36.88	35.64	36.48	20.00	20.00	16.48	45.18
2011-12	40.32	61.93	61.93	61.59	31.38	31.38	30.21	49.05
<b>Total</b>	<b>239.14</b>	<b>226.26</b>	<b>213.73</b>	<b>212.43</b>	<b>134.68</b>	<b>129.51</b>	<b>82.92</b>	

Source: Departmental records.

Scrutiny of records revealed several deficiencies in financial management as discussed below:

- From the table above, it was evident that there were huge gaps between annual plan proposal *vis-a-vis* budget proposal and budget proposal *vis-a-vis* expenditure during 2006-12 as annual budget proposal varied with respect to corresponding annual plan proposals. Similarly against total budget proposal of ₹226.26 crore, the department incurred expenditure of ₹129.51 crore (57.23 *per cent*) during 2006-12. Thus, there was no co-relation between annual plan proposals, budget proposals and expenditure during 2006-12.
- Against budget allocation of ₹212.43 crore, the department incurred expenditure of ₹129.51 crore (60.96 *per cent*) during 2006-12. Thus, there was savings of plan fund of ₹82.92 crore (39.03 *per cent*) during the period. Year-

<sup>22</sup> Savings with respect to Budget Provision/allocation.

wise *percentage* of savings with respect to budget allocation during 2006-12 ranged between 24.78 and 53.11 *per cent*. Savings occurred mainly due to non-receipt of fixation of ceiling (FOC) from GOA, which had adversely affected implementation of fishery development schemes in the State.

- Apart from above, during the year 2008-09 ceiling of plan funds of ₹105.78 lakh (Fish Seed Farming: ₹91.18 lakh and National Welfare Fund: ₹14.60 lakh) had lapsed due to issue of FOC on the last day (31 March 2009) of the year. As a result, DOF, Assam could not draw the fund for utilisation in developmental programmes.
- Under salary component, allotment of funds exceeding actual requirement ranged between 3.54 and 36.12 *per cent* which reaffirmed the fact that budget estimate were not accurate. Reasons for excess allotment of fund under salary component was not found on record. The details of budget estimates, expenditure and savings are indicated in Table-5.

**Table -5**  
**Budget allotment, expenditure under salary (Non-plan)**

(₹ in crore)

Year	Budget provision	Expenditure	Savings	Percentage of savings	Percentage of expenditure <i>w.r.t</i> Budget provision
2006-07	14.89	11.45	3.44	23.10	76.90
2007-08	16.48	12.71	3.77	22.88	77.12
2008-09	17.83	13.81	4.02	22.55	77.45
2009-10	21.56	20.14	1.42	6.59	93.41
2010-11	36.46	23.29	13.17	36.12	63.88
2011-12	28.51	27.50	1.01	3.54	96.46
<b>Total</b>		<b>108.90</b>	<b>26.83</b>		

Source: Departmental records.

In reply, the department stated (November 2012) that savings were mainly due to non-filling up of vacant posts. But, the savings, as shown in the table above, were not surrendered by the DOF in violation of Paragraph 10 of Chapter-I of Budget Manual.

**(i) Budget allotment and expenditure in the selected districts**

District Fishery Development Officers (DFDOs) did not prepare budget estimates for execution of the development schemes. On receipt of the allotment of plan fund from the Director, DFDOs submit their proposals along with the plans, estimates and beneficiary list for administrative approval and financial sanction. Of the total expenditure of ₹129.51 crore incurred by the department under different development schemes, the expenditure of the nine test-checked districts was ₹19.06 crore (14.72 *per cent*) during 2006-12 as shown in Table-6.

**Table-6**  
**Budget allotment and expenditure in the selected districts during 2006-12**

(₹ in crore)

District	Budget allotment	Fixation of Ceiling (FOC) received	Expenditure	Unspent balance as on 31 March 2012	Percentage of unspent balance w.r.t. FOC received
Kamrup	4.69	4.69	4.43	0.26	5.54
Nagaon	5.27	5.27	2.97	2.30	43.64
Golaghat	2.99	2.90	1.48	1.42	48.97
Sivsagar	3.20	3.20	1.91	1.29	40.31
North Lakhimpur	2.44	2.44	1.76	0.68	27.87
Hailakandi	1.26	1.26	1.22	0.04	3.17
Karimganj	1.99	1.99	1.99	00	--
Cachar	2.52	2.52	1.38	1.14	45.24
Goalpara	2.58	2.58	1.92	0.66	25.58
<b>Total</b>	<b>26.94</b>	<b>26.85</b>	<b>19.06</b>	<b>7.79</b>	

Source: Departmental records.

It appeared from the above table that:

- Only one district (Karimganj) could utilise the fund fully released by the Director of fisheries. There were savings ranging from 3.17 to 48.97 per cent of plan fund during 2006-12 in the nine test-checked districts. The unspent balances of plan fund, which were lying in current bank account of the respective DDOs, accumulated during the year as a result of release of funds at the fag end of the years, by the department.
- Two selected districts (Golaghat and Sivsagar) did not receive any funds during 2006-08 for execution of development schemes. The figures (₹2.90 crore and ₹3.20 crore) in the table above shown against these two districts represent fund received during 2008-12. Although there was no development expenditure during 2006-08, the department incurred ₹1.42 crore (Golaghat: ₹63.16 lakh, Sivsagar: ₹79.21 lakh) (**Appendix-2.9**) towards payment of salary in the districts. Reason for non-disbursement of development fund in these two districts during 2006-08 were not found on record nor stated, though called for in audit.
- Against budget allotment of ₹38.43 crore under salary head (Non-plan) during 2006-12, expenditure incurred by the selected districts was registered to the tune of ₹35.77 crore leaving unspent balance of ₹2.66 crore which is indicative of overestimation of requirement of funds (**Appendix-2.9**).

**(ii) Non-release of Central Share/Funds under CSS**

- ₹21.47 crore (83.57 per cent) out of total central share of ₹25.69 crore meant for implementation of five<sup>23</sup> Centrally Sponsored Schemes (CSS) during

<sup>23</sup> 1. Development of Fresh water Aquaculture under FFDA, 2. Development of Water logged area and Derelict water bodies, 3. Fisheries Training and Extension, 4. National Welfare Fund for Fisherman, and 5. Strengthening of Database and GIS.

2006-12 was not released by GOI due to non-submission of Utilisation Certificates (UCs) by the Department. Of the total GOI release of ₹4.21 crore, the department could not utilise ₹0.57 crore (13.54 *per cent*) as of March 2012 due to non-receipt of UCs from field offices.

- There were delays ranging between seven and 58 months in release of central share of ₹39.90 lakh by GOA to DOF, Assam for implementation of three<sup>24</sup> CSS during 2006-12. The delays in release of funds adversely affected implementation of the schemes thereby, depriving the beneficiaries from the intended benefit of the schemes.

### 2.3.8.2 Expenditure control

#### (i) Monitoring of expenditure

According to Assam Budget Manual, all the Drawing and Disbursing Officers (DDOs) are required to furnish monthly Statement of Expenditure (SOE) duly reconciled with the treasury to the Controlling Officers (COs) not later than the first week of next month to enable CO to prepare consolidated SOE.

There were 52 DDOs in the Department. Control of expenditure after monthly compilation of SOEs from DDOs was not exercised by COs due to non-receipt of SOEs from all the DDOs. Thus, a significant aspect of expenditure control through compilation of monthly SOEs from DDOs was not observed in the department. In reply (November 2012), although the department stated that the expenditure statements from DDO's were compiled in the directorate, but registers to that effect could not be produced at the time of actual scrutiny.

#### (ii) Retention of fund

According to Assam Treasury Rules and Subsidiary Orders (Rule 16, SO 50) read with Rules 62 and 63 of Assam Financial Rules, no money shall be drawn from the treasury unless it is required for immediate disbursement and the rush of expenditure in the closing month of the financial year should be avoided. Scrutiny however, revealed that in violation of the codal provision mentioned above, the department drew ₹15.91 crore (38.85 *per cent* of the total unspent balance ₹40.96 crore) at the fag end (March) every year during the period 2006-12 covered in audit and kept in Deposit at Call Receipt (DCR) or in the current account just to avoid lapse of budget grant. As a result, there was huge accumulation, with closing balance of ₹40.96 crore as on 31 March 2012 in the accounts of the office of the DOF (₹28.13 crore) and in nine selected DFDOs (₹12.83 crore). Position of age wise retention of fund is shown in Table-7 and *Appendix-2.10*.

<sup>24</sup> 1. Fisheries Training and Extension, 2. National Welfare Fund for Fisherman and 3. Strengthening of Database and GIS.

**Table-7**  
**Position of age wise retention of fund**

DOF & DFDO	Closing Balance as on 31 March 2012		Accumulated over the period
	DOF	District	
DOF	28.13	-	1 day to 324 months
Kamrup	-	2.03	1 day to 69 months
Nagaon	-	2.70	1 day to 33 months
Golaghat	-	1.53	NA (in absence of analysis)
Sibsagar	-	1.38	1 day to 36 months
Goalpara	-	0.56	NA (in absence of analysis)
Hailakandi	-	0.79	NA (in absence of analysis)
Karimganj	-	1.44	1 day to 4 months
Cachar	-	1.46	1 day to 36 months
North Lakhimpur	-	0.94	1 day to 24 months
<b>Total</b>	<b>28.13</b>	<b>12.83</b>	

Source: Departmental records.

The balance of ₹28.13 crore as on 31 March 2012 recorded in the accounts of the office of the DOF had accumulated over a period of 324 months in the form of DCRs, Bank Drafts, cash and in the current bank account. In the absence of bill wise analysis of closing balance, the purpose for which funds were drawn could not be ascertained in audit. Of this, 24 bank drafts valued at ₹0.78 lakh drawn between May 1981 and September 1993 could not be shown to audit and stated (5 May 2012) to have been sent for revalidation. A sum of ₹4.69 lakh for periods ranging from 15 to 192 months was retained in hard cash. In the absence of any certificate of cash verification in the cash book during this period, possibilities of temporary misappropriation of the cash amount could not be ruled out.

In reply, the department stated (November 2012) that huge balance in the directorate was due to drawal of funds at the fag end of March 2012. The reply is not tenable for the reason that out of accumulated balance of ₹28.13 crore, ₹21.51 crore was drawn prior to March 2012.

<b>(iii) Non-deposit of lease money</b>
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Rule 7 of Assam Treasury Rule envisages that the money on account of government revenue of the province shall not be appropriated to meet departmental expenditure. Article 266 of the constitution of India also lays down that all revenues received by the Government of the state shall be credited to the consolidated fund of the state. Scrutiny of records in the test-checked districts, however, revealed that lease money amounting to ₹1.29 crore collected during 1992-2012 from 28 leased out Government fish farms under Fish Farmers Development Agency (FFDA) were deposited in FFDA Bank Account instead of depositing the same into Government account. Out of this, ₹0.60 crore was utilized towards salary, construction/repairing of office building, Office expenses, electrification etc., as per instruction of the Director, in violation of the Treasury Rules *ibid*, as shown in Table-8 (Details are shown in **Appendix-2.11**).

**Table-8**  
**Non-deposit of lease money by six selected districts**

(₹ in crore)

District	Number of farm	Period of collection	Amount collected	Expenditure	Balance as on 31.03.12	Mode of balance
Nagaon	8	5/1994 to 3/2012	0.44	0.16	0.28	Current bank account
Kamrup	4	4/1992 to 3/2012	0.14	00	0.14	-do-
Sibsagar	7	4/1994 to 3/2012	0.43 <sup>25</sup>	0.22	0.21	Fixed Deposit
Hailakandi	1	4/2006 to 3/2012	0.08	0.07	0.01	Current bank account
Goalpara	4	4/2006 to 3/2012	0.10	0.09	0.01	-do--
Cachar	4	4/2006 to 3/2012	0.10	0.06	0.04	-do--
<b>Total</b>	<b>28</b>		<b>1.29</b>	<b>0.60</b>	<b>0.69</b>	

Source: Departmental records.

Thus, non-deposit of Government revenue into Government account and their reappropriation for meeting administrative and other expenses was gross violation of the relevant provision of the ATR in addition to incurring an unauthorised expenditure of ₹0.60 crore.

**(iv) Abstract Contingent (AC) bills**

**(a) Unauthorised drawal in AC bills**

Rule 21 of Assam Contingency Manual envisaged that apart from obtaining approval of Finance Department for drawal of AC bill, fulfillment of the conditions that earlier drawal in AC Bill have been regularised by submission of DCC bills and approval of the Secretary of the Department has been obtained, is also necessary.

Scrutiny of records revealed that DFDO, North Lakhimpur drew ₹31.54 lakh in seven AC bills on 31 March 2009 without obtaining permission/approval from the Finance department or bringing it to the notice of the Director.

DFDO stated (June 2012) that the fund was drawn in AC bills to avoid lapse of budget grant as the relevant FOCs were received at the fag end of the financial year and DFDO submitted (August 2010) DCC bill to Principal Accountant General (A&E) Assam on the instruction of the Director.

Drawal of Government money in AC bills, without the knowledge of the Director and without obtaining approval of Finance Department, just to avoid lapse of budget grant was a serious financial irregularity and reflects absence of expenditure control mechanism in the department.

In reply, the department stated (November 2012) that the DFDO was instructed not to commit such mistakes in future.

<sup>25</sup> Lease Money: ₹39.80 lakh and interest from FD: ₹2.92 lakh.

**(b) Non-submission of DCC bills**

Rule 21 of Assam Contingency Manual also envisaged submission of Detailed Countersigned Contingent (DCC) bills in adjustment of AC bills drawn, to the sanctioning authority within 25 days of the following month. Scrutiny revealed that DOF, Assam drew ₹4.74 crore in AC bills during April 2009 to March 2012 for construction of District Fishery Development Office Building (Meen Bhawan), construction of training hostel, development of Government fish farms. DCC bills in adjustment of AC bills were, however, not submitted as of March 2012 despite elapse of 36 months. In another case, DOF drew ₹14.50 lakh in AC Bill<sup>26</sup> on the last day of March 2012 for construction of whole sale Fish market at Adabari, Nalbari and deposited the same into treasury under the head of account “8443” to avoid lapse of budget grants. In reply, the department stated (November 2012) that of ₹4.74 crore, ₹3.59 crore was given to Irrigation department for creation of infrastructure and DCC bills for that amount remained pending. This indicates, there is an urgent need to strengthen internal control mechanism in the department.

**(v) Drawal in Regular Contingency bills**

According to Assam Treasury Rules and Subsidiary Orders (Rule 16, SO 50) read with Rules 62 and 63 of Assam Financial Rules, no money shall be drawn from the treasury unless it is required for immediate disbursement. Further, Regular Contingency (RC) bill may be drawn in Form 29 supported by sub vouchers and full details of expenditure. Scrutiny of records revealed that nine DFDOs of the selected districts drew ₹20.40 crore from treasury through RC bills during March 2008 to March 2012 for construction works, supply of input etc., on the basis of the list of beneficiaries and on UCs prepared on plain paper by DDOs instead of original sub-vouchers of the related expenditure. The position of district wise period of drawal, number of bills involved and amount drawn in respect of nine selected districts is shown in detail in *Appendix-2.12*.

The amounts were deposited into the current accounts of DFDOs and spent subsequently over a protracted period by obtaining fresh bill, sub-vouchers etc., from suppliers/contractors. Accepting the audit observation, the department stated (November 2012) that instructions had already been issued (October 2012) to the districts not to indulge in drawal of funds without actual vouchers. Such drawal of funds in unauthorised manner was not only violative of codal provision but also susceptible to misuse/misutilisation and misappropriation of funds.

**(vi) Utilisation Certificate (UC)**

• **Submission of UCs without collecting feedback from field units**

The department submitted (August 2009) UCs for ₹13.20 crore under Rastriya Krishi Vikash Yojana (RKVY) 2008-09. Scrutiny of records revealed that UCs furnished was not supported by inputs from the field offices and consequently had no basis, for utilisation of funds.

<sup>26</sup> Bill No.270 of 31 March 2012.

- **Submission of inflated UC**

Out of three crore sanctioned (November 2009) by GOA, ₹2.69 crore was released (October 2010) to 115 Self Help Groups for development of water bodies by DOF retaining balance ₹0.31 crore unutilised. DOF submitted (May 2009) UCs to GOA for the entire sanctioned amount of ₹three crore, though there was an unutilised balance of ₹0.31 crore which led to submission of inflated UCs amounting to ₹0.31 crore by the DOF. The department accepted (November 2012) the audit observation and stated to have done the same due to oversight.

- **Non-submission of UC**

DOF released ₹11.25 crore to 27 Chief Executive Officers (CEO) of Fish Farmer Development Agency (FFDA), Assam Fishery Development Corporation, Fishery College at Roha and other SHGs during the period from 2006-07 to 2010-11. But, UCs along with audited expenditure statement were not submitted till March 2012.

**(vii) Excess expenditure in Procurement of drag nets**

Based on the proposal submitted (September 2009) by DFDO, Karbi Anglong, Karbi Anglong Autonomous Council (KAAC) sanctioned and released ₹2.76 crore for procurement of Nylon Fishing Drag Nets under Hill Areas Development Programme (HADP) 2007-10. Vital records *viz.*, approved list of beneficiaries, application/indents of beneficiaries, total water areas involved etc., were however not made available to audit. Procurement was stated (April 2011) to be made on the basis of the lists approved by the Executive Member (EM), KAAC without necessary verification by the DFDO regarding bonafide of the beneficiaries being actual fishermen.

Scrutiny further revealed that the DFDO paid (November 2006 to December 2009) ₹2.76 crore to 93 suppliers for procurement of 1,649 drag nets @ ₹16,800 each. The procurement was made at the rate approved by KAAC in August 2004 without inviting tender/quotation. DOF, however, procured drag nets of same specification in July 2008 at much lower rate of ₹12,975 each for distribution to beneficiaries under Assam Vikash Yojana. Thus, there was an extra expenditure of ₹63.07 lakh  $\{(\text{₹}16,800 - \text{₹}12,975) \times 1,649\}$  in procurement of drag nets by KAAC. Besides, due to non-production of approved list of beneficiaries and APRs, veracity of distribution of dragnets to the bonafide beneficiaries could not be vouchsafed in audit.

**2.3.9 Programme Implementation**

**2.3.9.1 Inland Fisheries**

According to information furnished by the department total area of water bodies in the state was 3.74 lakh hectare at the beginning of 2006-07 of which culture fisheries constitute 0.15 lakh hectare (four *per cent*) and the rest 3.59 lakh hectare were capture fisheries. During 2007-12, area of water bodies developed into culture fisheries aggregated to 9,080.36 hectares. Meanwhile, at the end of 2011-12, total area of water bodies in the state increased to 3.92 lakh hectare. Thus, at the end of 2011-



12, area of culture fisheries was 0.24 lakh hectare (6 per cent) and that of capture fishery was 3.68 lakh hectares (94 per cent).

In the absence of Asset register at district and state level showing details of water bodies developed into culture fisheries, the claim of the department could not be verified.

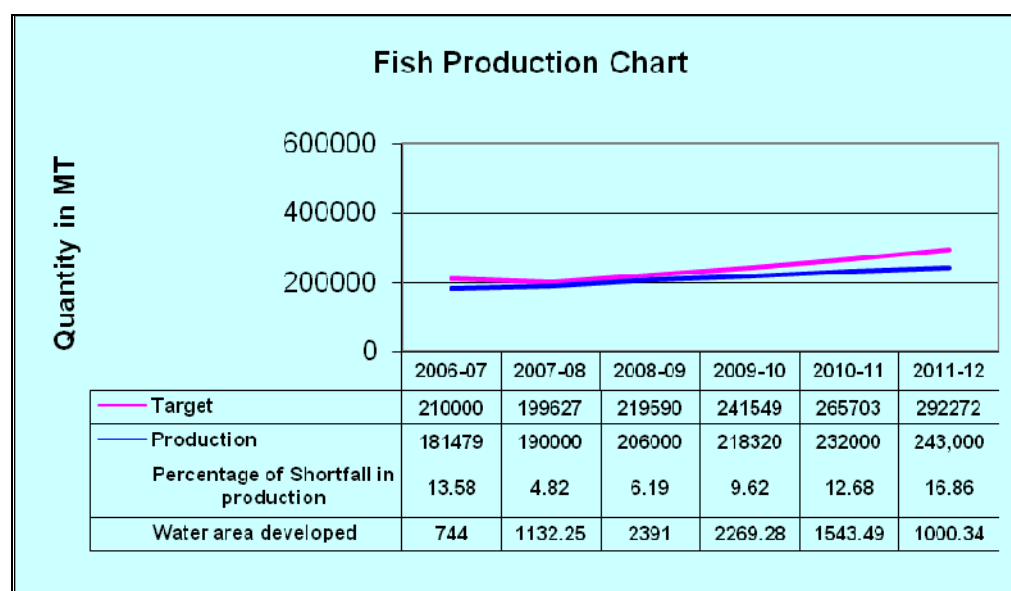
Total area of water bodies developed into culture fisheries during 2006-12, reported (May 2012) by the DOF was 9,080.36 ha. Scrutiny of annual plans and administrative reports for 2006-12, however, revealed that areas of water bodies shown developed into culture fisheries under different schemes aggregated to 13,895.56 ha (State Plan: 4,960.89 ha, AACCP: 4,494.70 ha, FFDA: 1,250.80 ha, RKVY: 3,189.17 ha) during 2006-12.

The discrepancy of 4,815.20 ha (13,895.56 ha – 9,080.36 ha) representing excess achievement towards development of water bodies for culture fisheries reported through annual plans and administrative reports underlines unreliability of data which was not verifiable in the absence of documentation.

**(i) Fish Production**

The target for fish production totaling 14.29 lakh MT during 2006-12 could not be achieved as the State could produce only 12.69 lakh MT fish during the period. The state scenario of production of fish with reference to target fixed is depicted in chart-6. The target was fixed each year after enhancing previous year's target by 10 per cent during the years 2007-08 to 2011-12. Year-wise production of fish during 2006-12 was much below the target as shown in chart-6.

**Chart-6**

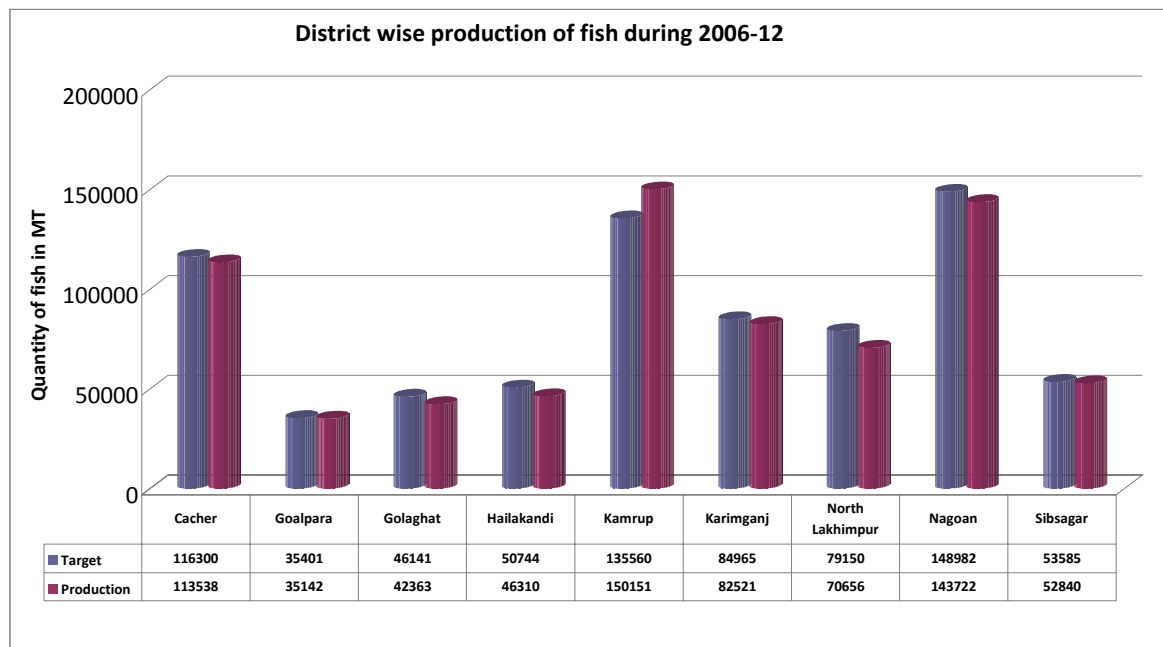


Source: Departmental figures.

The shortfall in fish production in the state with reference to target ranged between 4.82 and 16.86 per cent.

During 2006-12, in nine selected districts, against target of 7.51 MT, the production was 7.37 MT (98.19 per cent) showing a shortfall of 1.81 per cent. District-wise target and achievement of fish production during 2006-12 is depicted in Chart-7.

**Chart-7**



Source: Departmental figures.

- Scrutiny of the records of the directorate for state level data revealed that out of the 26 districts, harvesting reports from six<sup>27</sup> districts in 2008-09 and from three<sup>28</sup> district in 2009-10 under Rastriya Krishi Vikash Yojana (RKVY) were received. Similarly, under AACP, Harvesting Reports were submitted by 18 districts in 2006-07, 15 districts in 2007-08, six districts in 2008-09 and nine districts in 2009-10. Harvesting Reports under state plan schemes for 2006-12 were not submitted by any district. Therefore, the claim of production was not reliable and raises doubt on the projected quantity of production in the state.
- The data of fish production in the selected districts were also not authentic because the figures were reported after a mere verbal discussion with the fish farmers as stated (May and June 2012) by DFDO and not compiled from the register to be maintained by the farmers in accordance with the scheme(s) guidelines.

## (ii) Fish Seed Production

Fish Seeds categorised as “spawn” (three days old fish of size up to eight mm) and “fry” (four days to 20 days old fish of size up to 10 mm) are produced in nursery

<sup>27</sup> Chirang, Morigaon, Sibsagar, Tinsukia, Goalpara and Nagoan.

<sup>28</sup> Chirang, Sibsagar and Tinsukia.

tanks. Thereafter fingerlings (21 to 80 days old fish of size up to 80 mm) so formed are transferred to rearing tanks for onward distribution for fish production. According to ICAR norm, area of 'nursery' and 'rearing tanks' should be in the ratio of 20:80 and from 20 lakh "fry" produced per ha, 10 lakh fingerlings should be available for distribution.

Scrutiny, however, revealed that the department neither maintained areas of nursery and rearing tanks nor number of fry and fingerlings separately. Only details with regards to number of hatcheries and quantity of seeds produced could be furnished to audit.

As per information furnished by the department, the State is having 124 functional fish seed hatcheries (Private sector: 117 and Government sector: seven). Out of 117 private hatcheries, eight were commissioned under AACP. The production of fish seed was 20,779 million against the target of 12,320 million during 2006-12.

In the nine selected districts, there were 28 hatcheries (Government: three and Private: 25). Production of fish seeds in these 28 hatcheries during 2006-12 aggregated to 8,169.51 Million. Target for seed production was not communicated to all the districts, hence target could not be correlated with the production.

Although the fish seed production exceeded the target, the fish production was far below the target fixed during 2006-12. As commented in the Annual Plan of 2006-07 and 2008-09, major quantities of fish seeds procured by Private Sector Farmers were substandard. This was due to continuous in-breeding and that too from undersized brood stock leading to lower farm productivity. Quality of fish seed production was not ensured is also evident from the fact that mandatory registration and renewal of licenses to be done annually for fish seed growers and producers according to section 6 of Assam Fish Seed Act 2005, was done only in 9.85 per cent cases in test-checked districts. Initiative taken by the department for production of quality brooder by setting up Brood Bank<sup>29</sup> also did not succeed as detailed in para 2.3.9.2 (iii).

### **(iii) Procurement and distribution of fish seeds**

In a particular case of government effort to purchase fish seeds from unregistered private growers and distribution to farmers, it was noticed that DFDO, Goalpara procured fish seed valued ₹40.84 lakh under State Plan (₹31.95 lakh) and RKVY (₹8.89 lakh) during October 2007 to July 2011 (details in **Appendix-2.13**). The seeds so procured were neither entered in the Stock Register of DFDO nor distribution records viz., basis of selection of beneficiaries, approved list of beneficiaries, actual payees' receipts, corresponding stock entry in support of distribution with due authentication by the DFDO etc., were made available to audit for scrutiny. Thus, purchase and distribution of fish seeds by DFDO remained doubtful.

### **2.3.9.2 Fish Seed Farming**

The objective of 'fish seed farming' was to create infrastructure in the Departmental farms by producing quality fish seed for distribution to private farmers for augmentation of fish production in the State.

<sup>29</sup> Brood: Mature male and female fish above two years of age.

Rule 2 of Assam Fisheries (Amendment) Rules, 2005 envisaged keeping of records of Government fisheries in prescribed format. Scrutiny revealed that no such records were maintained either in the Directorate or in the test-checked districts. The State Level Seed Committee (SLSC) to control the quality of fish seed was also not constituted even after lapse of six years from the enactment of Fish Seed Act 2005.

**(i) Construction of Government Fish Farms**

Government fish farm played a vital role in increasing production of fish and distribution of quality fish seeds. Since the beginning of the 9<sup>th</sup> five year plan, the activities of fish farms in the state reduced drastically due to acute shortage of fund. As a result, majority of fish farms were to be leased out to private entrepreneurs through Fish Farmers Development Agency (FFDA). Management of the Private entrepreneurs were also not satisfactory and some of the farms were returned back to the department. The department did not maintain any register indicating details of the farms under the control of DOF, Assam, though a register in Form No. 97 of Assam Land Revenue Manual, Volume II was required to be maintained. Thus, actual number of farms under the control of DOF, Assam could not be ascertained in audit. The reasons for non-maintenance of such vital records were also not stated.

The Department, however, took up 17 Government owned fish farms for modernisation including new construction of four farms and incurred expenditure of ₹4.04 crore as shown in the Table-9 (Details in *Appendix-2.14*).

**Table-9**  
Construction and development of Government owned fish farm (₹ in crore)

Directorate/ District	Number of fish farm	Period of expenditure	Construction/ development cost	Salary of the staff	Total expenditure	Revenue earned	Percentage
<b>Existing farms</b>							
Directorate	1	1/5/10 to 14/2/11	0.37	Nil	0.37	0.03	8.11
Karbi Anglong	12	4/2006 to 3/2012	1.97	0.96.	2.93	0.06	2.05
<b>New farms</b>							
Karbi Anglong	3	25/5/08 to 25/8/09	1.19	Nil	1.19	Nil	00
Jorhat	1	4/1984 to 3/2012	0.51	.57	1.08	Nil	00
<b>Total</b>	<b>17</b>		<b>4.04</b>	<b>1.53</b>	<b>5.57</b>	<b>0.09</b>	

Source: Departmental records.

Out of four newly constructed farms, the farm at Jorhat remained non-functional since inception as the nursery tank and stocking tank of the farm remained dry almost throughout the year largely due to its construction in high land/semi hilly area (*Tilla*) and poor water retention capacity of the soil. Pisturi Pukhuri Fish Farm of Karbi Anglong, constructed at a cost of ₹0.63 crore, was damaged by rain as it was constructed in sandy terrain and now lying in abandoned condition. The rest two farms at Karbi Anglong could not be operated due to non-availability of electricity and pending handing over of the farms to beneficiary society in the surrounding area, to be formed after survey. The department, however, failed to take any effective steps to make these farms operational.

Out of the 13 existing fish farms, production at eight farms<sup>30</sup> was not started for reasons not on record although expenditure of ₹158.73 lakh was incurred towards development of the farms and salary of the staff engaged there. The revenue earned by the remaining five farms<sup>31</sup> was only 0.19 to 14.92 per cent with reference to the expenditure incurred.

Thus, 12 (71 per cent) out of 17 Government fish farms taken up for modernisation during this period were non-functional. The activities in rest five farms (29 per cent) were also negligible. Far from being assets to the State, augmenting the income of the farmers, these had become liabilities and draining out precious resources in the form of recurring unproductive expenditure. Efforts to revive these farms through efficient management were also not noticed.

### **(ii) Setting up of hatcheries**

To make spawn<sup>32</sup>, fry<sup>33</sup> and fingerling<sup>34</sup> available to fish farmers and to augment their income, 61 hatcheries (52 Mini Hatcheries, six Eco Hatcheries and three Prawn Hatcheries) both in government and private sector were taken up for construction during 2006-07 to 2011-12 at an estimated cost of ₹165.02 lakh. Scrutiny revealed that out of ₹12 lakh received for six Eco-hatcheries, ₹four lakh<sup>35</sup> meant for Darrang and Sonitpur eco-hatcheries was refunded to NFDB as the beneficiaries could not utilise the fund due to non-receipt of bank loan. Banks denied to grant loan to beneficiaries as the land documents of the site of hatcheries were not free from encumbrance. Of the remaining 59 hatcheries, two Mini hatcheries (one Private and one Government) were completed in 2007-08 and 2010-11 respectively at a cost of ₹6.27 lakh and ₹2.98 lakh respectively. Construction of the rest 57 hatcheries remained incomplete (March 2012) after incurring an expenditure of ₹151.77 lakh. Only one Mini hatchery at Nagaon started production from 2008-09.

Thus, Government effort to augment the income of fish farmers and enhance fish production through setting up of hatcheries had not been fruitful.

### **(iii) Establishment of State Brood Bank**

With a view to improve the quality of fish seed produced in the State, GOA had taken up measures for establishment of six State Brood Banks (SBBs) in Government farms<sup>36</sup>. These SBBs would collect natural (from wild) spawn of Indian Major Carps (IMC) and distribute them to all other hatcheries of the State. The collected seed

<sup>30</sup> Saphapani, Silonijan, Nilip, Rongmongwe, Hamren, Ulukuchi, Udali, Cheksolangso at Karbi Anglong.

<sup>31</sup> Rainaima, Diphu, Saphapani, Bokajan, Silonijan, Fish Farm.

<sup>32</sup> **Spawn:** Three days old fish of size upto eight mm.

<sup>33</sup> **Fry:** Four days to 20 days old fish of size up to 10 mm.

<sup>34</sup> **Fingerling:** 21 days to 80 days old fish of size upto 80 mm.

<sup>35</sup> Refunded to NFDB vide i) cheque No.469098 dt.06.01.11 ₹two lakh and ii) cheque No.592871 dt.04.02.11 ₹two lakh.

<sup>36</sup> i) Agomoni fish seed Farm, Dhubri, ii) Hazara Fish seed Farm, Sonitpur, iii) Islamabad Fish Seed Farm, Cachar, iv) J.B. Garh Fish Seed Farm, Nagaon v) Upahupara Fish Seed Farm, Darrang and vi) Ulubari Fish seed Farm, Guwahati.

would be raised in the SBB up to fingerlings and advanced fingerling stage, which will then be disposed to seed producer to raise them as brood fish to maintain the quality of the next generation. A portion of these seeds in advanced fingerlings stage would also be raised in the SBB, if necessary, to produce brood stock for quality seed production for distribution to other hatcheries. The SBBs were provided with improved mini hatcheries. The target fixed for production of fry (from the nurseries) and fingerlings (from rearing tanks) were around 1,875 lakh and more than 1,080 lakh respectively as projected in the project proposal under RKVY 2008-09.

DOF set up two SBBs at Ulubari Fish Farm, Guwahati and at Cachar during 2008-09 under RKVY. The SBB at Ulubari was not functional as supply of fish seed from this farm was not found on record. Scrutiny of records of the DFDO, Cachar revealed that Islamabad Fish Seed Firm, Bhaga in Cachar district was transformed into SBB under AACP during 2006-07 and 88,000 Fry costing ₹0.48 lakh were supplied from the Brahmaputra River during 2007-08 for stocking in nurseries of the SBB. But, due to unfavourable weather condition, the Brooders failed to respond when attempt was made to induce breeding during the breeding season of 2009-10. Thus, the objective of creation of SBB remained unfulfilled thereby rendering the expenditure of ₹29.60 lakh unproductive<sup>37</sup> incurred during the period.

#### **(iv) Quality test of fish feed**

To ensure supply of quality fish feed to the farms, Fisheries Department, GOA stressed (May 2009) on testing of sample fish feed from designated laboratory prior to distribution. DOF procured 9,629.70 qtls fish feed costing ₹1.78 crore in 2008-09 and distributed the same to beneficiaries through DFDOs of respective districts. However, laboratory test report in support of assessment of quality of fish feed were neither produced by the DOF nor by the selected DFDOs. The stock registers maintained at the selected districts did not indicate crucial details like batch number, manufacturing and expiry dates of fish feed procured etc. Therefore, supply of quality fish seed to beneficiaries was not ensured. In reply, the department stated (November 2012) that quality was ensured through test reports, but no such report could be produced during audit.

### **2.3.9.3 Survey and Research**

#### **(i) Survey of Fisheries and Collection of Statistics**

The department has separate staff at Directorate and district level for collection of statistical data. Besides, contractual enumerators were also engaged for survey and collection of statistical data for which an expenditure of ₹28.63 lakh was incurred towards remuneration of contractual enumerators, TA, honorarium and training expenses during April 2009 to December 2010. However, reports submitted by the contractual enumerators, if any, were not found on record. In September 2011, the department was directed to register fishermen families of all districts and to submit

<sup>37</sup> ₹3.87 lakh being expenditure towards SBB and ₹25.73 lakh pay and allowances of the Staff.

the list of genuine fishermen to evolve planning strategy for Socio-Economic upliftment of the fishermen in the State. The department, however, failed to come up with the statistical data till November 2012, thereby defeating the very objective of evolving plan and strategy for Socio-economic upliftment of the genuine fishermen. In reply, the department stated (November 2012) that survey would be completed during 2012-13.

**(ii) Fishery Research and Investigation**

Function of the Fishery Research Centre at Amranga, having seven staff headed by one Research Officer is to assist the private fish farmers to undertake pisciculture in a scientific way by analyzing quality of water and soil through laboratory tests. Further, investigation, research on *beel* and river fisheries, fishery-wise production potential, assessment of annual revenue and captive breeding of indigenous economic varieties of fish for their propagation in natural system and for commercial culture practices were the objective of the Research units of the department. Though the centre did not fix any target, it claimed that during 2006-10, water quality of ponds and tanks of 12 districts were analysed and farmers were advised regarding scientific way of pisciculture in addition to providing treatment for fish, fingerlings wherever necessary. But, any record in support of the claim could not be produced to audit. Scrutiny further revealed that no work was done in the Research Centre during 2010-12 although expenditure of ₹32.59 lakh (Salary: ₹22.86 lakh + Non-salary: ₹9.73 lakh) was incurred during the period. It was also noticed that there was no electricity in the Centre since November 2007 due to non payment of electricity charges.



Research centre at Amranga (February 2011)

In addition to testing of water, there were four Mobile Fish Health Care Vans (MFHCVs), procured (2005-06) under Assam Agricultural Competitiveness Project placed at the disposal of DFDOs of Tezpur, Kamrup, Sibsagar and Lakhimpur. The MFHCVs at Sibsagar and Kamrup remained off road from May 2008 and December 2009 respectively as the Vans required minor repair and new batteries. Actions taken to make the Vans functional were not found on records. In Lakhimpur, very existence of the Van was not found on record.

Detailed scrutiny disclosed that in tank No. 4 and 6 under the Superintendent of fisheries, Joysagar in Sibsagar district, four to five quintals of fish died in March 2012. The Superintendent stated (June 2012) that the water of the fisheries/*beels* could not be tested due to unserviceable condition of the Vans. This indicated that the department failed to utilise the Research units and the MFHCVs gainfully for water testing and taking preventive measures for increasing fish production.



***Off-road Mobile Fish Health Care Vans at Kamrup and Sibsagar  
(June 2012 and February 2011)***

Due to non-functioning of the Research Centre during 2010-12 and absence of any tangible proof of its functioning during 2006-10, the expenditure of ₹86.12 lakh<sup>38</sup> incurred in running the centre during 2006-12 rendered unproductive. Thus, the department failed to promote pisciculture in a scientific way by providing the technical know-how to the fish farmers through its research and investigation wing.

### **(iii) Creation of Live Gene Bank**

In a joint venture with National Bureau of Fish Genetic Research (NBFGR), Lucknow, a project for conservation of local endangered economically important fish species was taken up under the name “Live Gene Bank (LGB)”. DOF, Assam received ₹7.78 lakh from National Fishery Development Board (NFDB), Hyderabad for LGB and Field Survey in Lakhimpur during October 2007 to November 2009.

The amount was utilised for procurement of breeding materials and supply of Brood Fish and field survey during October 2007 to March 2008.

Scrutiny revealed that ₹1.43 lakh was utilised for procurement of seeds of six endangered fish species<sup>39</sup>, but breeding was still not started (March 2012). Records of preserving other endangered fishes in the Gene Bank and any further research works undertaken for their preservation were not available.

In fact, Bhelaimara *Beel*, which was recommended for conservation of endangered fish species and biodiversity by the field survey report of 2007-08, was subsequently utilised for another programme of scientific fish farming under AACCP during 2008-10. Thus, initiatives taken by the department for preservation of the local endangered fish species through creation of LGB were not fruitful.

<sup>38</sup> 2006-10: ₹53.53 lakh and 2010-12: ₹32.59 lakh.

<sup>39</sup> Cheni Puthi: 210 no, Chana barca: 110 no, Pabda: 32 kg, Shol: 30 kg, Koi: 2 kg and Chitola: 240 kg.



**2.3.9.4 Fresh Water Aquaculture through Fish Farmer’s Development Agency**

Fish Farmer Development Agency (FFDA), a Society registered under Societies Act 1860, was set up by Government of India during 1975-76 for fresh water aquaculture. The State Government bears salary expenditure of the staff while GOI and GOA share the development expenditure on 75:25 basis. The components of the scheme are reclamation of existing tanks, creation of new ponds, integrated farming, imparting short duration training to the beneficiaries on modern fish culture and development of water bodies by the farmers, which are to be achieved through funds mobilised from subsidy, bank loan and farmers contribution, thereby improving the socio-economic condition of the rural people.

FFDAs are functioning in 23 districts of the State but separate staff were appointed only in 12 districts. In the rest 11 districts, function of FFDAs were performed by staff from Fisheries department. Absence of dedicated staff in 11 districts bound to affect proper functioning of FFDA in these districts.

The physical achievements of aquaculture development through FFDAs in respect of development of water area and training during 2006-12 are shown in Table-10.

**Table-10**  
**Physical achievements of aquaculture development through FFDAs**

Year	Target	Achievement	Target	Achievement	Short fall in water area development (ha)	Shortfall in training (No)
	Water area to be developed (ha)	Water area developed (ha)	Total beneficiaries to be covered (No)	No of beneficiaries trained		
2006-07	1150	138.21 (12%)	3387	949 (28%)	1011.79	2438
2007-08	1150	37.19 (3%)	2140	1163 (54%)	1112.81	977
2008-09	1150	224.12 (19.49%)	844	748 (89%)	925.88	96
2009-10	1150	384.12 (33%)	1544	1063 (69%)	765.88	481
2010-11	1150	184 (16 %)	980	1010(103%)	966.00	Nil
2011-12	1150	283 (24.61 %)	1137	1180 (104%)	867.00	Nil

Source: Departmental figures.

Although, it was mandatory to impart training to all the beneficiaries before releasing subsidies, only 28 to 89 per cent beneficiaries were trained during 2006-10. In reply, the department stated (November 2012) that inability to impart training to all the beneficiaries was due to inadequate fund provision. Thus, mandatory provision of the scheme was violated. The department, however, trained beneficiaries in excess over the target fixed during 2010-12. The achievement was negligible (3 to 33 per cent) in respect of development of water bodies in spite of setting modest targets, during the period of audit coverage.

**Lack of monitoring system**

Test-check of records of the sampled districts revealed that in five districts<sup>40</sup> the list of beneficiaries were finalised by Deputy Commissioner of the respective district instead by Managing committee thereby violating mandatory provisions. Further, for development of 206.78 ha of water areas in these districts, subsidies of ₹88.78 lakh

<sup>40</sup> 1. Cachar, 2. Golaghat, 3. Hailakandi, 4. Kamrup and 5. Nagaon.

was released to 884 beneficiaries during 2006-12. In spite of incurring an expenditure of ₹88.78 lakh the water areas actually developed was not verified.

Thus, there was no system of monitoring the utilisation of fund for the purpose for which it was sanctioned. Harvesting Report of the tanks, ponds against which subsidies were released were not found on records. Thus, aquaculture development through FFDA in the five test-checked districts remained unassessed.

An example of lackadaisical way of working by the department is cited below.

On receipt of application (June 1994) from a fish farmer of Rangia Sub-division, field survey (September 1994) was conducted and, estimate was prepared (1 August 2006) to develop 2.19 ha water areas for ₹8.38 lakh<sup>41</sup>. Reclamation subsidy of ₹1.32 lakh was released to the beneficiary on 23 August 2006. The case was forwarded to Bank only in January 2011 for release of loan. The input subsidies amounting ₹0.13 lakh was not released as only 65 per cent of the excavation of earth work was completed till March 2011. Further progress of the work was not found on records.

Thus, sanctioning and release of reclamation subsidy for development of 2.19 ha water areas and forwarding the progress report to the bank after 55 months indicated that the monitoring system of the development works in this case was totally absent.

### 2.3.9.5 Extension and Training

#### *Fisheries Extension and Training*

The department constructed seven training centres<sup>42</sup> under AACP (World Bank Aided Project) including one Regional Fishery Training Institute (RFTI) at Amranga in Kamrup district, which was established (July 1987) under North-East Council Scheme.

The objective of the RFTI was to impart training to the departmental staff, NGOs and fish farmers of North Eastern Region in addition to fish farming activity. The Department engaged 20 officers/officials including three lecturers apart from the Director of the Institute. However, no training was conducted in the institute since April 2006. Details of training courses conducted at Joysagar (Sibsagar) Training Centre, if any, were not found on records, although the Centre was established (1961) for imparting training to the Fishery Demonstrators of the North Eastern States. The above mentioned staff were entertained by the department without any tangible



Two buildings training centre, Joysagar occupied by Army (June 2012)



Idle building at RFTI, Amranga occupied by army (February 2011)

<sup>41</sup> Reclamation subsidy: ₹1.32 lakh, Bank loan: ₹6.29 lakh, Input subsidy: ₹0.13 lakh and Beneficiary share: ₹0.64 lakh.

<sup>42</sup> 1. Barpeta, 2. Cachar, 3. Kamrup, 4. Morigaon, 5. Sibsagar, 6. Sonitpur and 7. Tinsukia.

work. The reason for not conducting training both at RFTI and at Joysagar was stated to be due to occupation of the buildings by the Army. Physical verification of the training centres, however, revealed that only one hostel building of RFTI at Amranga was occupied by the Army and the institute building along with three staff quarters were lying unused. The main hostel building was lying in dilapidated condition and there was no electricity in the campus since November 2007. Action taken by the Department to vacate the hostel and to provide electricity at the RFTI was not found on records. The Department spent ₹2.97 crore towards salary and maintenance of the training centres (RFTI: ₹0.87 crore and Joysagar: ₹2.10 crore) during 2006-12.



*Dilapidated hostel building at RFTI, Amranga (February 2011)*

Scrutiny of records of test-checked districts revealed that the training centre at Morigaon remained unutilised and a part of the hostel building was utilised for office purposes. In Cachar no training was conducted due to non receipt of fund. The status of the rest three training centres was not checked as these were not covered in the selected districts.

### **2.3.9.6 Externally Aided Projects**

#### **(i) Assam Agricultural Competitiveness Project (AACP)**

Department of Fisheries, Assam had implemented a multi component World Bank aided project viz., “Assam Rural Infrastructure and Agricultural Services Project” (ARIASP) during 1995-2004. As a follow up of ARIASP, another World Bank aided project namely “Assam Agricultural Competitiveness Project” (AACP) was also implemented by the department during 2004-2011. Major objectives of the project were development of water areas covering individual ponds, community tanks, *beels*, etc., establishment of mini hatcheries, capacity building of departmental officers and staff etc. Funds were drawn by the DOF on receipt of sanction from Agriculture department and entire fund was handed over to State Project Director (ARIASP Society), Khanapara. Subsequently, funds were disbursed by the Director, project co-ordination unit, Khanapara (ARIASP Society), to the Directorate and districts (DFDO) directly on the basis of reimbursement claims.

During 2006-12, against the total provision of ₹39.34 crore under AACP, the DOF had drawn ₹29.99 crore from treasury and handed over to the Society in the form of Deposit at Call Receipt (DCR).

Out of ₹29.99 crore, DOF received ₹4.07 crore from the society and spent ₹3.83 crore during 2006-12 for institutional capacity building and retained ₹0.24 crore as of 31 March 2012. DOF stated that further ₹24 crore was disbursed to the DFDOs by the society for integrated fish farming, development of farmers’ ponds and community

tanks. The DFDOs spent ₹23.78 crore for development of 2,236.07 ha water areas and retained ₹21.73 lakh as unspent balance as on 31 March 2012. Thus, an amount of ₹45.73 lakh was lying unspent with DOF and DFDOs as on 31 March 2012.

The water areas developed under AACP in the test-checked districts during 2006-12 were shown in Table -11.

**Table-11**  
**Water areas developed under AACP** (₹ in crore)

District	Component	Targeted water area (ha)	Water areas developed (ha)	Expenditure
Kamrup	Farmers Pond, Integrated Fish Farming and Community Tank	160.97	159.15	2.13
Nagaon	- do -	175.67	175.67	1.22
North Lakhimpur	- do -	257.92	257.92	2.67
Sivasagar	- do -	84.22	84.22	0.58
Karimganj	- do -	128.08	128.08	1.41
Goalpara	- do -	91.96	91.96	1.09
Hailakandi	- do -	50.59	50.59	1.21
Cachar	- do -	154.51	154.51	1.77
Golaghat	- do -	486.19	486.19	2.51
<b>Total</b>		<b>1590.11</b>	<b>1588.29</b>	<b>14.59</b>

Source: Departmental records.

Details of water areas harvested and production of fish under the scheme could not be made available to audit by the districts due to non maintenance of separate records. Due to absence of specific documentation, which was required to be kept as per guideline, the actual production of fish by these water bodies was not ascertainable.

#### (ii) Development of Beel

The criteria for selection of *beels* for development under AACP are:

- *Beel* area should not be affected by flood;
- The *beels* should be free from encroachment;
- More than 50 *per cent* of the *beel* area should be free from aquatic weeds;
- Each household surrounding the *beel* must agree to join the *beel* development committee (BDC); and
- The beneficiaries should bear 30 *per cent* of the estimated cost of the development of the *beel*.

During 2006-12, the department developed 994.87 ha water areas covering 56 *beels* as shown in Table 12.

**Table 12**  
**Development of beels by the department during 2006-12**

Year	Number of the beels	Total water areas developed (ha)
2006-07	12	243.47
2007-08	8	86.18
2008-09	7	72.05
2009-10	13	273.40
2010-11	9	159.00
2011-12	7	160.77
<b>Total</b>	<b>56</b>	<b>994.87</b>

Source: Departmental records.

Expenditure incurred against *beel* development and data on production of fish could not be ascertained for non-maintenance of separate records.

Sampled cases in test-checked districts disclosed the following:

**(A) Bogoriguri Beel of Sibsagar**

Scrutiny of the records of DFDO, Sibsagar revealed that Bogoriguri *beel* (area: 20 ha) was selected (2009-10) in violation of four of the five criteria of selection. The area of the *beel* was affected by flood each year. More than 50 per cent area of the *beel* was covered with thick aquatic weeds. There was no documentary evidence that people living in the surrounding area of the *beel* were beneficiary members of the *beel* development committee. Lastly, out of beneficiaries' contribution of ₹2.59 lakh, only ₹0.07 lakh was deposited.



*Bogoriguri beel at Sibsagar covered with aquatic weeds (June 2012)*

Towards execution of work for development of the *Beel*, the DFDO spent ₹5.90 lakh (estimated cost: ₹8.48 lakh) during 2009-10, of which, ₹2.34 lakh<sup>43</sup> was spent on inadmissible items not provided in the estimate. Vouchers, muster roll, MBs etc., in support of execution were not available.

During joint physical verification (13 June 2012), it was found that the *beel* was lying in abandoned condition without maintenance as shown in the photograph (above). Thus, actual utilization of ₹5.90 lakh towards development of the Bogoriguri *Beel* remained doubtful.

**(B) Bithorkuri Beel of Karimganj**

Against the proposal (August 2009) of DOF for development of Bithorkuri *Beel* (20 ha) at a cost of ₹10.74 lakh (Government share ₹7.52 lakh and beneficiaries share ₹3.22 lakh), ARIASP Society released (June 2011) ₹6.71 lakh to DFDO, Karimganj. The project was sanctioned on the basis of Field Survey Report and Clearance Certificate issued by the DFDO.

<sup>43</sup> Construction of BDC office: ₹0.24 lakh, office travelling cost: ₹0.05 lakh and earth work: ₹2.06 lakh.

DFDO disbursed ₹4.44 lakh in November 2011 (₹2.96 lakh) and January 2012 (₹1.48 lakh) to the *Beel* Development Committee for development of the *Beel*. Meanwhile another society namely “Sonbeel Fishermen Co-operative Society” reported (February 2012) that there was no Bithorkuri *Beel* in that area. The area where development was done is part of Sonbeel area. DFDO stopped further funding of the project. Subsequently, Bithorkuri *Beel* Development Committee lodged (March 2012) a case in Hon’ble court.

Thus, improper survey in selection of the *beel* by DFDO, Karimganj resulted in misutilisation of Government fund of ₹4.44 lakh. In reply, the department stated (November 2012) that adequate precaution would be taken to avoid such occurrence in future.

### (iii) Development of farmers’ ponds and community tanks

During 2006-11, DFDO, Morigaon received ₹1.96 crore for development of farmers’ ponds and community tanks under AACP. Out of this, ₹1.28 crore was shown as utilised for development of 76.47 ha water areas without preparing Plan and Estimates.

The DFDO also admitted (May 2011) that there was no district work plan. Besides, muster rolls, measurement books, completion certificates, physical verification report of the farmers’ ponds and community tanks were not available. Thus, in absence of the above initial records, actual execution of works remained doubtful as these could not be vouchsafed in audit.

### (iv) Incomplete Mini Hatchery

On receipt of the administrative approval and financial sanction (December 2009) from Project Coordination Unit of AACP, DFDO, Morigaon released (March to August 2010) the project share of ₹2.45 lakh (Civil work: ₹2.10 lakh and Inputs: ₹0.35 lakh) against the total estimated cost of ₹three lakh (project share: ₹2.45 lakh and beneficiary share: ₹0.55 lakh) to a beneficiary<sup>44</sup> for construction of one Improved Mini Hatchery.

As per the terms and condition of AACP, the beneficiary must possess suitable land of minimum one ha water-spread area of nursery pond, rearing tank along with sufficient brood stock tank surrounding the hatchery. The input cost for fish seed and fish feed was to be released after completion of the civil work.



Incomplete mini hatchery at Morigaon under AACP (19.02.2011)

Scrutiny revealed that DFDO certified the work as completed and disbursed ₹3.39 lakh including beneficiary share for civil and input cost.

<sup>44</sup> Md. Safikul Islam.

Physical verification of the hatchery during the period of audit, however, revealed that there was no water area, rearing tank, nursery tank surrounding the hatchery. Records to substantiate bonafide of the beneficiary as existing seed producer, seed grower and the measurement books duly signed by the Departmental Engineer in support of execution were not produced. The hatchery was not completed till March 2012. Reason for incurring excess expenditure of ₹0.39 lakh over approved cost, releasing input cost and issuing completion certificate before completion of the work was not stated. Further, the expenditure vouchers for input cost were also not made available to audit.

Thus, DFDO neither followed selection procedure, nor did monitor the hatchery works and issued completion certificate besides releasing input cost before completion of the hatchery. In the absence of measurement book for construction of hatchery and release of input cost without vouchers/APRs the entire amount of ₹2.44 lakh (Government share) prima-facie appears to be misutilised or misappropriated. In reply, the department stated (November 2012) that the hatchery was actually completed in 2010, but the photograph (above) taken on 19 February 2011 shows that it was not completed at that point of time.

**(v) Doubtful expenditure on Exposure Visit**

In accordance with Office Memorandum of August 2006 and July 2010 issued by Ministry of Finance, GOI, foreign tour of Government officers led by Additional Secretary or above needs prior permission of the Screening Committee of Central Secretariat.

During 2007-08, Fishery Department, GOA accorded (August 2008) approval for exposure visit of nine officers including the Minister of Fisheries to Thailand, Cambodia and China under AACP. The ARIASP Society sanctioned (October 2008) ₹30 lakh for the visit. The main objective of the visit was to explore in Assam the future scope and possibilities of introducing the farming practices prevalent in those countries. Scrutiny of AACP Cash Book maintained by the DOF revealed that ₹32.78 lakh was paid as advance during November 2008 to January 2009 to the Travel Agencies and nine departmental officers for air ticket, VISA, foreign exchange, miscellaneous expenses etc.

Records regarding mandatory permission of the Screening Committee of Central Secretariat, release order of the officers for the tour, travelling allowance bills along with air ticket, boarding pass, Visa and study report of the exposure visit were not produced to audit, though called for. The Nodal Officer of AACP stated (May 2011) that release orders were not issued to the officers but remained silent about other records mentioned above.

In reply, the department stated (November 2012) that the study tour was actually conducted but TA bills along with supporting sub-vouchers etc., were not submitted, which raises doubt about bonafide of the actual tour. In the absence of such pertinent

records, specially study reports etc., the genuineness of the visit was questionable and the expenditure doubtful.

### 2.3.9.7 National Welfare Fund for Fishermen (NWFF)

The objective of the Centrally Sponsored Scheme is to provide basic civic amenities like houses, drinking water and a common place for recreation and work to fishermen. The beneficiaries were to be selected from active fishermen identified by the State Government. The cost of development would be shared by Central and State on 75:25 basis. The main components of the schemes are (i) Development of Model Fishermen village, (ii) Saving cum relief, (iii) Group Accident Insurance. The component-wise implementation of the scheme in the State is discussed in the succeeding paragraphs.

#### (i) Housing

Under the scheme, houses are provided to the registered active fishermen belonging to Below Poverty Line (BPL) family having no dwelling houses of their own. The beneficiary should build the house under his own supervision with a plinth area of 35 m<sup>2</sup> at a cost of ₹0.50 lakh. During 2006-07, ₹30 lakh was proposed for construction of 90 houses. Further, a sum of ₹four crore (state share: ₹two crore and central share: ₹two crore) was proposed in 11<sup>th</sup> five year plan for construction of 750 houses, 44 community halls and 150 tube wells.

The department actually received ₹70.60 lakh (inclusive of central share of ₹41.60 lakh) during 2006-12 and released ₹34.60 lakh to DFDOs of six districts<sup>45</sup> for construction of houses. Balance ₹36 lakh was not released due to non-receipt of progress reports from respective DFDOs. Of the nine test-checked districts, the schemes were implemented only in four districts. Test-check of records of four selected districts (Kamrup, Nagaon, Morigaon and Cachar) revealed that against target of construction of 60 houses, only 49 houses were constructed by incurring expenditure of ₹22.77 lakh till March 2012 as shown in Table-13.

**Table-13**  
**Construction of fishermen Houses**

District	Fund received (₹ in lakh)	Physical Target (In Nos.)	Fund Utilised (₹ in lakh)	Physical achievement (In Nos.)	Unspent balance as on 31 March 2012 (₹ in lakh)
Kamrup	7.00	House :14	7.00	14	Nil
Nagaon	9.27	House: 22	9.27	22	Nil
Morigaon	6.50	House: 13	6.50	13	Nil
Cachar	4.87	House: 11	Nil	Nil	4.87
Total	27.64	House: 60 Tube well: 3	22.77	49	4.87

Source: Departmental figures.

The audit findings in the districts are as follows:

<sup>45</sup> Barpeta, Cachar, Kamrup, Morigaon, Nagaon and Sonitpur.



- In Nagaon, 11 out of 22 houses constructed at Katchua Village did not belong to fishermen family as appeared from the survey report. This had happened as survey was conducted at a later period after selection of beneficiaries.
- Due to escalation in material cost, none of the 11 houses targeted for construction in Cachar could be completed with the available fund of ₹4.87 lakh. The department stated (November 2012) that the fund of ₹4.87 lakh was utilised for construction of 10 houses in place of 11 houses due to escalation of cost.
- Physical verification and scrutiny of estimates revealed that DFDO, Kamrup constructed RCC full wall houses of permanent nature with 20 m<sup>2</sup> plinth area at a cost of ₹0.50 lakh each instead of 35 m<sup>2</sup> plinth area. DFDOs Morigaon and Nagaon constructed the house with 35 m<sup>2</sup> plinth area at a cost of ₹0.50 lakh and ₹0.40 lakh respectively. However, in comparison to Kamrup district, the quality and condition of the houses in these two districts were very poor and of temporary nature as the walls were made of *Tarza* (bamboo).



**Kamrup (3/2/2011)**



**Morigaon(16/2/2011)**



**Nagaon (2/6/2012)**

***Different types of fishermen houses constructed in different districts***

Thus, in the directorate and test-checked districts 58 *per cent* fund could not be utilised. 18 *per cent* houses in selected districts could not be completed and the houses completed were beyond the specification.

**(ii) Savings cum relief**

Savings cum relief scheme launched in 2003-04, envisaged providing relief to active fishermen during the lean period (15 April to 15 July). Under the scheme, ₹50 per month *i.e.*, ₹450 for a period of nine months in a year was to be collected from every fisherman and to be deposited in a nationalized bank in the account of concerned DFDO. An equal amount of ₹450 against every fisherman shared equally by GOI and the State Government was also to be deposited to the same account. The total sum of ₹900 plus accrued interest was to be distributed during the lean period among the beneficiaries in three equal installments. The amount was raised to ₹1,800 (farmer's contribution ₹600 and Government's contribution ₹1,200) from the year 2010-11.

Scrutiny revealed that during 2006-12, the department received ₹37.80 lakh<sup>46</sup> only against the total proposal of ₹144 lakh<sup>47</sup>, of which, ₹25.80 lakh was released to the

<sup>46</sup> Central share: ₹9 lakh and State share: ₹28.80 lakh.

<sup>47</sup> Central share: ₹56 lakh and State share: ₹88 lakh.

districts. Balance ₹12 lakh remained in the current account of DOF till 31 March 2012.

The Scheme was not implemented in Golaghat and Sibsagar due to non-receipt of fund. Out of ₹25.80 lakh disbursed to 13 districts<sup>48</sup>, DFDOs, Karimganj and North Lakhimpur could not disburse ₹one lakh and ₹1.35 lakh respectively to the beneficiary.

The above position indicated that the department could not utilise 38 *per cent* of funds for such welfare activity.

### **(iii) Group Accident Insurance**

To provide insurance coverage to the registered active fishermen, 'Group Accident Insurance (GIA)' scheme was launched in 2004-05. Under the scheme, an identified or registered fisherman would be insured for ₹1,00,000 against death or permanent total disability and for ₹50,000 for partial permanent disability. The insurance coverage would be for a period of 12 months and a policy would be taken out by FISHCOPFED<sup>49</sup>. Annual premium payable would not exceed ₹30 per head shared equally by GOI and the State Government.

Scrutiny revealed that the department received ₹10 lakh (State share) during 2009-12 which was handed over to FISHCOPFED without the list of beneficiaries. In addition, the Central share of ₹30 lakh was also released during the same period directly to the FISHCOPFED. The facility of GIA was, however, not provided to the fishermen as of March 2012 due to non-finalisation of beneficiaries list. The scheme failed to take off due to lack of initiative of the FISHCOPFED as well as the department. In reply, the department stated (November 2012) that DFDOs were responsible for selection of beneficiaries and list of beneficiaries were being collected from them. This indicates that the scheme is still in nascent stage.

### **2.3.9.8 Rastriya Krishi Vikash Yojana (RKVY)**

Rastriya Krishi Vikash Yojana (RKVY), a Central Sector scheme with 100 *per cent* central grant was introduced in 2008-09 to enhance fish production and other allied activities in the State. The State Agriculture Department is the nodal department for implementation of the scheme. A State Level Sanctioning Committee (SLSC) headed by the Chief Secretary of the State is empowered to sanction specific projects/schemes. Construction and reclamation of farmers' ponds, integrated farming, conversion of low lying areas to community tank, construction of nursery and rearing pond, procurement of feeds/manures were the major components to be implemented by fisheries department under the schemes. As per the scheme guidelines, the beneficiaries list should be approved by the concerned Zilla Parishad

<sup>48</sup> Cachar, Bongaigaon, Dibrugarh, Dhubri, Karimganj, Kamrup, Morigaon, Hailakandi, Nagaon, Nalbari, Lakhimpur, Jorhat and Sonitpur.

<sup>49</sup> National Federation of Fishermen's Co-operative Limited.

and the beneficiary must bear 50 per cent of the cost of civil works and 10 per cent of the cost of inputs in all cases.

As per information furnished by DOF, the Department received ₹42.56 crore during 2008-12 against the total provision of ₹56 crore being project share from the nodal department for implementation of the scheme and utilised ₹36.74 crore (civil works: ₹26.80 crore and cost of inputs: ₹9.94 crore) during 2008-12 (**Appendix-2.15**). Scrutiny of records, however, revealed that the department actually received ₹50 crore during 2008-12, out of which, ₹33.75 crore was released to the districts for implementation of the scheme. The eight<sup>50</sup> test-checked districts received ₹11.43 crore, out of which ₹9.95 crore was utilised. Thus, total unspent balance with the DOF and eight test-checked districts was ₹17.73 crore<sup>51</sup> as on 31 March 2012 (**Appendix -2.16**). The position of remaining test-checked district of Golaghat could not be worked out due to non maintenance of scheme-wise separate details as well as cash book. The difference between the information furnished by the DOF and actual position as per records indicated that the information furnished by the DOF through reports and returns was at variance with reference to the record maintained in his office.

Thus, inability to spend 35 per cent of the scarce resources indicated lack of initiative of the department.

Further scrutiny of records revealed the following:

- Input cost of ₹4.26 crore was not released to the districts from 2008-09 onwards due to non receipt of proposal from the district offices in time.
- It appeared from **Appendix-2.16** that project share of ₹33.74 crore was utilized. Hence, as per programme guidelines, ₹33.74 crore was also to be utilized from beneficiaries share for completion of development of the water area concerned. The department, however, could not confirm about the amount actually utilized by the beneficiaries as the department maintained records of Government share only. Further, information relating to total water area developed, pond/tank-wise production of fish could not be made available. This indicates deficient data collection and monitoring in implementation of the scheme leading to completion of the work doubtful as per plan and estimate.
- Out of the nine test checked districts, four districts received ₹4.65 crore<sup>52</sup> and utilised ₹4.64 crore<sup>53</sup> covering 317.13 hectares water areas and 845 beneficiaries under RKVY during 2008-12. The rest five districts could not

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<sup>50</sup> Cachar, Goalpara, Hailakandi, Kamrup, Karimganj, Nagaon, North Lakhimpur and Sibsagar.

<sup>51</sup> ₹50 crore – ₹33.75 crore = ₹16.25 crore; ₹11.43 crore – ₹ 9.95 crore = ₹1.48 crore; Total: ₹17.73 crore.

<sup>52</sup> Goalpara: ₹120.44 lakh, Karimganj: ₹73.16 lakh, North Lakhimpur: ₹136.54 lakh, Sivasagar: ₹134.40 lakh.

<sup>53</sup> Goalpara: ₹120.44 lakh, Karimganj: ₹73.16 lakh, North Lakhimpur: ₹136.54 lakh, Sivasagar: ₹133.44 lakh.

furnish details of utilisation of funds received and water area developed under the scheme.

So far as impact of the development of water areas was concerned, the data of fish production as discussed in para 2.3.9.1 (i) was not based on authentic records and therefore questionable.

The irregularities in implementation of the scheme by the test checked districts are discussed below.

#### ***Doubtful Execution of works***

The guidelines of RKVY provide that after completion of 50 *per cent* of work from beneficiaries share under the supervision of Junior Engineer (JE), the project cost (Government share) for the remaining work would be released. Further, as per general guidelines of the department, for execution of engineering works, plan and estimates of all the works (including beneficiary oriented ponds and tanks) have to be prepared and to be submitted to the DOF along with the engineering report and survey report duly counter signed by DFDO for approval of executive engineer of the department. In case of beneficiary oriented ponds and tanks, the status report of benefit of Government scheme is to be mentioned in the survey report with the help of Asset Register of the districts. The works were to be started only after approval of the Executive Engineer (EE) of the department. JE will maintain the Register of works, Measurement Books (MB), Muster Roll which are to be checked by the EE/AEE/AE prior to payment. Payments should be made only against prescribed bill form. The completion certificate and payment certificate should always be signed by the competent authority.

Scrutiny of records disclosed that DFDOs of the four districts released the Government share amounting ₹1.25 crore<sup>54</sup> to the beneficiaries without ensuring completion of 50 *per cent* works from the beneficiaries share.

DFDOs, Goalpara and North Lakhimpur released ₹74.34 lakh to 465 beneficiaries for development of 183.95 ha water areas during 2009-12 by collecting money receipt from the beneficiaries prepared in plain paper. No plan and estimates of the works were prepared. Assets Register, MB and Muster Roll of the works were also not maintained. In reply to audit query, DFDO, North Lakhimpur stated (June 2012) that due to shortage of JE in the district and as per verbal instructions of the Commissioner and Secretary of the department, the payments were made through money receipts on plain paper and agreement without maintaining the requisite records.

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<sup>54</sup> Goalpara: ₹55.86 lakh, Karimganj: ₹23.10 lakh, North Lakhimpur: ₹18.48 lakh and Sibsagar ₹27.08 lakh.

Thus, releasing the government subsidies of ₹1.25 crore by DFDOs of the four districts without ensuring completion of 50 *per cent* works of beneficiaries share and in the absence of the approved plan and estimates, Assets Register, MB, Muster Rolls, the veracity of the actual execution of the works remained doubtful.

### **2.3.9.9 Marketing and transport**

The prime objective of the Marketing Wing is to serve the fish producers and consumers by arranging transportation and selling fish produced in the Government and private farms. The Wing is attached to the Directorate headed by Marketing Officer with 14 supporting staff. Department proposed to activate the functioning of the Wing to serve the producers and consumers in a manner so that maximum return could be derived by the fish farmers. To achieve this objective, an Apex Co-operative Society was proposed to be formed at State Head quarter with all fishermen co-operative societies as members of the district level body of the Society. A team, to be constituted by Government, which would study the functioning of BENFISH of West Bengal and Gujarat Co-operative Fish Marketing Society for subsequent formation of such Society in the State. The department, through its Marketing Wing, would provide necessary infrastructure and technical support. For this purpose, ₹one crore was proposed in 11<sup>th</sup> plan period. But, fund was not provided and the target remained unachieved. Neither the Apex level Society nor the Study team was formed, which was also accepted by the department which stated (November 2012) that this was due to non-availability of fund. Meanwhile, during 2006-12 the department incurred ₹1.69 crore towards pay and allowances of the Officers and the staff meant for marketing and transport. They were stated to be engaged in other works of Directorate. Thus, the purpose of economic upliftment of beneficiaries by setting-up marketing and transport wing was not served.

### **2.3.10 Infrastructure development**

#### **2.3.10.1 Construction of District and Sub-divisional *Meen Bhawan***

On receipt of Administrative Approval and Financial Sanction (January 2009) for construction of 11<sup>55</sup> District *Meen Bhawan* and three Sub-divisional *Meen Bhawan*<sup>56</sup>, DOF drew ₹3.59 crore in AC Bill and handed over the amount to the Irrigation department between July 2009 and February 2010 as per direction of the State Government. The scheduled dates of completion were between August 2009 and January 2010 respectively.

Scrutiny revealed that physical verifications of the buildings were made by the Fishery department in July 2011 and March 2012. As per the physical verification report, only one building (Bongaigaon) was ready for inauguration and three buildings (North Lakhimpur, Tezpur and Dhemaji) were found incomplete. Fictitious expenditure of ₹18.59 lakh was also noticed during verification by the concerned

<sup>55</sup> Meen Bhawan at Barpeta, Cachar, Dibrugarh, Goalpara, Jorhat, Kamrup, Mangaldoi, Morigaon, Nagaon, North Lakhimpur and Sonitpur.

<sup>56</sup> Sub-Divisional Meen Bhawan: Bishwanath chariali, Hojai and Sadiya.

DFDOs as payments were made to the contractor against 10 items of works of the *Meen Bhawans* which were already executed departmentally.

Thus, non-completion of 13 out of 14 buildings not only frustrated the intension of the department but instances of fictitious expenditure raises question about the bonafide of the utilisation of the fund released to the Irrigation department.

### 2.3.10.2 Injudicious expenditure at Nagputa Tank

GOA, Fishery Department accorded (February 2009) Administrative Approval and Financial Sanction of ₹18.64 lakh for restoration and protection of Nagputa Tank, Panbazar, Guwahati under State Plan. The amount was drawn in AC bill in May 2009.

The work was awarded (March 2009) to a Guwahati based Contractor<sup>57</sup>, being the lowest tenderer. Execution of the work was started in March 2009 and after completion of 55.90 per cent, the work was stopped after incurring an expenditure of ₹9.59 lakh due to objection raised (March 2010) by Guwahati Metropolitan Development Authority (GMDA) as permission was not obtained for execution of the work. The Director, although, sought permission in March 2010, the work remained incomplete due to non receipt of permission till June 2012.

Thus, execution of work without obtaining permission from GMDA not only led to injudicious expenditure of ₹9.59 lakh, but also led to the restoration and protection work incomplete.

### 2.3.10.3 State Level Fishery Laboratory at Meen Bhawan, Guwahati

The construction of ‘State Level Fishery Laboratory’ was taken up under RKVY 2008-09 with a view to detect and cure various types of prevalent fish diseases as the State had no fish diagnostic laboratory. The civil works for construction of the laboratory were taken up for execution in March 2009 and completed in February 2011 at an expenditure of ₹24.98 lakh through a contractor. However, function of the laboratory had not started due to non-deployment of requisite manpower and the laboratory building was lying idle till March 2012 defeating the purpose of construction of the laboratory. The department stated (November 2012) that engagement of supporting staff for the laboratory was under process.

### 2.3.10.4 Construction of Inspection Bungalow and RCC Aquarium

During 2009-11, DFDO, Nagaon constructed one Inspection Bungalow, one Chowkider quarter and one RCC Aquarium at JB Garh Fish Farm at a total cost of ₹31.59 lakh<sup>58</sup> without any plan or roadmap regarding usage of these buildings in future. The buildings were lying unutilised till March 2012 resulting in expenditure of ₹31.59 lakh idle.



Idle Guest House at JB Garh fish farm (March 2011)

<sup>57</sup> Shri Deben Kalita.

<sup>58</sup> Inspection Bungalow: ₹10.42 lakh, Chowkider quarter: ₹3.94 lakh, RCC aquarium: ₹17.22 lakh.

### **2.3.11 Inventory Control**

#### **(i) Assets register**

A register of assets created under various schemes in a district is required to be maintained in the district offices. No such asset register could be made available by any of the nine districts test-checked in audit.

Thus, due to non-availability of authentic Asset Register, actual position of assets created by the department remained unascertainable.

#### **(ii) Dead stock registers**

As per codal provisions, a dead stock register<sup>59</sup> was to be maintained in all offices of the Government and physical verification of the dead stock was required to be carried out every year. No such dead stock register was maintained nor annual physical verification of the dead stock was done in the Directorate and nine test-checked units. Non-maintenance of Dead Stock Register and non-conducting physical verification of the dead stock items periodically was fraught with the risk of pilferage of furniture and fixtures. The department agreed (November 2012) to maintain it in future.

#### **(iii) Storage facility**

In the absence of proper storage facilities in Kamrup (Rural and Metro), Darrang, Nalbari, Golaghat, Nagaon, Karimganj and Hailakandi, Quicklime and Fish Feed procured by the Directorate office could not be supplied by the supplier in full quantity in the districts. In Hailakandi district, as a result of storing the materials in open space in the office premises, 70 kg fish feed and 30 kg lime valued at ₹0.16 lakh were damaged. In reply, the department stated (November 2012) that efforts would be taken to augment storage facility in future.



*Idle stock of lime at Morigaon (February 2011)*

#### **(iv) Functioning of aerators**

DOF distributed (February 2010) two aerator valued at ₹0.96 lakh to the DFDO, Nagaon for use in the JB Garh Fish farm. On physical verification, it was found that the aerators were lying out of order since December 2010. In reply, the department stated (November 2012) that action will be taken to repair and re-use the same.



*Aerators lying idle at JB Garh Fish Farm, Roha (March 2011)*

#### **(v) Idle Stock**

In the following cases, purchase of materials by DOF without assessment of requirement resulted in accumulation of idle stock:

<sup>59</sup> Register maintain for furniture and fixture.

- The Department sanctioned (February 2010) ₹20 lakh for development of *Beel*, Open Water Fisheries under Scheduled Caste Component Plan (SCCP) 2009-10, covering the beneficiaries duly approved by the respective Scheduled Caste Development Board. It was decided in the review meeting (December 2009) of Welfare of Plain Tribes and Backward Classed (WPT&BC) department not to purchase cast net under the scheme during 2009-10. Test-check of records, however, revealed that DOF procured (March 2010) 1,212 cast nets valued at ₹20 lakh and distributed the same to the district offices. The nets were procured and issued without collecting indents from the district offices. It was also noticed that the beneficiary lists were not approved by the Scheduled Caste Development Board. Scrutiny of records in nine test-checked districts revealed that out of 300 nets, 204 nets valued at ₹3.37 lakh remained unutilised as of March 2012.
- Directorate of Fisheries distributed Quicklime to the district offices for onward distribution to the beneficiaries as inputs for implementation of RKVY 2008-09. Cross verification of records in two selected districts (Kamrup and Morigaon) revealed that out of 62,295 Kg lime received (March 2009) only 53,735 kg were issued to the beneficiaries leaving a balance of 8,560 kg valued at ₹1.01 lakh in stock (March 2012) resulting in deterioration of quality of the Quicklime.
- DOF procured (February 2010) Water Testing Kits (WTK) worth ₹39.97 lakh and distributed (March 2010) to the district offices. Cross verification of records in four test checked districts<sup>60</sup> revealed that out of 93 WTK, 27 valued at ₹2.58 lakh were lying idle in the store till March 2012. Thus, it is evident that the materials were procured without ascertaining the requirement of the districts and its subsequent non-utilization resulted in idle stock.

### 2.3.12 Administrative Control

#### (i) Settlement of pension cases

According to instructions issued by Pension and Public Grievance Cell, Finance Department, GOA, each head of office should start processing the pensions cases two years before the date of retirement of the employee and should forward the pension papers six months before retirement to the authority responsible for issue of pension payment orders (Accountant General or Director of Pension as the case may be).

Test-check of records in the Directorate office revealed that pension papers of 70 staff of the department who retired from service during April 2005 to October 2010 were submitted to the Accountant General (A&E), Assam after lapse of one to 24 months from their date of retirement depriving the pensioners in getting their pensionary benefits in time. Test-check of records of DFDO, Morigaon revealed that for want of

<sup>60</sup> Kamrup (2), Karimganj (13), Nagaon (4) and North Lakhimpur (8).



update, service books of two officials, retired in December 2010, could not be sent to the Directorate office till March 2011.

**(ii) Payment of Temporary GPF advance**

As per Rule 14(1) (a) and (1) (c) (i) of GPF Rules (Assam) 1973, temporary GPF advance should be sanctioned subject to recovery in 20 equal installments. The sanctioned amount should not exceed three month basic pay or half of the amount credited in employees’ GPF accounts, whichever is less.

Test-check of cash book of DOF revealed that during 2006-10 temporary GPF advances amounting to ₹15.82 lakh were drawn on 110 occasions and were paid to the staff without maintaining any Advance and Adjustment Register, personal file etc. GPF statements of the concerned staff members were also not made available to audit. Due to non availability of the recovery/adjustment register, it could not be ascertained whether the amount of ₹15.82 lakh was properly adjusted/recovered.

**2.3.13 Human Resource management**

An analysis of the manpower management in the Department showed that as of March 2012 there were 303 vacant posts (22 per cent) against the overall sanctioned strength of 1,348 (*Appendix-2.17*). The post of Executive Engineer (EE) had been lying vacant since 2006-07.

Scrutiny in audit revealed that as considerable number of Group ‘A’ posts were lying vacant since long, three officers including the Director were holding multiple charges ranging from two to five posts as shown in Table-14.

**Table-14**

**Position of staff holding multiple charges**

Regular post held	Additional charge	Period of holding additional charge
Director of Fisheries	Executive Engineer	October 2006 and July 2009
	Deputy Director of Fisheries, North Assam Zone, Tezpur	
Joint Director of Fisheries (FFDA)	Deputy Director of Fisheries (HQ & Planning)	From 2006-07 to date
	Director of Institution, RFTI, Amranga	
	Deputy Director of Fisheries(Lower Assam Zone) Borpeta	
	Special Officer ,Planning	
	Deputy Director of Fish Seed Farming	
Deputy Director	Nodal Officer, AACP, RKVY	2
	Research Officer, Statistics	
	Principal Investigator, NBFGR	

Source: Departmental records.

Holding multiple important charges by a single officer would have the effect of not discharging any of the duties in an efficient manner and ultimately might be affecting the smooth functioning of the department. In reply, the department stated (November 2012) that all promotional posts would be filled up in next three months.

During 2006-12, neither any skill up gradation training was imparted to the staff working under DFDOs in the test-checked districts nor did any future plan in this regard found on record.

### **2.3.14 Internal Control Mechanism**

Internal control is a process, designed to provide reasonable assurance so as to achieve the objectives of the organisation, safeguarding of assets against loss, reliable financial and operational data, reports and compliance with rules and regulations. Deficiencies noticed in internal control mechanism are discussed below:

#### **(i) Departmental Manual**

A Departmental Manual is essential for any department for regulating and streamlining its functions and activities. But no Departmental Manual was prepared in the Fishery Department since its inception. In the absence of a Manual, effective internal control cannot be enforced. In reply, the department agreed (November 2012) to prepare the Manual in near future.

#### **(ii) Register of Fishermen Families**

Government of Assam Fishery Department instructed (September 2011) to register the fishermen families of each district as an official reference that could be utilised in different development activities of the department in future. The register was, however, not maintained in any of the nine selected districts. In reply, the department stated (November 2012) that all efforts will be taken to maintain such register.

#### **(iii) Evaluation of socio-economic development of the fishermen**

The overall objective of the Fisheries Department is to increase fish production by adopting scientific measures of fish culture and generating employment opportunities by producing high yielding seeds of fish for distribution among fish farmers at reasonable rates and imparting training in fish culture to them and thereby uplifting the socio-economic status of the fisherman. It was, however, noticed that the Department did not evolve any mechanism to evaluate whether the fish production and the income of the poor fishermen in the State had increased as a result of the initiatives taken by the Department. In reply, the department stated (November 2012) that initially, the evaluation would be done in four<sup>61</sup> districts before commencing it in other districts.

#### **(iv) Monitoring and inspection**

Although there is an Internal Audit Wing, the Department had no audit manual. As per the guidelines prepared (March 1995) by the department, the Internal Audit Wing is to prepare a list of all officers under their jurisdiction and chalk out a programme for regular verification of accounts of the officers and submit the audit note to the Finance and Audit Officer for necessary action. No such programme/action plan as

<sup>61</sup> Darrang, Kamrup, Morigaon and Nagaon.

per the guidelines was found on record. Scrutiny of records, however, revealed that 18 field units were audited during 2006-12 without any plan and 29 audit paras were raised by the Internal Audit Wing, of which, 21 paras remained unsettled due to non-submission of reply till March 2012 by the respective field units.

**(v) Maintenance of records**

DOF and DFDOs of nine selected districts did not maintain any Assets Register, Expenditure Control Registers, Broad Sheet, Liability Registers showing the details of draws of funds against allocation as well as expenditure there against and outstanding payments respectively.

**(vi) Reconciliation of departmental figures**

According to Budget Manual and executive instructions made there under departmental figures of expenditure are to be reconciled with the figures booked in the records of the Accountant General (A&E) quarterly. It was, however ascertained from AG (A&E), Assam that the Fishery Department did not carry out reconciliation of the departmental figures during 2006-12 in spite of sending prior intimation of calendar of reconciliation to the Chief Controlling Officer. The reason for putting off the exercise of reconciliation was not available on record.

**(vii) Response to Audit**

As per the provision of Hand Book of Instruction, for speedy settlement of Audit observation, issued by Government of Assam, Finance Department in August 2003 to watch over the receipt and disposal of Audit Notes/Inspection Reports issued by the Accountant General (Audit) which *inter alia* provides that (i) a register of disposal should be maintained by each office; and (ii) reply to Audit Notes is to be furnished within one month from the date of their receipt. No such register was, however, maintained by the Department as of March 2012.

As per records, 286 paragraphs relating to 48 Inspection Reports (IRs) pertaining to the period 1995-2012 were lying outstanding for want of reply (*Appendix-2.18*).

**(viii) Vulnerability to fraud and corruption**

**(a) Suspected misappropriation of development fund**

As per rule, difference between bank balance reflected in bank statement and bank balance in cash book is required to be reconciled at the end of each month and bank reconciliation statement explaining the difference to be prepared. Scrutiny of records of the Directorate and three selected districts revealed suspected misappropriations amounting to ₹44.26 lakh. The misappropriations could occur due to non-accountal of funds released by DOF and funds withdrawn from bank etc., as shown in Table-15.

**Table-15**  
**Position showing suspected misappropriation of fund** (₹ in lakh)

Name of the DDO	Total amount released/ withdrawn/invested/ released to district		Purposes	Period	Amount accounted for	Amount of suspected misappropriation
	Amount	Particulars				
CEO, Karbi Anglong	0.51	Withdrawn from bank by self cheque	Not available	8/2004 to 9/2004	Not accounted for in the cash book	0.51
DFDO, Karbi Anglong	0.14	Do	Not available	17/8/09	-do-	0.14
CEO, Nagaon	3.26	Released cheques to the FD in favour of 13 beneficiaries.	FFDA subsidies	9/2009 to 1/2011	Not received by the farmers	3.26
	9.50	Fixed Deposit amount	For investment as Fixed Deposit	31/5/93 to 16/2/94	Not accounted for in the cash book	9.50
Director of Fisheries	0.07	Cash returned by AACP	Unspent amount of Exposure visit	--	-Do-	0.07
	0.80	27 Draft sent to SBI, Panbazar for revalidation	Unspent amount of different schemes	5/1981 to 9/1993	0.02	0.78
DFDO, Golaghat (General & RKVY Cash Book)	29.89	Released from Director by draft	Scheme Implementation SP & RKVY	06/08 to 03/2012	Neither accounted in the cash book nor in the Bank	29.89
	15.23	Withdrawn from Bank account	do	06/11 to 03/2012	Not accounted for in the cash book	15.23
<b>Total</b>	<b>59.40</b>				<b>0.02</b>	<b>59.38</b>

DFDO, Karbi Anglong stated (April 2011) that ₹0.51 lakh and ₹0.14 lakh were drawn by the then CEO and DFDO, Karbi Anglong respectively by issuing self cheques. The amounts were neither accounted for in the cash book nor any expenditure vouchers thereof were furnished. Replies to rest of the cases mentioned in Table above are awaited.

**(b) Suspected misappropriation of sale proceeds**

As per provision of Assam Treasury Rule 7, the Government revenue should be deposited into Treasury immediately after its receipt. Records of JB Garh Fish Farm, Nagaon revealed that the Assistant Fishery Officer (AFO) collected sale proceeds of ₹48.23 lakh (Details in *Appendix-2.19*) during the period 2003-12<sup>62</sup> and handed over (4/2003 to 3/2012) the amount to the Fishery Officer (FO). AFO collected a receipt prepared in plain paper from FO as a token of handing over the amount. Scrutiny, however, revealed that out of the amount, the FO deposited only ₹10.11 lakh in to the treasury during May 2003 to April 2012. The rest of the sale proceeds of ₹38.12 lakh (₹48.23 lakh – ₹10.11 lakh) were neither deposited into treasury nor in the bank. Thus, it was suspected that Government money to the extent of ₹38.12 lakh being sale proceeds of fishery products was misappropriated. In reply, the department stated (November 2012) that departmental enquiry had already been initiated (October 2012) and the concerned official was asked to deposit the sum.

**(c) Refund of unspent balance**

DFDO, Hailakandi refunded (June 2011) an unspent balance of ₹5.99 lakh<sup>63</sup> under AACP to the State Project Director, ARIASP Society, Guwahati. The amount was debited from AACP bank account (United Bank of India, Hailakandi) of the DFDO

<sup>62</sup> The sale proceeds were not deposited from 2003-04.

<sup>63</sup> vide A/c payee cheque No.801328 dated 6 June 2011.

on 29 June 2011. Cross verification (July 2012) of records of the Project Director, AACP/ARIASP Society revealed that the amount was not accounted for in the Register of Valuables and Cash Book of the Society till 31 March 2012. Thus, the possibility of misappropriation of ₹5.99 lakh could not be ruled out in audit.

### **2.3.15 Satisfaction level of beneficiaries**

To assess the impact of the various developmental schemes, questionnaires were sent to the fishermen regarding their satisfaction level on different parameters relevant to them at the time of field visit. Replies were received from fishermen and their responses are given in Table-16.

**Table-16**  
**Response of fishermen to audit queries**

Sl. No.	Development scheme	Parameters	Beneficiaries covered (In No.)	Response
1	National Welfare Fund for Fishermen (NWFF)-Housing	Whether active fishermen?	18	Yes: 3 (three) No: 15 (83 %)
		Satisfied with the house constructed?	18	Satisfied: 4 (22%) Not Satisfied: 1 No comment: 13 (72%)
2	Assam Agriculture Competitive Project (AACP)	Provided training	31	Training provided: 14* Not provided: 17 (55%) <sup>@</sup>
		Benefited from the training	31	Benefited: 3 (9.68%) No comment: 28
3	Fresh Water Aquaculture through Fish Farmer Development Agency (FFDA)	Maintenance of Production Register	13	Not maintained: 13 (100%)
		Government Subsidy received	13	Not received: 13 (100%)
		Guidance from the department	13	Guidance received: 9 (69%) Not received: 4

**Source:** Information obtained from beneficiaries.

\*Training provided: 6 (AACP) + 3 (SP) + 5 (RKVY) = 14.

@Training not provided: 2 (AACP) + 11 (SP) + 4 (RKVY) = 17.

The responses indicated defective selection of beneficiaries, doubtful claim of fish production and shortfall in imparting training to the fishermen in the test-checked districts.

### **2.3.16 Conclusion**

Eleventh FYP and successive Annual Plans (2006-12) were made without authentic data on fishery statistics by the department. Planning and allocation made on inaccurate data had an adverse impact on programme implementation to the effect that there was no correlation between plan proposal and the budgetary projections ultimately sanctioned. Overall savings of 39 per cent during performance audit period (2006-12) showed weak budgetary control and inability of the department to absorb the allocation.

Huge accumulation of unspent balances with DOF and DFDOs lying for years together in DCRs, bank accounts and even in cash, irregular drawal of AC bills and

RC bills, submission of inflated UCs etc., were other areas of weak financial control prevailed in the department.

The production of fish registered a decreasing trend with shortfall from target increasing from 4.82 *per cent* to 16.86 *per cent* against even the modest target fixed on the basis of ten *per cent* annual increase during 2007-08 to 2011-12.

Although the fish seed production exceeded the target, the quality of the seed was substandard due to continuous in-breeding leading to lower productivity.

Department's effort in production and distribution of quality seeds to the farmers remained unachieved as 93<sup>64</sup> *per cent* of hatcheries targeted for construction under Government and private sector remained incomplete. Besides 71 *per cent* (12 out of 17) of Government fish farms taken up for modernisation during 2006-12 had not materialised and farms remained non-functional due to selection of sites in hilly terrain without feasibility survey (four cases) and non-forming of fisherman beneficiary society in the vicinity of developed fish farms (eight cases).

The objective of augmenting farm production through transfer of technology by imparting training to farmers and providing extension services was not achieved due to failure of the Department to utilise the existing infrastructure and manpower of the training centres and Regional training institutes in a planned manner.

So far as development of water areas is concerned, the achievement reported under a major scheme *viz*; FFDA was only 18 *per cent* of the targets fixed.

The projected increase in productivity of fish over the years by the department was not reliable due to lack of documentation at field level and absence of regular and systematic flow of information through reports and returns. The projected area of water bodies developed was not verifiable due to non-maintenance of asset registers both at field and state level.

Number of genuine fishermen in the state and their socio-economic development both through production oriented development and fisherman welfare schemes could not be verified as the department did not maintain database of active fisherman.

Thus, the twin objectives of improving the socio-economic condition of the fisherman community and augmenting fish production remains to be achieved.

### **2.3.17 Recommendations**

- The department may undertake immediate survey to ascertain updated position of number and areas of water bodies already developed and to be developed and other fishery statistics like fish production, seed production, number of active hatcheries, potential hatcheries etc.

<sup>64</sup> 57 out of 61.

- The department may prepare annual plans based on accurate database arrived at subsequent to survey and by collecting inputs from the field level.
- The department may prepare budget estimates based on accurate planning and considering the absorption capacity of fund by the implementing agencies after a critical review.
- Working of the departmental farms may be reviewed periodically in order to make them economically viable.
- Asset register would need to be maintained for keeping records of assets created as per the scheme guidelines. The genuine fishermen may be registered for their socio-economic upliftment in the state.
- Maintenance of beneficiary-wise production register should be ensured to ascertain the actual production of fish.
- The performance of the implementation of the schemes is to be monitored continuously at the end of each year at district level through periodical reports and physical verification of the assets/schemes.
- Internal control and monitoring system requires to be strengthened by providing required resources and corrective measures taken so that the financial discipline and accountability could be enforced in an effective and efficient manner.

## AUDIT OF TRANSACTIONS

### 2.4 Cases of fraud/misappropriation/losses

#### Irrigation Department

#### 2.4.1 Fictitious expenditure

**Executive Engineer, Guwahati West Division (Irrigation) undertaken dewatering of the canal at headwork site before completion of the work of closing bund and diversion canal which was improbable and pointed towards doubtful utilisation of pumps rendering the expenditure of ₹57.30 lakh towards dewatering, fictitious.**

State Government accorded (November 2009-December 2009) administrative approval (AA) for ₹52.31 crore for implementation of three Flow Irrigation Schemes (FIS)<sup>65</sup>. Technical Sanction (TS) of these three FIS was accorded for ₹39.55 crore.

Construction of headwork in the course of the channel included the item of work of 'Excavation of earth and concreting/RCC/shuttering works below ground water level (GWL)' This items of work in the three FIS could have been executed only when dewatering of canals was done after completion of construction of 'closing bund and diversion canal'.

Scrutiny of records (December 2011) of the Executive Engineer (EE), Guwahati West Division (Irrigation) and information furnished to audit revealed that the pumps were utilised for a total duration of 1,99,998 hrs by incurring an expenditure of ₹57.30 lakh towards dewatering of canals as per details shown in the *Appendix – 2.20*, prior to completion of works of closing bund and diversion canals as recorded in the measurement books for implementation of Medhipara, Baruapathar and Nampathar FIS. This was contrary to the information furnished by the division that the construction of closing bund and diversion canal was to be completed prior to execution of dewatering work in execution of FIS. Unless course of water was blocked and diverted, excavation and concreting work below GWL could not have been executed.

On this being pointed out, the Department stated (June 2012) that as the river discharge was minimum in the lean season, the works relating to closing bund and diversion canal were not completed up to the designed level as the water level did not attain the designed level. The reply was not supported by data on volume of water discharge during lean and rainy seasons.

The reply is not tenable as technical information sought for and furnished by the division during the course of audit, *inter-alia* envisages in clear terms that the

65

1.	Name of the scheme	Const. of Medhipara FIS (A)	Const. of Baruapathar FIS (B)	Const. of Nampathar FIS (C)
2.	A.A. No. and date	IGN (W)/292/2009/39 dated 26.11.2009 for ₹19.40 crore	IGN (W)/244/2009/58 dated 17.12.2009 for ₹16.25 crore	IGN (W)/243/2009/37 dated 18.12.2009 for ₹16.66 crore
3.	Tech. Sanction No., date and amount	Part-I: DDMI/TB-8/1470/2009/2 dated 21.12.2009 for ₹10.98 crore Part-II DDMI/TB-8/1470/2009/8 dated 31.12.10 for ₹1.38 crore	Part-I: DDMI/TB-8/1469/ 2009/2 dated 21.12.2009 for ₹11.43 crore Part-II: DDMI/TB-8/1469/ 2009/4 dated 10.01.2011 for ₹1.05 crore	Part-I: DDMI/TB-8/1468/ 2009/2 dated 21.12.2009 for ₹14.71 crore
4.	Tendered Amount	₹10.54 crore	Part-I: ₹10.67 crore	₹14.48 crore
5.	Work order No. and date	DDMI/T/30/2009/277 dated 19.02.2010	DDMI/T/30/2009/281 dated 19.02.2010	DDMI/T/30/2009/256 dated 15.02.2010
6.	Target Date of Completion	2 (two) working seasons	2 (two) working seasons	2 (two) working seasons
7.	Physical progress	90 per cent	75 per cent	96 per cent
8.	Upto date expenditure	₹8.08 crore	₹6.35 crore	₹10.58 crore



construction works of closing bund and diversion canal must be completed prior to undertaking the work relating to dewatering of canal. However, on the contrary, the entries in the measurement books showed that as many as six pumps in each FIS were utilized for periods ranging from 30 to 48 days aggregating 1,99,998 hours prior to completion of works of closing bund and diversion canal. The work of diversion canal, in any case, had to be completed before dewatering work of canal at headwork site as water discharge in the course of river stream, even if it is minimum in lean season, would continue to accumulate and over-top the half constructed closing bund unless there was an outlet to drain the water through a diversion canal.

Thus, dewatering of the canal at headwork site before completion of the work of closing bund and diversion canal was improbable and pointed towards doubtful utilisation of pumps rendering the expenditure of ₹57.30 lakh towards dewatering, fictitious.

## **Public Works Department**

### **2.4.2 Fictitious expenditure**

**Executive Engineer (EE) PWD (Roads), Barpathar Road Division, Silonijan, executed the same items of work in the same chainages simultaneously under two different approved works rendering earlier work in same chainage doubtful and expenditure (₹27.89 lakh) fictitious.**

The work “Improvement of Diphu-Dillai-Sarihajan (DDS) Road from chainage 23,145 m to 26,075 m” was administratively approved (November 2007) at a cost of ₹120 lakh by the Deputy Commissioner, Karbi Anglong, Diphu under Rastriya Sam Vikash Yojana (RSVY). The work included widening of existing road from single lane (6.00 m) to intermediate lane (9.25 m) and enhancement of hard crust from 3.75 m to 5.50 m. Technical Sanction (TS) to the work was accorded (November 2007) by the Additional Chief Engineer, PWD (R&B), Hills, Diphu for the same amount. The work was awarded (December 2007) to six contractors in six groups for execution of different chainages at a total tender value of ₹115.38 lakh with the stipulation to complete all the items of work within three months from the date of issue of work orders. The work commenced on 5 December 2007 and was completed on 10 November 2010 by incurring an expenditure of ₹112.23 lakh against the different items<sup>66</sup> of work.

Scrutiny (March 2011) of the records of EE, PWD, Barpathar Road Division, Silonijan disclosed that while the above work under RSVY was in progress, another work on the same road “Improvement of DDS Road” on the same chainage (21,000 m to 30,000 m) was administratively approved (January 2008) at a cost of ₹84.38 lakh by the Secretary, PWD, Karbi Anglong Autonomous Council to be funded under Additional Central Assistance (ACA). TS was accorded by Additional Chief Engineer for the same amount. The work under ACA was divided into eight groups and awarded (January 2008) to eight contractors. The work commenced on

<sup>66</sup> Scarifying the existing road, Construction of embankment, Construction of earthen shoulder, Construction of Granular Sub Base (GSB), Water Bound Macadam (WBM)-II, WBM-III, Premix Carpeting, Seal coat and RCC Hume pipe culvert.

16 January 2008 and was completed on 31 August 2008 after incurring an expenditure of ₹81.86 lakh. Detailed scrutiny of measurement books and correspondences<sup>67</sup> revealed that though seal coat item, i.e. the final finishing coat of work related to chainage from 23,145 m to 26,075 m was completed under ACA on 31 August 2008, the following items of works were in progress under RSVY in the same chainage:

Chainage	Date of measurement of final item i.e. seal coat under ACA (as per MB)	Date of measurement of items of work under RSVY (as per MB)
23,145-23,645	23,145-23,400 on 20.02.08 (MB No.1120, P/12) and 23,400-23,645 on 03.04.08 (MB No.1120, P/40)	Scarifying on 01.08.08 (MB No.1090, P/87)
23,645-24,145	23,645-24,145 on 03.04.08 (MB No.1120, P/40)	Embankment on 13.01.08 (MB No.1010, P/175), Earthen shoulder on 17.01.08 (MB No.1010, P/177), GSB on 16.09.08 (MB No.1010, P/185)
24,145-24,645	24,145-24,500 on 03.04.08 (MB No.1120, P/40) and 24,500-24,645 on 01.04.08 (MB No.1119, P/12)	WBM-II on 27.01.08 and 11.03.08 (MB No.1085, P/97 & 122), WBM-III on 11.04.08 (MB No.1085 on P/129)
24,645-25,145	24,645-25,145 on 01.04.08 (MB No.1119, P/12)	Scarifying on 02.06.08 (MB No.1090, P/59)
25,145-25,645	25,145-25,600 on 01.04.08 (MB No.1119, P/12) and 25,600-25,645 on 01.05.08 (MB No.1119, P/28)	Scarifying on 02.04.08 (MB No.1090, P/40), Embankment on 12.04.08 (MB No.1119, P/47)
25,645-26,075	25,645-26,075 on 01.05.08 (MB No.1119, P/28)	WBM-III on 27.02.08 and 04.07.08 (MB No.1085, P/115 and 130)

While the final finishing coat (Seal Coat) had already been completed (August 2008) in the chainage 23,145 m to 26,075 m against the work under ACA, it is not clear how initial works like scarifying, embankment, earthen shoulder, WBM-II and III works were in progress under RSVY scheme in the same chainage. Thus, genuineness of the work executed under ACA in the said chainages was doubtful and point towards fictitious payment of ₹27.89 lakh (*Appendix – 2.21*) made to the contractors for the corresponding portion of work.

The matter was reported to Government (June 2012) as well as Karbi Anglong Autonomous Council (November 2012); their reply had not been received (November 2012).

### 2.4.3 Loss due to fraudulent bank guarantee

**Failure to confirm the authenticity of the Bank Guarantee by exercising necessary checks by the Executive Engineer, Dhemaji State Road Division before allowing advance payments to a contractor led to loss of Government money to the tune of ₹30 lakh.**

The Chief Engineer (CE), Public Works Department (Roads), Assam entered into an agreement (August 2007) with a contractor for “Construction of road from (i) Chawkham gaon to Borakpuri via Majgaon and (ii) Bengnagora to Deogharia

<sup>67</sup> No. 47, 49, 51 and 53 dated 20.05.2009.

including cross drainage works and routine maintenance of works for five years” under Prime Minister’s Gram Sadak Yojana (PMGSY) at a tendered value of ₹3.78 crore with the stipulation that the work be completed within May 2008. The terms of contract *inter-alia* provided for payment of mobilization advance up to 5 *per cent* and equipment advance up to 90 *per cent* of the cost of new equipment brought to the site subject to a maximum of 10 *per cent* of the contract price excluding the contract price of routine maintenance. Subsequently, the tender value was enhanced to ₹4.17 crore due to increase in the scope of work. The contractor started the work in August 2007 and as of November 2012 an expenditure of ₹1.92 crore was incurred on the works with a physical progress of 56 *per cent*.

Scrutiny of records (April-May 2011) of the Executive Engineer (EE), State Road Division, Dhemaji, revealed that, out of the expenditure of ₹1.92 crore, an amount of ₹54 lakh was paid (December 2007) to the contractor towards Mobilisation Advance (₹18 lakh) and Equipment Advance (₹36 lakh). The advances were paid to the contractor against Bank Guarantees of equal amount submitted by the contractor that would remain valid up to November 2009. The progress of work was, however, very slow. EE extended the targeted schedule of completion of works till March 2009, without citing any reasons. EE had noticed (November 2008) that the construction of road from Chawkham gaon to Borakpuri via Majgaon was not done as per the estimated profile in the 1<sup>st</sup> km and watering and compaction was also not adequate. Meanwhile, an amount of ₹24 lakh was adjusted from the bills paid to the contractor from time to time out of the advance of ₹54 lakh. As the contractor had failed to execute the work within the extended time of completion, the work was rescinded (June 2009) and a penalty of ₹42 lakh imposed as liquidated damages. In order to recover the balance amount of advance paid of ₹30 lakh (₹54 lakh - ₹24 lakh), EE approached (July 2009) the Guarantor Bank to withhold the amount lying at the credit of the contractor. The Bank, however, intimated (July 2009) that it had issued no Bank Guarantee to the contractor. The Chief Engineer observed (October 2009) that the EE should have confirmed authenticity of the Bank Guarantees before certifying payments to the contractor.

Thus, failure to confirm the authenticity of the Bank Guarantee by exercising necessary checks before allowing advance payments by EE not only led to a loss of ₹30 lakh but also conferred an undue financial benefit on the contractor, whose work was rescinded.

On this being pointed out in audit, the Commissioner and Special Secretary to the Government of Assam stated (July 2012) that in order to recover the outstanding amount of ₹30 lakh, all the divisions had been requested (November 2010) to recover the outstanding amount of ₹30 lakh from running contracts of the contractor, if any. But this had not been materialized and recovery is yet to be made. An FIR had also been lodged (August 2010) at Dhemaji Police Station.

The reply does not dispute the fact that authenticity of the bank guarantee was not checked by the Executive Engineer to ascertain its genuineness before paying advance. As a result, an amount of ₹30 lakh could not be recovered till date (November 2012).

## Veterinary Department

### 2.4.4 Suspected misappropriation

#### **Shortage of ₹2.59 lakh in DDO's bank account with reference to cash book balance as on date (11 November 2009) and failure of the Department to furnish the details pointed to suspected misappropriation.**

According to Rule 13 of Receipt and Payment Rules 1983, Head of office should verify cash balance in the cash book and record a signed and dated certificate to that effect. Further, in case of handing over and taking over charge, details of cash balance should be specifically recorded in the cash book with due signature of both the officers.

Scrutiny (January 2010) of cash book and related records of Assistant Dairy Development Officer (ADDO), Town Milk Supply Scheme (TMSS), Manja, Karbi Anglong, Diphu revealed that there was balance of ₹2.60 lakh (undeposited VAT: ₹1.22 lakh, unpaid supplier's bill: ₹1.12 lakh and cash at bank: ₹0.26 lakh) as on 11 November 2009. Period of drawal of above fund could not be ascertained from the cash book as analysis of closing balance was not available on record. Physical verification of the cash balance with analysis and due authentication by the DDO concerned was also not recorded in the cash book. Verification of bank statement for the period from 01 October 2009 to 16 November 2009 of DDO's bank account (SBI, Manja branch; account No. 11865770510), however, disclosed that only ₹1,484 was lying in the bank account against the cash book balance of ₹2.60 lakh. Whereabouts of balance ₹2.59 lakh (₹2.60 lakh - ₹0.01 lakh) was not available on record.

Scrutiny further revealed that the current incumbent took over charge unilaterally on 11 November 2009 and reported (December 2009) to Joint Secretary, Veterinary and Dairy Development, Karbi Anglong Autonomous Council (KAAC), Diphu that his predecessor had not handed over charge of cash book and accounts and cash balance of cash book did not tally with the balance lying in DDO's bank account. In reply to an audit query, the ADDO (current incumbent) stated (December 2011) that the matter was investigated by council authority. The investigation report was awaited (December 2011).

Thus, ₹2.59 lakh was suspected to be misappropriated as there was shortage of ₹2.59 lakh in DDO's bank account with reference to cash book balance as on date (11 November 2009) and the Department failed to furnish its whereabouts/justification therefor.

In reply, while admitting the misappropriation of Government money pointed out by audit, GOA stated that KAAC asked (July 2012) the defaulting ADDO<sup>68</sup> to deposit the misappropriated amount of ₹2.59 lakh into the account of ADDO, TMSS, Manja, Karbi Anglong, Diphu. Details of actual recovery, if any, are, however, awaited.

## 2.5 Excess payment/Wasteful/Infructuous expenditure

### Irrigation Department

#### 2.5.1 Extra Expenditure

**Executive Engineer Guwahati West Division (Irrigation) incurred extra expenditure of ₹1.89 crore in implementation of Flow Irrigation Schemes (FIS) by injudicious inclusion of overhead charges in the estimates.**

The State Government, Irrigation Department accorded (November-December 2009) Administrative Approval (AA) to implement three Flow Irrigation Schemes (FIS)<sup>69</sup> namely (i) Medhipara (ii) Baruapathar and (iii) Nampathar at a total cost of ₹52.31 crore. For implementation of 4<sup>th</sup> FIS, viz., Dhankunda FIS, AA was accorded (January 2011) for ₹4.85 crore which was technically sanctioned (February 2011) for ₹4.33 crore. The 4<sup>th</sup> work was awarded (February 2011) to a contractor at a tendered value of ₹4.22 crore with the stipulation to complete the work within February 2013. As of March 2012, an expenditure of ₹1.62 crore was incurred on the work with a physical progress of 50 per cent.

Scrutiny of records (December 2011) of the Executive Engineer (EE), Guwahati West Division (Irrigation) revealed that, as per Schedule of Rates (SOR) 2006-07 for Minor Irrigation Scheme (Civil Works) of the Irrigation Department, five to 10 per cent premium on the item rates of construction materials in Dhemaji and Majuli Sub-divisions as well as in the N.C. Hills District may be allowed for probable extra costs involved due to the remoteness of these places, difficulties in transportation and considering the general dearth of skilled labour.

Further, comparison of the rate computed in the estimates for implementation of (i) Medhipara FIS, (ii) Baruapathar FIS, (iii) Nampathar FIS and (iv) Dhankunda FIS

<sup>68</sup> Dr. Mubiur Rahman, RDEO, Intensive Cattle Development Project, Manja, Karbi Anglong, Diphu.

<sup>69</sup>

1.	Name of the scheme	Const. of Medhipara FIS (A)	Const. of Baruapathar FIS (B)	Const. of Nampathar FIS (C)
2.	A.A. No. and date	IGN(W)/292/2009/39 dated 26.11.2009 for ₹19.40 crore	IGN(W)/244/2009/58 dated 17.12.2009 for ₹16.25 crore	IGN(W)/243/2009/37 dated 18.12.2009 for ₹16.66 crore
3.	Tech. Sanction No., date and amount	Part-I : DDMI/TB-8/1470/ 2009/2 dated 21.12.2009 for ₹10.98 crore Part-II DDMI/TB-8/1470/2009/8 dated 31.12.10 for ₹1.38 crore	Part-I : DDMI/TB-8/1469/ 2009/2 dated 21.12.2009 for ₹11.43 crore Part-II : DDMI/TB-8/1469/ 2009/4 dated 10.01.2011 for ₹1.05 crore	Part-I : DDMI/TB-8/1468/ 2009/2 dated 21.12.2009 for ₹14.71 crore
4.	Tendered Amount	₹10.54 crore	Part-I : ₹10.67 crore	₹14.48 crore
5.	Work order No. and date	DDMI/T/30/2009/277 dated 19.02.2010	DDMI/T/30/2009/281 dated 19.02.2010	DDMI/T/30/2009/256 dated 15.02.2010
6.	Target Date of Completion	2 (two) working seasons	2 (two) working seasons	2 (two) working seasons
7.	Physical progress	90 per cent	95 per cent	90 per cent
8.	Upto date expenditure (March 2012)	₹9.13 crore	₹8.13 crore	₹12.58 crore

revealed that 10 *per cent* overhead charges on the item rates were included in the estimates in the cases of first three FIS though these places were not covered by the remoteness clause of the SOR. Tender agreement was also executed on the computed rates. However, the item rates computed in the estimate of (iv) Dhankunda FIS which was taken up at a later date did not include the overhead charges of 10 *per cent* although the nature and item of works were similar in all the four cases. Moreover, the work for implementation of FIS at (i), (ii) and (iii) were awarded to the contractors in February 2010 whereas in case of FIS at (iv), work was awarded to the contractor on a later date, in February 2011. In all the four cases, the stipulated time of completion of work was two working seasons i.e., two years. As of March 2012, physical progress of the three works at (i), (ii) and (iii) was 90 *per cent*, 95 *per cent* and 90 *per cent* respectively.

In reply, the Divisional Officer stated (December 2011) that, 10 *per cent* overhead charge on the item rates was included in view of longer period needed for completion of works and also to accommodate probable price escalation. The reply was not tenable as the stipulated period of completion was the same for all the four works (2 working seasons) and department is required to impose penalty rather than giving extra benefits to the contractor for failure to complete the works within the prescribed time. Besides, work of implementation of the FIS at Dhankunda FIS was awarded at lower rates on a later date after work orders for implementation of FIS at (i), (ii) and (iii) were awarded at higher rates and probability of price escalation of items is usually higher on works executed later.

Further, the Secretary, Irrigation Department stated (June 2012) that 10 *per cent* overhead charge on labour component only was allowed in the three FIS due to its large volume of work and to enable the contractors to complete the work in time, whereas in the case of 4<sup>th</sup> FIS (Dhankunda) overhead charges were not included as the volume of work was small.

The reply was not tenable as it was against the provisions in the SOR mentioned above which envisages that five to ten *per cent* premium on the item rates of construction materials can only be given in Demaji, Majuli and NC Hills district. Besides, the works were also not completed in time although this was stated to be one of the reasons mentioned in the reply for allowing overhead charges.

Thus, by allowing 10 *per cent* overhead charge on the item rates in the estimates of Medhipara, Baruapathar and Nampathar FIS, beyond the scope of the SOR, the division incurred an extra expenditure of ₹1.89 crore as detailed in *Appendix-2.22*.

## Public Works Department

### 2.5.2 Wasteful Expenditure

**Execution of work prior to assessing the technical feasibility and not taking the protection work into consideration led to wasteful expenditure of ₹1.91 crore.**

State Government accorded (October 2004) administrative approval (AA) of ₹4.61 crore for construction of RCC Bridge No. 5/1 on river Dhansiri at Latukajan-Ferrighat

Road (Marangi Ali) including approaches and protection work under RIDF-IX of NABARD. The work was awarded (December 2004) to a contractor at a tendered value of ₹4.61 crore with the stipulation to complete the work within December 2006. As of December 2011, an expenditure of ₹1.91 crore was incurred with physical progress of 41.38 per cent.

Scrutiny of records (December 2011) of the Executive Engineer PWD, Golaghat State Road Division, Bokakhat, revealed that Technical Sanction (TS) was accorded (February 2007) after more than two years of commencement (7 December 2004) of work and also after stipulated date of completion (December 2006). This was in violation of the condition of AA which envisages that no work should be taken up for execution till technical sanction to detailed working estimate is accorded. However, the work continued without being technically sanctioned, at a very slow pace. Meanwhile, after completion of the well of pier No.1, flood occurred in September 2007 causing erosion around the abutment well No. 1 for lack of protection work. The river eroded 24 to 28 meter of the riverbank bringing the pier inside the river. This necessitated construction of one additional span of 40 meter to bridge the gap to the shifted river bank. Accordingly as per instruction (November 2007) of the Chief Engineer, extension of the Bridge by another span with river training work was decided. A revised estimate of ₹9.18 crore was submitted (June 2008) by the Division but approval to the revised estimate was not accorded. Meanwhile the RIDF-IX tranche was closed (June 2009) by NABARD and further funding of the project became uncertain.



**SHIFT AND TILT OF SUBMERGED PIER NO.1 (26/12/2011)**



**PIER NO. 2 WHERE HEAVY SILTING OCCURRED (26/12/2011)**



**PIER 3 AND 4 (26/12/2011)**



**BRIDGE APPROACH (26/12/2011)**

Physical verification (26 December 2011) of the site revealed that Pier No. 1 was tilted to a large extent and was in a submerged condition. The rods of Pier No. 1 was corroded due to long inundation. Construction of bridge on the same alignment would not be possible due to tilting and shifting of pier beyond permissible limit. This was indicative of the fact that the estimate was framed without proper survey and investigation and study of the river course. Had the protection work of the proposed alignment been undertaken before construction of Pier/Abutment, the erosion could have been avoided.

Thus, execution of work prior to assessing the technical feasibility and not taking the protection work into consideration led to wasteful expenditure of ₹1.91 crore.

In reply, the Government stated (July 2012) that an estimate to complete the balance work of the bridge in the present alignment with additional span of length 40 m and new abutment well in the Khumtai side was sanctioned under RIDF-XVII for 2011-12 for an amount of ₹966.04 lakh. Technical sanction of this balance work with approved drawing and design was, however, not forwarded along with reply and there was no indication that the work had started (July 2012). Besides, possibility of construction of bridge in the same alignment is remote due to abnormal tilting of Pier No.-1 with corroded extension rods, precluding further reinforcement and therefore, the expenditure already incurred (₹1.91 crore) remained wasteful.

## **2.6 Avoidable/unfruitful expenditure/undue favour to contractors**

### **Irrigation Department**

#### **2.6.1 Undue financial benefit**

**Executive Engineer, Mankachar Division (Irrigation), Hatsingimari extended undue financial benefit of ₹66.85 lakh to the contractor in violation of codal provision and the terms of the tender agreement.**

State Government accorded Administrative Approval (AA) (December 1993) of ₹5.26 crore to the work of construction of Kaloo Flow Irrigation Scheme (FIS) under Mankachar Division (Irrigation), Hatsingimari. Technical Sanction (TS) for the headwork was accorded (December 1993) for ₹5.03 crore. No work was, however, executed mainly due to paucity of plan fund. Subsequently, State Government accorded (December 2008) revised AA of ₹29.90 crore to the work under Accelerated Irrigation Benefit Programme (AIBP) after the work was redesigned as per topographical changes which took place between 1993 and 2008. Revised TS was accorded (January 2011) for ₹29.90 crore. However, the work was awarded (April 2008) to a contractor at a tendered value of ₹3.96 crore prior to accordance of approval to revised AA with the stipulation to complete the work within April 2010. The tendered amount was enhanced (January 2012) to ₹29.02 crore without any



retendering. As of June 2012, physical progress of the work was 54 *per cent* after incurring an expenditure of ₹7.77 crore.

Scrutiny of records (March 2012) of the Executive Engineer (EE), Mankachar Division (Irrigation), Hatsingimari revealed that:

(i) The work was awarded (April 2008) to the contractor at the tendered value of ₹3.96 crore at a stage when Government of Assam (GOA) was actively considering redesigning the work and revising the estimates due to topographical changes. Government of India (GOI) approved (July 2008) inclusion of the scheme under AIBP and accordingly, GOA accorded (December 2008) revised AA for ₹29.90 crore and tendered amount was enhanced to ₹29.02 crore (633 *per cent*). Award of work at the proposal stage itself and subsequently enhancing the tendered amount by 633 *per cent* was against standard financial norms and was thus irregular. The Department and GOA were also deprived of the benefit of obtaining competitive rates for the revised and enhanced scope of work based on revised AA.

(ii) In terms of tender agreement, 10 *per cent* of the contract value was to be deposited by the contractor as security deposit; of which two *per cent* as Earnest Money Deposit (EMD) and balance eight *per cent* was to be deducted from the running bills paid to the contractor. Though the contractor had deposited Fixed Deposit Receipt (FDR) of ₹7.92 lakh as EMD against the original tendered amount of ₹3.96 crore, further scrutiny revealed that, on subsequent enhancement of the contract to ₹29.02 crore, the balance amount of ₹50.13 lakh (two *per cent* of ₹29,02,40,323 less ₹7,92,138) was neither deposited by the contractor as EMD nor insisted upon by the division for payment. Further, out of ₹62.16 lakh being eight *per cent* security deposit recoverable from ₹7.77 crore paid to the contractor, FDR of ₹39 lakh only has been deposited by the contractor (March 2012). Thus, security deposit of the balance of ₹23.16 lakh (₹62.16 lakh-₹39 lakh) is yet to be deposited by the contractor.

Thus, apart from awarding the work at the proposal stage itself before it was redesigned and revised, non-recovery of statutory deductions of EMD and security deposit as per the terms of the agreement resulted in extension of undue financial benefits to the contractor.

In reply (October 2012) the Department stated that:

- i) Awarding the work at proposal stage and subsequent enhancing the tender amount was done in the interest of early completion of the scheme.

The reply is not acceptable because the scheme was pending for execution since December 1993. Awarding the contract at project formulation stage and subsequently enhancing it by 633 *per cent* was against the financial norms.

- ii) Regarding recovery of security deposit, the department stated that out of eight *per cent* security deposit to be recovered, an amount of ₹45.44 lakh (₹39 lakh + ₹6.44 lakh in 3<sup>rd</sup> RA) was only recovered leaving a balance of ₹16.72 lakh yet to be recovered from the contractor. However, regarding recovery towards balance of two *per cent* Earnest Money Deposit *i.e.*, ₹50.13 lakh, the department did not furnish any reply.

Thus, undue financial benefit remained at ₹66.85 lakh (₹50.13 lakh + ₹16.72 lakh), extended to the contractor by the department.

## 2.6.2 Undue financial benefit

**Executive Engineer, Guwahati West Division (Irrigation) Guwahati, extended undue financial benefit to the tune of ₹50.26 lakh through short recovery of statutory deductions from the contractors.**

State Government accorded (November 2009-December 2009) Administrative Approval (AA) for implementation of three Flow Irrigation Schemes (FIS)<sup>70</sup> at a total cost of ₹52.31 crore.

As per Assam Value Added Tax (VAT) Act, four *per cent* VAT is leviable on the value of the works executed by the contractor during the relevant period. However, scrutiny of the records (December 2011) of Executive Engineer (EE), Guwahati West Division (Irrigation) Guwahati revealed that (i) the estimates of (a) Medhipara FIS (b) Baruapathar FIS and (c) Nampathar FIS were prepared on the basis of analysed rates wherein five *per cent* VAT was considered in stead of admissible four *per cent* in working out the rates of the items of work. The agreement was made on the same rates and works were executed accordingly by the contractors. Scrutiny of the vouchers, however, revealed that deduction of VAT was made at the rate of four *per cent* from the bills paid to the contractors. Thus, one *per cent* VAT included in the item rates was not deducted from the bills paid which resulted in extension of undue financial benefit of ₹25.13 lakh to the contractors as detailed in **Appendix – 2.23**.

(ii) Assam Building and Other Construction workers Welfare Act 1996 and Assam Rule 2007 thereunder, stipulates that establishments involved in execution of construction works valued ₹10 lakh and above are liable to pay one *per cent* of the total value of construction as Cess to the “Assam Building and Other Construction Workers’ Welfare Board (ABOCWB)”. It was, however, revealed in audit that in the

<sup>70</sup>

1.	Name of the scheme	Const. of Medhipara FIS (A)	Const. of Baruaparhar FIS (B)	Const. of Nampathar FIS (C)
2.	A.A. No. and date	IGN(W)/292/2009/39 dated 26.11.2009 for ₹19.40 crore	IGN(W)/244/2009/58 dated 17.12.2009 for ₹16.25 crore	IGN(W)/243/2009/37 dated 18.12.2009 for ₹16.66 crore

analysed item rates of the estimates of (a) Medhipara FIS (b) Baruapathar FIS and (c) Nampathar FIS, the element of one *per cent* Cess was also considered in working out the rates of the items of work. The agreement was made on the same rates and works were accordingly executed by the contractors. Scrutiny of the vouchers, however, revealed that the corresponding deduction of Cess was not made from the bills paid which resulted in extension of undue financial benefit of ₹25.13 lakh to the contractors as mentioned in the concluding part of **Appendix – 2.23**.

In reply (December 2011), EE stated that four *per cent* VAT as applicable was deducted from the bills and Cess would be deducted. The reply is not tenable since short deduction from the contractors in violation of the agreement was unauthorised and against the interest of the Government.

Thus, unauthorised short deduction from the bills paid to the contractors resulted in extension of undue financial benefit to the tune of ₹50.26 lakh (₹25.13 lakh + ₹25.13 lakh), besides depriving the Government and the ABOCWB of the corresponding revenues/income.

Government accepted the lapses and stated (August 2012) that one *per cent* VAT and one *per cent* Cess on the value of works already paid to the contractor would be deducted from the final bill due to the contractors. However, the recoveries were yet to be effected (November 2012).

## **Public Works Department**

### **2.6.3 Unfruitful Expenditure**

**Deviation in the tender notice and agreement from the approved estimate sanctioned by Government of India led to an unfruitful expenditure of ₹2.10 crore incurred on incomplete and sub-standard bridges.**

State Government accorded (February 2005) administrative approval (AA) of ₹2.34 crore for the work 'Construction of RCC Bridge No. 4/3, 10/2 & 14/1 on Pengree Philobari Road' with approaches and protection work under the scheme of Non-lapsable Central Pool of Resources (NLCPR). The broad objective of the scheme was to ensure speedy development of infrastructure in the North Eastern Region. In accordance with NLCPR guidelines, prior approval of Ministry of Development of North Eastern Region (M/o DoNER) was required for any change made in the approved specification of the project and any project which could not be completed within target date {as given in Detailed Project Report (DPR) by the State Government} with six months extension, would be closed for funding by M/o DoNER and the State Government would be responsible for completion of the balance work from its own resources. The work was awarded (May 2005) to a contractor at a tendered value of ₹2.45 crore with the stipulation to complete the work within May 2007. Technical Sanction was accorded only in July 2007 for ₹2.34 crore. The

work started in May 2005 and as of April 2011 an expenditure of ₹2.10 crore was incurred with a physical progress of 63.10 *per cent*.

Scrutiny of records (May 2011) of the Executive Engineer (EE), Tinsukia State Road Division revealed that according to the approved DPR, the alignment of the bridges with well foundation was on the existing road alignment and the bridges were sanctioned with provision of subways. The provision of 'subway' was not included in Bill of Quantities (BOQ) of Detailed Tender Notice {subsequently converted to Agreement by the Chief Engineer (CE)}. Owing to absence of provision for construction of subway in Agreement, the EE changed the alignment of bridge No. 4/3 and 14/1 and the existing SPT bridges were kept as subway bridge. In course of execution of work, the diameter of the wells of bridge No.4/3 and 14/1 as well as foundation depth of both the bridges were also increased with the approval of the CE. No reason for requirement of such changes in deviation of the original approved DPR was available on record. As a result, the cost of whole work increased and a revised estimate amounting to ₹2.80 crore submitted for completion of whole work was yet to be approved. Comparison of the revised estimate with that originally approved by Government of India disclosed that:

- The estimate of the bridge proper was increased by 55.80 *per cent*;
- Estimate of approaches was reduced by 66.26 *per cent*;
- Protection work was totally discarded in the revised estimate.

Reasons for increasing the estimates of bridge proper were not furnished. Drastic reduction in the estimate of approaches and absence of protection work rendered the bridge work sub-standard. Besides, approval of the M/o DoNER for changes in approved specification, delay in completion and cost escalation was not obtained. Meanwhile, the contractor was paid ₹2.10 crore for the portion of work done as per revised estimates and the balance incomplete work was also proposed to be taken up as and when funds would be available.

Physical verification (10 May 2011) of the bridge site revealed that bridge No. 10/2 and 14/1 were constructed without any protection work. The progress of bridge No. 4/3 was much less and no construction activity or workers' camp was noticed in the entire site of the bridges.



**BRIDGE NO. 10/2 (10/05/2011)**



**BRIDGE NO. 14/1 (10/05/2011)**



**BRIDGE NO. 4/3 (10/05/2011)**

In reply (May 2011), the EE stated that the work would be taken up after obtaining funds from other sources. The reply is not tenable as there is no certainty about sanction of funds by State Government for the same project from other sources.

In a further reply (June 2012), the Commissioner and Spl. Secretary, PWD (Roads), Government of Assam, stated that bridge Nos 10/2 and 14/1 have already been completed and opened for vehicular traffic and progress in respect of bridge No. 4/3 was 29 per cent till March 2012. Scrutiny of the revised estimate (₹2.05 crore) of balance work proposed to be taken up in 2012-13, sent along with reply revealed that there was provision for construction of approaches and protection work in respect of bridge No. 10/2 and 14/1 amounting to ₹37.92 lakh and ₹9.08 lakh respectively. Evidently, contention of the Department that bridges 10/2 and 14/1 have been made operational for vehicular traffic appeared to be inconsistent. Thus, all three bridges were yet to be completed and expenditure of ₹2.10 crore so far incurred remained unfruitful.

## Public Works and Education Department

### 2.6.4 Unfruitful expenditure

**There was an unfruitful expenditure of ₹3.26 crore towards construction of Polytechnic building at Diphu as the building was not put to use by Education Department for the intended purpose even after a lapse of four years of construction.**

Government of Assam (GOA), Education Department accorded (March 1989) administrative approval (AA) for construction of Polytechnic Building<sup>71</sup> at Diphu at a cost of ₹1.74 crore. Technical sanction of the work was not available on record.

Scrutiny (October 2010) of records of Executive Engineer, PWD Building Division, Diphu and further information collected (December 2011) from the Division revealed that the work was divided into several parts and allotted to seven different contractors between October 1990 and September 1994 with the stipulation to complete the same between April 1991 to March 1996. None of the parts of the work was completed within the stipulated period and the AA was revised (March 1999) to ₹3.03 crore owing to increase in price of materials and wages of labourers.

Scrutiny further revealed that the contractors stopped work during last part of 2000 due to non-availability of construction materials and paucity of fund. Around this time, the incomplete building was occupied by Army personnel. After vacation of the building by Army, the building was completed (July 2007) at a cost of ₹2.73 crore. A further expenditure towards renovation work was also incurred for ₹0.53 crore and the building was inaugurated (August 2007) by honorable Education Minister, GOA. The building was, however, yet to be utilized (June 2012) for conducting classes of polytechnic.

On this being pointed out in audit, Joint Secretary, Higher Education (Technical) Department, GOA stated (June 2012) that further renovation work of the polytechnic building is going on and the polytechnic classes will be conducted in the building after completion of the renovation work. The reply only reaffirmed the fact that the expenditure remained unfruitful till date (July 2012).

Thus, there was an unfruitful expenditure of ₹3.26 crore (₹2.73 crore + ₹0.53 crore) towards construction of Polytechnic building at Diphu as the building could not be put to use by Education Department for the intended purpose even after a lapse of four years of construction.

<sup>71</sup>(i) Main building, (ii) Multipurpose building, (iii) Rest house, (iv) Work shop and store, (v) Physics, chemistry building and amenities centre, (vi) Approach road, (vii) Water supply, (viii) LT line, (ix) External electrification, (x) Acoustics treatment, (xi) Iron Gate etc.

## **Tourism Department**

### **2.6.5 Unfruitful expenditure**

#### **Poor planning and injudicious decision of the Department to construct cafeteria in isolation before finalization of DPR and construction of the tourist complex led to unfruitful expenditure of ₹79.95 lakh.**

With a view to encourage tourism and to promote unique ethnic cultural treasure of Karbi Anglong district, Karbi Anglong Autonomous Council (KAAC), Diphu had decided to construct “Havarpi Tourist Complex (HTC)” in the district. The main objective of HTC was to develop the tourist spot with all modern facilities viz., tourist lodge, indoor and outdoor recreation park, artificial lake with boating and water game facilities, cafeteria etc.

KAAC had selected the site for the tourist complex at the outskirts of Diphu town and allotted land measuring 92 bighas to the Tourist Information Officer (TIO), Diphu for construction of all the buildings and other amenities as above but without conducting any feasibility study. KAAC, without preparing Detailed Project Report (DPR) for the entire complex, accorded (January 2000) isolated administrative approval for the construction of the cafeteria building only, which is only a part of the complex, for ₹70.09 lakh. Reasons for construction of lone cafeteria building instead of the entire tourist complex after preparation of DPR, were not on record. The TIO issued (September 1998) formal work order to a contractor for construction of cafeteria building at an estimated cost of ₹31.77 lakh which was subsequently revised (February 2000) to ₹64.31 lakh for increase in scope of work, with the stipulation to complete the work by March 2000. Technical sanction of the estimate was not found on record.

Scrutiny (January-February 2012) of the records of TIO, Diphu and further information collected revealed that civil works for construction of cafeteria were completed at a cost of ₹73.45 lakh in June 2002 without providing water and electricity facilities in the building. Payments were made to the contractor between December 1998 and February 2009. The cafeteria constructed arbitrarily in isolation could not be made functional even after 10 years of its construction due to remoteness of the place, non-availability of electricity and water, bad road condition, security problem and also non-development of tourist complex with all amenities for lodging and recreation facilities.

Scrutiny further revealed that with the passage of time the condition of the building deteriorated and the TIO had to spend (March 2006) ₹6.50 lakh departmentally for repair and renovation of the cafeteria building.

As per the reply of Deputy Director of Tourism, Diphu forwarded (August 2012) by Secretary, Tourism Department, GOA, it is revealed that the Deputy Director while accepting the audit observation stated (June 2012) that the project was not made operational due to law and order situation and is awaiting return to normalcy.

Thus, poor planning and injudicious decision of the Department to construct cafeteria, in isolation before finalization of DPR and construction of entire tourist complex, led to unfruitful expenditure of ₹79.95 lakh (₹73.45 lakh + ₹6.50 lakh), in addition to recurring expenditure towards watch and ward of the building.

## **2.7 Idle investment/blocking of funds/delays in commissioning of equipment/diversion/misutilisation of funds etc.**

### **Public Works Department**

#### **2.7.1 Unproductive expenditure on bridge work**

**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.**

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 contractor<sup>72</sup> 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 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 contractor<sup>73</sup> 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.

<sup>72</sup> Rajen Borah, Howraghat, Karbi Anglong.

<sup>73</sup> 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).

### **2.7.2 Unproductive expenditure**

#### **Construction of bridge proper without adequate survey and proper planning for approaches to the bridge, rendered the expenditure of ₹76.59 lakh, unproductive.**

Government of Assam (GOA) accorded (September 2004) administrative approval to the work of Construction of RCC Bridge No. 4/3 on Jengoni—Khatojan Road including approach and protection works under RIDF-IX of NABARD for ₹77.61 lakh. The objective was to provide better mobility to vehicular traffic and boost the socio-economic condition of local people. Technical sanction was accorded (August 2005) for the same amount. The work was awarded (November 2004) to a contractor at a tendered value of ₹77.32 lakh with the stipulation to complete the work within 18 months. The contractor could only complete work relating to bridge proper (January 2007) at an expenditure of ₹70.28 lakh and did not take up the work of approach road to the bridge and protection work and the work was finally rescinded (March 2008).

Scrutiny of records (April-May 2011) of the Executive Engineer (EE), Tinsukia Rural Road Division revealed that, after preliminary survey and investigation, the work commenced in November 2004. After completion of the work relating to the bridge proper (January 2007), the work of approach road to the bridge was not taken up by the contractor as required land on either side of both the approaches to the bridge was not made available by EE. To make the bridge traffic worthy for light motor vehicle and pedestrian, the Chief Engineer instructed (August 2008) that an earthen ramp with gravel spreading be constructed instead of proper approach and protection work as envisaged in the technically sanctioned estimate. Accordingly, the balance work with a provision of purely temporary earthen ramps was approved (date not available) by the Chief Engineer. The work was awarded (12 September 2008) to another contractor and the same was completed (29 December 2008) at an expenditure of ₹6.31 lakh. The bridge was opened to vehicular traffic on 29 December 2008.

Physical verification (May 2011) during audit revealed that, the very narrow earthen ramp constructed was not wide enough even for a bicycle rider to cross the bridge.



**BRIDGE NO. 4/3 ON JENGONI KHETOJAN ROAD (01/05/2011)**



**APPROACH ROAD TO BRIDGE NO. 4/3 ON JENGONI KHETOJAN ROAD (01/05/2011)**

In reply, the Government also admitted (July 2012) that approaches to the bridge could not be taken up due to land problem and assured that it would be completed during 2012-13 by taking up the balance work from other schemes.

The reply reaffirms the fact that until such time, the expenditure on bridge proper (₹76.59 lakh) would, however, remain unproductive.

Thus, construction of the bridge proper without adequate survey and proper planning for approaches rendered entire expenditure of ₹76.59 lakh unproductive, since its construction (January 2007).

## CHAPTER-III

### GENERAL SECTOR

#### 3.1 Introduction

The findings based on audit of State Government units under General Sector feature in this chapter.

During 2011-12, against total budget provision of ₹6,299.68 crore, total expenditure of ₹4,532.08 crore was incurred by 11 departments under General Sector. Department-wise details of budget provision and expenditure incurred thereagainst are shown in *Appendix – 3.1*. Moreover, in respect of three more heads of accounts<sup>1</sup>, expenditure of ₹3,130.35 crore was incurred during 2011-12 against the budget provision of ₹2,424.38 crore (*Appendix – 3.2*).

Besides, the Central Government has been transferring a sizeable amount of funds directly to the implementing agencies of the State Government for implementation of flagship programmes of the Central Government. During 2011-12, out of total release of ₹6,631.69 crore, ₹121.73 crore were directly released to different implementing agencies under General Sector as detailed below.

(Rupees in crore)

Sl. No.	Name of the Department	Name of Implementing Agencies	Fund released
1.	Home	Assam Police Housing Corporation Ltd.	5.04
2.	Information Technology	Electronic Governance (Assam Electronic Development Corporation Ltd.)	23.77
3.	Development of North Eastern Region	North Eastern Areas	92.92
<b>Total</b>			<b>121.73</b>

Source: CPSMS.

#### 3.1.1 Planning and conduct of Audit

The audits were conducted during 2011-12 involving expenditure of ₹2,339.13 crore of the State Government under General Sector. This chapter contains one Performance Audit Report on Information Technology Audit on “Computerisation of Land Records in Assam” of Revenue and Disaster Management Department three Transaction Audit Paragraphs and three General Paragraphs.

The major observations made in audit during 2011-12 under General Sector are discussed in succeeding paragraphs.

<sup>1</sup> (i) 23-Pension and other retirement benefits, (ii) 10-Public Service Commission and (iii) 68-Loans to Government Servant.

## PERFORMANCE AUDIT

### Revenue and Disaster Management Department

#### 3.2 Information Technology Audit on “Computerisation of Land Records in Assam”

*Computerisation of Land Records (CLR) is a project to be implemented continuously in phases over a period of time and updated each year. Functioning of various activities and processes related to the project, their close monitoring and need based timely intervention are of utmost importance for successful implementation of the project.*

*Revenue and Disaster Management Department (R&DMD) introduced (2006-07) “Dharitree” software in the Computerisation of Land Records (CLR). Examination in Audit revealed that R&DMD is yet to fully comply with System Requirement Specification (SRS) of the software. As a result of limitations of the software, database and system designing, cross referencing of data in various fields, detecting of errors/blanks in database, generation of different types of certificates, convertibility of land area into metric unit etc., were not possible to be done through the system. Besides, delays in data entry and completion of training programme hampered the completion of the project in accordance with the specified time schedule. The security system installed was not fool-proof. There were deficiencies in financial management leading to blocking up of funds besides idle and excess expenditure. CLR could not thus be fully operationalised in the entire State even after nine years of taking up the pilot project. Some of the significant findings are highlighted below.*

#### **Highlights**

**Even after nine years of taking up of pilot implementation and five years of rolling out of “Dharitree”, the software had deficiencies like absence of facilities such as unique identification of data, inadequate programme design. As a result, manual interventions were retained creating scope for human errors and even manipulations including lack of validation and security controls.**

{Paragraphs 3.2.9.3 (i), 3.2.9.3(ii), 3.2.9.3 (iii), 3.2.9.3(iv)}

**The absence of vital information relating to names of land owners/tenants, plot number (*dag* number), *khatian* number in case of tenants etc., rendered the data incomplete, unreliable and inconsistent thereby limiting the audit trail.**

{Paragraph 3.2.9.3 (v)}

**Absence of adequate IT security and password policy increased the vulnerability of the project.**

(Paragraph 3.2.9.5)

**Lack of proper IT strategy and policies, non-compliance of SRS, non-involvement of users, lack of physical as well as logical controls hampered the progress of the project.**

{(Paragraphs 3.2.9.1(i), 3.2.9.2 (i), 3.2.9.2 (iv))}

### 3.2.1 Introduction

To overcome inherent problems in the manual system of maintenance and updating of land records, the Government of India (GOI), Ministry of Rural Development (MoRD), Department of Land Resources initiated (1988-89) a cent *per cent* centrally sponsored scheme namely “Computerisation of Land Records” (CLR). Accordingly, the Department of Information Technology with the assistance of National Informatics Centre Services Inc. (NICSI) developed (September 2003) an application software named “*Dharitree*” for the CLR project in Assam at a cost of ₹98.73 lakh (as of March 2011). The first version of ‘*Dharitree*’ software was completed in March 2005 and operationalised as a ‘pilot project’ in Assam’s Sonitpur District in June 2005.

In the light of the experience of the pilot project, the Revenue and Disaster Management (R&DM) Department, Government of Assam (GOA) initiated action for rolling out ‘*Dharitree*’ model across the state of Assam during 2006-07. Section 48<sup>2</sup> of Assam Land and Revenue Regulation, 1886 was accordingly amended to support<sup>3</sup> implementation of ‘*Dharitree*’.

The application software was updated by the NIC with SQL Server 2008 as the back end and Visual Basic 6.00 as the front end tools. It was designed to work on Windows platform. Consequently, hardware and software were installed at each of the 149 Circle Offices, 26 District headquarters (though there are 27 districts, however, in the Baska district hardware and software were not installed as the land records could not be segregated from the Kokrajhar district) and 12 Sub-divisional Offices (Civil).

### 3.2.2 Objectives of CLR project

The objectives of the project were to:

- computerise the mutation/update process of land records, develop updated copies of ownership rights, generate information on tenancy, crop, land revenue, sources of irrigation, natural calamities, transfer of ownership, partition, land acquisition, lease consolidation etc.;
- distribute computerized copies of ‘Records of Rights’ (ROR) along with details of plot boundaries to land owners on demand at a reasonable charge;
- provide comprehensive scrutiny to make land records tamper-proof, which would help reduce litigation and social conflicts, associated with land disputes;

<sup>2</sup> Which *interalia* provides for preparation, maintenance and storage of land records.

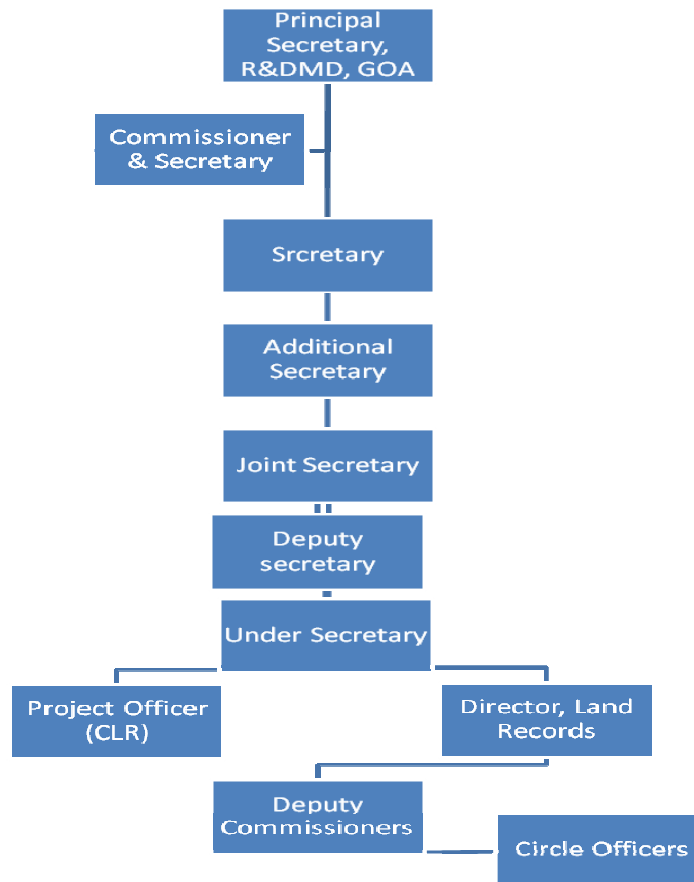
<sup>3</sup> To maintain the land records in electronic forms and to provide computerized copies of Records of Rights to the landowners on demand.

- facilitate easy maintenance and updation of changes which occur in land database such as changes due to availability of irrigation;
- provide the required support for implementation of development programmes for which data about distribution of land holdings is vital;
- facilitate detailed planning for infrastructural as well as environmental development; and
- facilitate a variety of standard and ad-hoc queries on land data.

**3.2.3 Organisational set up**

Principal Secretary, Revenue and Disaster Management (R&DM) Department is the nodal Officer for implementation of the scheme who is assisted by Commissioner and Secretary, Secretary, Additional Secretary, Joint Secretary, Deputy Secretary, Under Secretary and one Project Officer (CLR). The Director of Land Records and Surveys is the head at the Department level. Deputy Commissioner at district level, Sub-divisional Officers (SDO) at sub-divisions and Circle Officers at the circles were the implementing authorities. Organizational set up of the department is given in Chart -1.

**Chart-1**  
**Organisational structure**



### 3.2.4 Audit objectives

Audit was conducted with a view to ascertain whether:

- adequate and proper planning, strategy and policy for the project were in place;
- physical, environmental and logical access controls of the IT systems existed to ensure adequacy and effectiveness of the system;
- ‘Dharitree’, the application software was efficient and effective and was designed to achieve the stated objectives;
- good practices of IT governance along with controls were built in to ensure data integrity, security of data, systems and other IT assets; and
- issuance of ‘Records of Rights’ (RORs) to land holders was accurate and reliable.

### 3.2.5 Audit criteria

The findings of Audit were benchmarked against the provisions of following source of criteria:

- Scheme guidelines of CLR;
- Provisions of Assam Land and Revenue Regulation, 1886 along with its amendments and the Assam Land Records Manual;
- Report of the Committee on State Agrarian Relations and the Unfinished Task in Land Reforms, MoRD, GOI;
- The Assam (Temporarily Settled Areas) Tenancy Act, 1971;
- Report of the Committee on CLR, Department of Land Resources, MoRD, GOI, April 2005;
- The Assam Fixation of Ceiling on Land Holding Act, 1956;
- ROR in Practice and Coding Scheme in Major States published in November 2008 prepared by the Land Records Information’s Systems Division in consultation with Ministry of Communications and Information Technology and National Informatics Centre, New Delhi, GOI; and
- System requirement specification (SRS).

### 3.2.6 Scope of audit

The records of the Director of Land Records and Surveys, Assam, 11 out of 26 district<sup>4</sup> headquarters and the Sonitpur district being the pilot district for the period 2006-07 to 2011-12 (upto June 2011), were test-checked in phases between April-July 2011 and July-August 2012 with special emphasis on ‘Dharitree’ software. The

<sup>4</sup> 1. Bongaigoan (5 circles), 2. Cachar (5 circles), 3. Dhemaji (5 circles), 4. Dibrugarh (7 circles), 5. Kamrup (13 circles), 6. Kamrup (Metro) (4 circles), 7. Karimganj (5 circles), 8. Morigoan (5 circles), 9. Nagoan (10 circles), 10. North Lakhimpur (6 circles), and 11. Sibsagar (6 circles).

districts were selected through Simple Random Sampling Without Replacement Method. Out of total 12 districts, data in respect of eight districts were not available as data entry was in progress as of August 2012. In respect of four districts<sup>5</sup>, data for the period ended in March 2011 of 18 circles out of 33 circles were available during first phase of audit scrutiny while data in respect of Kamrup district having 11 circles were available during second phase of audit scrutiny. Again, the documents relating to various stages of system development life cycle such as feasibility study, user requirements, data flow charts of IT system etc., were not furnished to audit, despite several requests made and as such, the scope of audit was limited to scrutiny of files, records etc., available in the district offices and partial data of the system, i.e., 10 out of 57 tables as provided by the Department for audit.

### **3.2.7 Methodology of audit**

Before taking up the audit, an entry conference was held in March 2011 to discuss the scope and methodology of IT audit wherein the Deputy Secretary, R&DMD represented the Government as well as the Department along with Technical Director, NIC, Assam State unit (the technical support team) and other officers participated. Computer Assisted Audit Techniques (Interactive Data Extraction and Analysis (IDEA)/Structured Query Language (SQL) and MS-ACCESS were used for data extraction and analysis. After conducting the first phase of audit, audit findings and recommendations were reported to the Government/Department in July 2011. The developments made by GOA and R&DMD on the basis of the audit findings and recommendations sent during 2011-12 (first phase) were test-checked in the second phase of audit during July-August 2012. Exit conference was held on 26 November 2012 wherein audit findings, conclusion and recommendations were discussed with Deputy Secretary, R&DMD as well as Technical Director, NIC and other departmental officers and views of the department were suitably incorporated wherever appropriate.

### **3.2.8 Allocation and expenditure**

The scheme was centrally sponsored with cent *per cent* financial assistance from GOI with the conditions that after completion of the project in each district, financial assistance would be stopped and the State Government (GOA) would bear the expenditure required for its continuation and maintenance in future. The GOI provided financial assistance during the years 2005-06 and 2006-07 and thereafter, the department did not receive any assistance from GOI under CLR project as the scheme was merged with “National Land Records Modernisation Programme (NLRMP)” in August 2008. The budget provision and expenditure along with Central assistance received during 2005-11 is shown in Table 1 and such details for the year 2011-12 were not made available to audit by the department despite several requests made in this regard.

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<sup>5</sup> 1) Bongaigoan, 2) Kamrup, 3) Karimganj and 4) Nagoan.

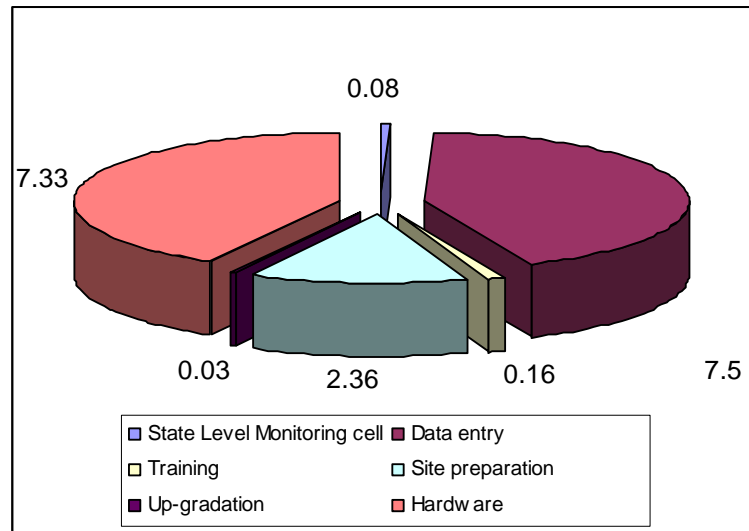


**Table 1**  
**Budget provision and expenditure under CLR Project during 2005-11**  
(in ₹)

Year	Fund allocated	Expenditure	Balance
2005-06	5,42,50,000	Year wise details were not available	
2006-07	11,32,30,000		
2010-11 (State Plan)	5,00,00,000		
<b>Total</b>	<b>21,74,80,000</b>	<b>17,46,39,550</b>	<b>4,28,40,450</b>

Expenditure of ₹ 17.46 crore was incurred during the period 2005-11 against the items indicated in chart 2.

**Chart 2**  
**Item-wise expenditure under CLR Project**  
(₹ in crore)



Though the GOI/GOA allotted ₹10.38 crore<sup>6</sup> in excess of the provisions made in the guidelines, audit observed that due to shortcomings reflected both in the software 'Dharitree' as well as in implementation of the project, objectives were not achieved despite lapse of five years of its introduction as revealed from audit findings discussed in succeeding paragraphs.

### 3.2.9 Audit findings

#### 3.2.9.1 General Controls

General controls are the structure, policies and procedures that apply to an entity's overall computer operations. They include an entity-wide security programme, access

<sup>6</sup> As per Annexure-I of the Revised Guidelines (CLR) from January 2000, the fund allocation was - 26 districts at ₹10.20 lakh and 161 circles at ₹3.80 lakh for site preparation and ₹10 lakh for data entry for each of 26 districts = ₹11.37 crore. Thus, fund allotted (₹21.75 crore) minus fund as provided in the guidelines (₹11.37 crore) = excess allocation (₹10.38 crore).

controls, application development and change controls, segregation of duties, system software controls and service continuity controls. Some of the related issues are discussed below.

**(i) IT strategy and policies**

The R&DMD, GOA initiated the process of computerization in 1993-94; however, no documents in respect of IT strategy were produced to Audit for verification.

Department stated (September 2011) that it followed the strategy for CLR as laid down<sup>7</sup> by GOI. The reply is not tenable as the said GOI letter clearly stated that a careful assessment needed to be made at the State level. No copy of such assessment was produced to audit for scrutiny.

GOA accepted (September 2011) the audit observation and assured that remedial measures would be initiated. Developments made in this regard had not been intimated (August 2012) so far.

**(ii) System/Software Requirement Specifications**

NIC (State office) prepared (January 2004) the System/Software Requirement Specification (SRS) of 'Dharitree' (version 1.0). The last SRS of 'Dharitree' software (version 2.2) with details of its applications, objectives, goals and benefits was released by State NIC in March 2011.

On scrutiny of different aspects of 'Dharitree' including its database, it was observed that some of the major objectives viz., (i) Land owners will get legitimate certificates without delay (ii) The administrators will be benefitted for making a quick planning by simple clicking a few buttons of the system from the desktop of their work etc., of the SRS of 'Dharitree' software (**Appendix-3.3**) were not fulfilled as the requirements were not planned or executed properly and the Department could not reap optimum benefits of preparing SRS. For instance, though SRS provided a scope for only 143 tables in the 'Dharitree' database, there were 160 tables in the database without indicating any reasons therefor.

**(iii) Training**

The Department made a provision for training of 2,000 revenue officials of 181 circles to be completed within 18 weeks (from March 2008 to July 2008). GOA, however, set up (July 2009) a committee under the chairmanship of Principal Secretary, R&DMD for implementation of the training programme after a lapse of one year from the stipulated date of completion.

During test-check of records in 12 selected districts, it was observed that even after a lapse of two years from the date of setting up of the committee, training of staff and officers as envisaged by the Department was not completed as on July 2011. The deficiencies noticed during audit in the software and operational areas indicate that there is a need for making the training mechanism robust and effective. However, the

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<sup>7</sup> vide letter No 3(21)/2002-EGD dated 17-01-2003.

department failed to implement the training programme effectively to reduce/eliminate recurrence of the shortfall to preclude errors while operating the system.

On this being pointed out in audit, the Department stated (September 2011) that around 160 Additional Deputy Commissioners and Circle Officers were trained in eight batches till date. The actual number of revenue officials trained till September 2012 was, however, not furnished, though called for.

**(iv) Non-involvement of users**

The User Requirement Specification (URS) needed to be clearly defined before development and implementation of any system.

URS was not finalized and properly documented by the Department. As a result, it could not be ascertained in audit whether the system designed by the NIC met the users' requirements (*e.g*; types of soil, area of land allotted for religious/socio-economic purposes, area-wise types of crops etc.,) fully or helped in optimizing the benefits of computerisation of land records in the State.

GOA stated (September 2011) that the URS was prepared by the NIC during the pilot project (2003). Department, however, admitted that when the 'Dharitree' model was rolled out throughout the State in 2007, a fresh URS should have been prepared. As it was not done, ultimate version of the software after undergoing several changes was not compatible with the URS prepared for earlier version.

**(v) Segregation of duties**

According to instructions/guidelines for entry of data issued by the R&DM/NIC, the concerned SDO/CO was administrator, Revenue *Kanungo* (RK) and other revenue officials were normal users.

Though the Department instituted a system for proper segregation of duties, deficiencies in compliance of the same was noticed in audit as evidenced by non-monitoring of the data entered by lower level staff, at higher levels and delegation of password of the administrators to the lower level staff for administering the system on their behalf. Also, instances were noticed where *Lot Mondals*<sup>8</sup>, who were below the rank of RK and data operators, were working as administrators against the provisions of guidelines. These cases of non-compliance to the instructions/guidelines issued for the security of data defeated the essence of segregation of duties and thereby nullifying security requirements.

Accepting the audit observation, the department stated (September 2011) that standard operating procedures (SOP) including the roles and responsibilities for Circle Offices had been issued. The reply, however, was silent about the implementation of the SOP for the data entry of land records as per the guidelines issued by the R&DMD/NIC.

<sup>8</sup> An official entrusted maintenance of land records of a group of villages under a Revenue Circle.

**(vi) Delayed and partial implementation of the scheme**

As per the guidelines of GOI, project in a district was required to be completed within a period of three years from the date of release of first instalment of fund (3 October 2006) by the GOI.

It was noticed that despite the above stipulation, the R&DMD had fixed the deadline for completion of the site preparation as 31 August 2009. However, as of June 2011, site preparation of six<sup>9</sup> out of 26 districts was not completed.

It was also observed that data entry of land records database was started in 2009-10. The R&DMD decided to update both *Chitha*<sup>10</sup> and *Jamabandhi*<sup>11</sup> registers in respect of all districts by 30 September 2009. As of June 2011, data entry and its validation in respect of 18 circles of four districts<sup>12</sup> only were completed. On this being pointed out, GOA accepted (September 2011) the observation and assured audit of taking measures to expedite completion of the site preparation.

The position of data entry in respect of remaining 163 Circles as well as the reasons for delays in completion of site preparation and data entry despite fixation of timeline by the Department itself were not intimated to Audit (August 2012), though called for (July 2011, May 2012 and July 2012).

**Recommendation**

**The department should prepare a time bound action plan for timely completion of site preparation with special emphasis on data entry and its cent per cent validation.**

**(vii) Agreement with the software developers**

It was observed that no formal agreement clearly defining the scope of work, time frame for completion etc., was entered into by GOA/R&DMD with NIC. No specific details in this regard indicating the obligations of NIC were documented. Absence of such agreement would lead to uncertainty in fulfillment of obligations as regards the security, timely completion and ownership issues.

Department stated (September 2011) that the technical responsibilities of NIC were as per the framework of the MoU signed by the Planning Commission, NIC and GOA. The reply did not specify whether specific agreement was entered into with the NIC with regards to the CLR project.

**Recommendation**

**Considering the deficiencies pointed out by audit in paragraphs 3.2.9.1 (ii), 3.2.9.1 (iv), 3.2.9.2 (iii), clauses of the MOU need to be revisited by GOA/R&DMD.**

<sup>9</sup> 1. Baksa, 2. Chirang, 3. Karbi Anglong, 4. Kokrajhar, 5. N C Hills and 6. Udalguri.

<sup>10</sup> Contains the detail information of a particular plot of land.

<sup>11</sup> *Jamabandi*: is a document prepared as part of 'record-of-rights' of all persons owning land in a village.

<sup>12</sup> Bongaigaon, Kamrup, Karimganj and Nagaon.

### 3.2.9.2 Physical (Access and Environment) and Logical Controls

#### (i) Physical controls

Physical access controls are specifically aimed at ensuring that only the persons authorised by the management should have physical access to computer systems especially in the server room.

It was observed that no physical control was enforced in 12 test-checked districts. The district authorities could not produce any supporting documents/log book of entry in the server room, setting up of close circuit camera etc.

Again, though the external devices viz., CD drive and floppy drives in the computers at circle offices were disabled, reconnection of the external devices manually exposed the system to the risk of loss/corruption of critical data.

R&DMD, GOA accepted (September 2011) the audit observation and assured that appropriate measures would be taken.

#### Recommendation

**R&DMD should take immediate steps to restrict the physical access to the system by disabling not only all external drives from individual PCs but also resetting the computer system.**

#### (ii) Security of IT assets

According to Rule 192 of Assam Financial Rules, all materials purchased should be entered in stock register as soon as these are received.

It was noticed that no stock register was maintained in support of receipt of IT assets in any of the test-checked districts. Further, records relating to movement of equipment for repair, periodical maintenance and register showing such details etc., were not maintained and system of issue of gate pass was not in practice. Annual physical verification of IT assets was also not carried out after installation of hardware. Absence of these checks exposed the assets to the risk of pilferage/misuse.

On this being pointed out, the Department stated (September 2011) that the observation was noted for future guidance.

#### (iii) Environmental controls

Environmental control is a part of physical access control and prevents or mitigates damage to facilities and interruptions in service. Smoke detectors, fire alarms and extinguishers and uninterruptible power supplies are some examples of environmental controls.

The R&DMD was required to ensure appropriate environment for setting up computer devices. It was observed that fire extinguishers, smoke detectors, electrical warning

and alarm equipment were not installed in any of the test-checked districts/circles. Ventilation and humidity control equipment were also not installed.

It was further observed that the computer centres of 12 test-checked districts were not connected with the generator of the district headquarters resulting in low voltage, fluctuation and requiring re-booting of the machines at times. Though, 364 UPS were procured during June 2009 with six months warranty period, the computers were installed during November 2009, *i.e.*, after expiry of five of the six months warranty period of the UPS. Thus, the Department was denied the benefit of warranty on the UPS as these remained unused for five months.

### **Recommendation**

**Department should initiate steps to create the required/proper environment for computer devices and should ensure optimal utilisation of the available resources.**

GOA accepted (September 2011) the observations and agreed to look into the recommendations made by audit.

#### **(iv) Logical Access controls**

Logical access control through computer hardware and software enables prevention or detection of unauthorised access. For example, users may require to input user identification numbers (ID), passwords, other identifiers or either of them that are linked to predetermined access privileges. Some instances of lapse of security and internal controls are discussed below in the succeeding paragraph:

#### **(v) Resources, files and facilities requiring protection**

It was observed that the R&DMD neither had adequate policy for maintaining IT security nor a well-defined and documented password policy which was evident from the following shortcomings:

##### **(i) Shortcomings attributable to User (Land Revenue Department)**

- More than one administrative user was created in 18 circles test-checked. At the time of transfer/retirement of administrative officer, though the profile for new administrative officer was created, no provision was made to delete the profile of the predecessor automatically after entry of the successor leaving the scope open for possible unauthorized access to the system;
- Details of the user such as user name, address, phone number, etc., were not entered against the User ID. Rather designation in abbreviated form was used as User ID which could hamper identification of user of any particular entry, if such need arises;
- Default password given at the time of installation of the software was being used in most of the Revenue Circles till the date of audit. Even the Administrator's password had not been changed. Possibility of unauthorised access could not therefore, be ruled out; and

- Bio-metric devices were not installed.
- (ii) **Shortcomings attributable to software developer (NIC)**
- Though facility was provided in the application software for changing/updating the passwords by the users themselves, it was not made mandatory; and
  - Encryption of password was not made mandatory which was a violation of primary criterion of logical access control.
- (iii) **Shortcomings of password policy**
- change of user passwords was not made mandatory even after a lapse of 30 days period of validation of password as it was not mentioned specifically in SRS;
  - application had no provision to remove user account in case of transfer, retirement etc., to ensure that unauthorized users could not get access to the system resulting in very high number of idle users;
  - the system did not generate any log to record back-end access and the number of failed login attempts; and
  - there was no mechanism to identify the access of unauthorised persons in computer centre.

### Recommendations

#### R&DMD should take specific steps to ensure that-

- a log of the users as well as check on user accounts are maintained at periodic intervals for removing dormant users;
- the password is encrypted and is mandatorily be changed during first usage and subsequently at prescribed intervals.

GOA accepted (September 2011) the observation and stated that the NIC was directed to ensure that the passwords were further strengthened. GOA also accepted the other recommendation and agreed to look into it.

### 3.2.9.3 Application controls

Application controls are particular to an application and may have a direct impact on the processing of individual transactions. These controls are used to provide assurance that all transactions are valid, authorised, complete and recorded.

The following deficiencies were noticed in application controls.

#### (i) Deficiencies in designing of 'Dharitree' software and its database

- The basis of land records in Assam is *dags* and the *dag* number is the primary field for maintenance of land records. In 92 instances, *dag* number remained

blank or was entered as decimal/special character rendering the database defective. The department in exit conference stated (November 2012) that remedial action would be taken after due verification.

- Start year of possession of a plot/*dag* is not provided by the software, which being an important field in case of litigation. In exit conference, NIC stated (November 2012) that date of mutation was considered as date of possession which, however, would not disclose the actual state of affairs about the plot.
- Unique ID<sup>13</sup> provided nine fields each of character type (with variable length) and as a result, the basic components of unique ID could be changed by changing any of the nine fields including blank/ space values (as blank/spaces are also treated as character). Thus, the ID remained no longer a unique ID rendering the possibilities of data entered unreliable. NIC also admitted (November 2012) that unique ID was of character type and therefore would require to be updated for better performance.
- The software did not capture prescribed land revenues against each *dag* and fees for issue of forms relating to ROR which necessitated avoidable manual reconciliation between ROR issued and revenue collected;
- Permanent Account Number (PAN) was adopted as unique identification for all land owners which may not be applicable to all land owners as many of them may not hold PAN. The software failed to generate essential reports like abstract of total land held by an individual throughout the state;
- The software could not capture the balance area automatically after creation of a new sub-division. The data of the balance areas needed to be entered manually. The system even allowed entry of area more than the original area held. This indicated deficiency in software design. NIC, in reply, stated (November 2012) that the software has already been updated which, however, could not be re-verified in audit.
- Though the software was required to calculate the *dag* revenue and *dag* local tax from the data inputs, the system was designed only to calculate the *dag* local tax while it failed to calculate the *dag* revenue. Consequently, *dag* revenue of ₹4.10 crore and *dag* local tax of ₹89.09 lakh in respect of non-government land measuring 58,82,009 *bigha*, 82,14,593 *katha*, 2,58,13,273.82 *lessa* was entered manually;

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<sup>13</sup> As per sql magazine ([www.sqlmag.com](http://www.sqlmag.com)) the Integer (number) data types are the best choice for primary key, followed by fixed-length character data types. SQL Server processes number data type values faster than character data type values because it converts characters to ASCII equivalent values before processing, which is an extra step. Fixed-length character data types are better than variable-length character data types because SQL Server must decompress variable-length character data before processing the data. This extra step consumes valuable processing power.



- In 4,30,892 and 6,24,919 instances, though land area was not zero, land revenue and local tax were shown as 'zero'. Of these, 2,83,720 and 5,96,842 cases respectively related to non-government land. These indicated that the application software was deficient as it did not provide for cross referencing of data in various fields. The department assured (November 2012) in exit conference to look into the matter.
- The software did not provide for scanning facility of supporting documents like gift/sale deed, will, court order and proof of serving notices, objections etc., which is a major deficiency in the application software. This forced retention of supporting documents as hard copies. On being pointed out, the department accepted (November 2012) the audit observation.

#### Recommendations

- **Provision should be made for inclusion of start year of possession of plot/dag, preloaded village area with a method to check the total land area within the village as soon as a new *pattadar's* land area is entered in the database;**
- **The unique ID should be redefined so as to ensure its uniqueness.**

#### (ii) Deficiencies in Database design

Date and time used in the application database was based on the Operating System's date and time which could be changed by users by simply switching the clock to a future or back date. This was fraught with the risk of inaccurate entry of date denying accuracy in audit trail and generation of RORs. In reply, NIC stated (November 2012) that security was ensured as the control lies with administrator. The reply is not tenable as physical and logical controls exercised were not foolproof (para 3.2.9.2 refers).

#### Recommendation

- **Date and time should be embedded in the application software so that it cannot be changed by the users.**

#### (iii) Lack of System design

The GOI guideline stipulated development of land record application system with four important modules - (i) ROR certified copy module for generating certified copies of ROR, (ii) mutation module for correction of ROR and generation of ROR, (iii) miscellaneous certificate module for generating miscellaneous certificates like residential certificate, caste certificate etc., and (iv) query module for retrieving information as per requirement.

System design of 'Dharitree' provided the scope for generating copies of ROR along with mutation facility but it did not provide the scope of generating certificates like, gender certificate, soil type of a particular village, segregation of types of Government land etc., which led to continuous changes in versions of the software.

The department accepted (November 2012) the observation and stated in exit conference that appropriate action would be taken in this regards.

### **Recommendation**

**GOA should ensure that the above certificates/modules could be embedded within the system software in line with guidelines of GOI and provisions under land laws as applicable within the state of Assam.**

#### **(iv) Absence of system checks**

The following deficiencies were noticed in system checks:

- Rule 95 of Assam Land Records Manual provides that the total *Khiraj*<sup>14</sup> area as recorded in annual and periodic *Jamabandi* should be checked with that of *Chitha* register. However, against a total of 38,61,099 records in *Chitha\_Basic* table, only 23,44,068 records were entered in the *jama\_pattadar* table. Again, in 23,43,664 (99.98 per cent) out of 23,44,068 records, *pattadar's* area was entered as null;
- The individual *pattadar's* land area should not be left blank as it is the vital data for land owner. Out of 1,39,08,009 *pattadars*, though the land area in respect of 1,38,91,366 *pattadars* (99.88 per cent) were entered as null, the system failed to detect the error;
- Failure to ensure data validation through input controls resulted in entering the data manually without checking the correctness and completeness of data. The system allowed mutation of area in excess of the original area held by one *pattadar*;
- Section 4 of the Assam Fixation of Ceiling on Land Holdings Act provides for a ceiling of 150 *bighas* per *pattadar*. It was noticed that the system did not restrict land area of 150 *bighas* against one *pattadar* which is in violation of the said Act. The procedure of endorsing the mutation application for area more than the ceiling limit to higher authority stating 'mutation is pending' was not incorporated in the system. Also, as the system did not have any provision to calculate total land area within the state belonging to an individual owner and the area of surplus land over and above,, the maximum ceiling in respect of a *pattadar* could not be ascertained from the system;

<sup>14</sup> Khiraj is a type of land under state control upon which a tax is paid by those in possession; it describes both the land itself and the tax.

- Though revenue is not payable on Government land, ₹76.27 lakh of *dag* revenue and ₹8.81 lakh as *dag* local tax against Government land measuring 34,25,965 *bigha*, 13,61,456 *katha*, 54,13,984.47 *lessa* were entered manually;
- As per the Assam (Temporarily Settled Areas) Tenancy Act, the tenant acquires right to possess the land after a specific period of creation of tenancy. As the system did not provide details of possession of tenancy, the rights of tenant on the land could not be ascertained;
- As the units of land area in Assam are not uniform, a uniform conversion method is required as suggested by the MORD, GOI. Though the local unit of *dag* area of 12,65,530 number of records (32.78 per cent) against 38,61,099 records was converted to metric unit 'Are'<sup>15</sup>, the conversion was inconsistent in 2,000 cases. This indicated that the conversion was not being generated by the system but was being done manually;
- The system did not allow the land classified in terms of private land, forest land (Government), forest land (Private), community land, land belonging to religious institution, etc., which would hamper estimation/collection of land revenue, at correct rates;
- The system provided for preparation of ROR from *Jamabandi* register. The prime objective of 'Dharitree' was to generate *Jamabandi* automatically from the *chitha*<sup>16</sup>. Matching of the records of *Chitha\_Basic* table and *Chitha\_Dag\_Pattadar* table with that of *Jamabandi* table using common primary fields is required. In *Jamabandi* table, in 23,43,664 instances, the area of *pattadar's* land remained null; in 460 and 719 instances, *pattadar's* names and *pattadar's* father's name respectively remained blank and in 19,27,240 out of 23,44,068 records *pattadar's* address remained blank. Due to such incomplete database, the land owners and others failed to reap the benefits of the software as shown below.

**Comparison of *Chitha\_Basic* table and *Chitha\_Dag\_Pattadar* table with *Jamabandi* table**

Particulars	<i>Chitha_Basic</i> table	<i>Chitha_Dag_Pattadar</i>	<i>Jamabandi</i> table	Audit Comment
Number of the field	Included	Included	Included	--
Name, father's name and residence of the proprietor or settlement-holder	Not included	Not included	Included, but <ul style="list-style-type: none"> <li>• in 460 instances, <i>Pattadar's</i> names remained blank;</li> <li>• in 719 instances, <i>Pattadar's</i> father's name remained blank and</li> <li>• 19,27,240 instances remained blank</li> </ul>	Though 460 records remained blank in case of <i>Pattadar's</i> name, 760 records remained blank in case of <i>Pattadar's</i> Father's name. <i>Pattadar's</i> name is not included in the <i>Jamabandi</i> table

<sup>15</sup> 100 Ares = 1 Hectare= 10,000 sq. m

<sup>16</sup> After a village has been surveyed and demarcated, a draft *chitha* or field index shall be prepared. The *chitha* shall be arranged according to the serial number of the fields in the village.

Particulars	Chitha_Basic table	Chitha_Dag_Pattadar	Jamabandi table	Audit Comment
Area of the field	Included but in 77,946 instances area of land remained null	Included but in 138,91,366 instances area of land remained null	Included, but in 23,43,664 instances, area of land remained null	No. of records having null area in the resultant table (Jamabandi table) is much more than that of the parents tables.
Assessment class or classes and area of each class of land in the field	Not included	Included but remained blank	Included but remained blank	Ready reference of the category of land is not available. As a result, the database is deficient for agricultural/irrigation purposes.
<b>Total Record</b>	<b>38,61,099</b>	<b>1,39,08,009</b>	<b>23,44,068</b>	The number of records in resultant table is much less than that of the parents table

- In 51,963 instances, *patta*<sup>17</sup> number was entered as 'blank' indicating entry of *patta* number was not mandatory in the system;
- In 49,455 instances, though *patta* number was entered as decimals, null, comma, dot, special characters these *pattas* had a *dag* area of 50,573 *bigha*, 1,94,206 *katha*, 8,81,365.54 *lessa*;
- In 2,96,079 instances, '*Patta\_Type\_Code*' remained blank;
- In 63,032 instances of non-Government land having a *dag* area of 98,274 *bigha*, 86,610 *katha*, 4,08,901.38 *lessa*, the *patta* number was entered as 'zero'<sup>18</sup>;
- The '*Dag\_Revenue*' and '*Dag\_Local\_Tax*' in respect of 2,83,720 and 6,24,919 instances respectively remained 'zero' though these were non-government land and the *dag* area was not null;
- In 248 and 147 cases, '*Dag\_Revenue*' and '*Dag\_Local\_Tax*' respectively were not 'zero' though *dag* area was null;
- In 7,473 instances, though land was shown as residential or business type in the land class code column, the same land was also coded with crop code having equal crop area instead of non-crop code. Similarly, in 1,54,606 out of 6,22,208 cases where non-crop area equaled *dag* area, land class should have been either agricultural or horticulture type, the same were also coded under non-crop code;
- 71,89,447 records of six circles contained neither crop code nor non-crop code rendering it difficult to ascertain the class of the land;
- In 23,414 out of 48,004 tenants records, the *khatian*<sup>19</sup> number remained as 'zero';

<sup>17</sup> A document authenticating ownership of land.

<sup>18</sup> In case of Government land, *Patta\_Type\_Code* is "0209", "0212" and "0213" with *patta* number - 'zero'. In case of non-Government land, *patta* number cannot be 'zero'.

<sup>19</sup> A number to identify a tenant under a *pattadar*.

- Though the system provided for entry of details of area of cultivable land, irrigated area, un-irrigated area, source of cultivation, details of assessment and tax collected etc., the same was not updated. Consequently, the Government was deprived of ready availability of vital data useful in decision making.

#### Recommendations

- **Necessary codification in software may be made so as to generate *dag* revenue and *dag* local taxes on the basis of *patta* type code and that of land area (both *dag*-wise and *pattadars*' area-wise);**
- **Control mechanism in the software should be developed to control the entries of *pattadars*' area as provided by the Assam Fixation of Ceiling on Land Holdings Act;**
- **It is ensured to enter the data regarding the period of tenancy, date from which the said land is held by the said tenant etc., to decrease the chances of litigation;**
- **To segregate the land class including land under religious institutions, forest land etc., so that Government could get a clear picture in terms of land holdings as well as revenue collection;**
- **To generate warnings about the blank columns in the *jamabandi* as and when the administrator log into the system.**
- **Entry of *patta* number and *patta\_Type\_Code* may be made mandatory. Further entry should not be entertained by the system without entry of these basic entries;**
- **If *patta\_Type\_Code* is of non-Government type, entry of *patta* number as 'zero' should not be accepted by the system;**
- **On screen boxes for entry of *dag* revenue and *dag* local tax should not appear;**
- **Proper validation control may be set up within the system to cross check the related/interdependent fields.**

GOA accepted (September 2011) the issues raised by audit and assured that recommendations would be examined for their implementation.

#### (v) Deficiencies in data entry

The database of any computerized system has to be correct and complete in all respects. To ensure this, the procedures and controls should guarantee that the data received for processing is genuine, complete, accurate and properly authorised.

During the course of audit, the following deficiencies were noticed in data entry:

- In 77,946 out of 38,61,099 records, *dag* area was not entered;
- In 1,38,91,336 instances out of 1,39,08,009 records involving *dag* area of 1,98,20,803 *bigha*, 1,49,21,349 *katha*, 5,66,17,276.79 *lessa*, the *pattadar's* land area was null;
- In 5,755 instances, name of *pattadar* was entered as special character like zero, dot, asterisk etc; or remained blank;
- In 19,219 instances, *pattadar's* father name was blank;
- In 68,76,757 instances, the columns of *pattadar's* address was blank;
- In 53 instances, tenant's name<sup>20</sup> was blank;
- In 39,640 instances, the tenant's address columns were blank; and
- In 44,209 instances, the tenant's rent was shown as 'zero'.

Thus, though there were data entry errors in the above cases, these could not be detected at subsequent level of validation checks which is indicative of weak validation controls. This also rendered the data and reports extracted therefrom unreliable.

### **Recommendation**

**Data validation mechanism should be revamped by modifying the software so as to ensure detection of invalid data inputs.**

GOA stated (September 2011) that these deficiencies had been noted and necessary action would be taken to address the issues. They further stated that as the software is in developing stage a number of issues were in the pipeline which would be embedded into the system to make it fool proof.

#### **3.2.9.4 Output Controls**

These controls are incorporated to ensure that output of the application software is complete, accurate and correctly distributed.

As per Rule 38 of Assam Land Records Manual, a number of registers/returns like relinquishment register, settlement abstract, register of annulled estate, etc., are required to be prepared by the recorder.

Audit observed that the above mentioned registers/returns were not provided by the application software in the MIS reports generated.

The Department did not furnish any specific reply to the observation.

#### **3.2.9.5 Deficiencies in Information Technology Security**

The Security guidelines<sup>21</sup> on Computerisation of Land Records recommended application of ISO/IEC BS 17799<sup>22</sup> for cyber security standards as this was

<sup>20</sup> As per Rule 80 under the Assam Land and Revenue Regulation, the draft *chitha* should reflect the names of tenant, rent payable along with other particulars as the State Government may direct.

<sup>21</sup> As suggested (April 2005) by the Committee on CLR set up by DLR, MoRD, GOI.

<sup>22</sup> Which prescribed 127 controls to deal with almost all security mechanisms.

internationally recognized security framework. Of the 127 controls, the Committee had short listed 60 controls for ensuring security of land records.

It was noticed that despite above suggestions, the NIC, Assam applied only second level password controls out of the above 60 controls shortlisted. Reduced level of security controls may lead to unauthorized access to the system/database.

#### **Recommendation**

**Steps should be taken to ensure that all the remaining controls are applied to ensure and enhance the security of the project.**

GOA accepted (September 2011) the audit observation and agreed to look into the recommendation.

#### **3.2.9.6 Lack of Business Continuity Plan and Disaster Recovery**

The computerized ROR is the only legal document of land ownership and thus, continuance of the scheme is extremely crucial for the department. According to the guidelines issued by the R&DMD, daily, weekly and monthly back-up was to be taken.

However, it was noticed that no documentation regarding back-up was maintained. Further, R&DMD had neither documented nor tested any Business Continuity Plan (BCP) and did not make any alternative arrangement for continuing the activities in case of disaster and was entirely dependent on NIC for all technical assistance.

#### **Recommendation**

**R&DMD should prepare an alternate effective arrangement to continue the activities in case of disaster and take steps to handle the project independently without delay.**

#### **Other points of interest**

#### **3.2.9.7 Non-utilisation of computers, UPS and other peripherals**

During 2006-08, GOI released ₹17.25 crore for CLR project, of which, the Department procured (June and October 2009) different hardware and software worth ₹7.33 crore<sup>23</sup>. Of these, computers, UPS and other peripherals worth of ₹23.71 lakh were not put to use (September 2011) even after a lapse of 23 months of procurement rendering the entire expenditure unproductive. Besides, warranty of 48 UPS worth ₹10.05 lakh<sup>24</sup> had expired in October 2010 due to non-preparation of 24 sites without being put to use.

The Department accepted (September 2011) that there was delay in installation of hardware and software due to non-availability of basic infrastructure and assured that

<sup>23</sup> Server: ₹ 1.88 crore; desktop: ₹ 1.56 crore; printers: ₹ 0.42 crore; scanner: ₹ 0.38 crore; UPS: ₹ 0.76 crore, software: ₹ 1.86 crore; and miscellaneous charges: ₹ 0.47 crore.

<sup>24</sup> 24 online UPS at ₹ 25,218 each and 24 line interactive UPS at ₹16,659 each.

necessary steps were being taken to resolve these issues. In exit conference, the Project Officer, CLR stated (November 2012) that all the hardware in question had been installed subsequently, however, the same remains to be verified in audit.

#### **3.2.9.8 Blocking of fund**

As envisaged in the Report of Committee on Land Records, the CLR project is an ongoing project with various phases. As per the said report, scanning facility is included in the third phase. However, the State NIC in their SRS (version 2.2 of 'Dharitree') did not specify any requirement of scanner.

Scrutiny, however, revealed that though there was no requirement of scanner in second phase of CLR project, the R&DMD procured (June 2009) 175 scanners at a cost of ₹37.62 lakh (with warranty period of one year) and kept them idle even after elapse of 27 months (September 2011). Thus, injudicious decision of the Department of procurement of 175 scanners without assessing their actual requirement led to blocking of funds amounting to ₹37.62 lakh.

The Department accepted (September 2011) that the requirement of scanners was not identified. However, the department stated (November 2012) in the exit conference that the scanners would be utilised in near future.

#### **3.2.9.9 Unauthorised expenditure and undue benefit to data entry vendor**

According to data entry guidelines of CLR, the district administration would only provide building infrastructure to data entry vendor and the latter would be responsible for additional wiring, networking, furniture and other IT equipments required for data entry.

Scrutiny of the records revealed that, based on the sanction of ₹51.33 lakh accorded (October 2008 and February 2010) by R&DMD, GOA, Deputy Commissioner (DC), Kamrup awarded (January 2009) the work of "data entry of land records<sup>25</sup>" @ ₹3.60 per *dag* to one data entry vendor<sup>26</sup>. Expenditure incurred by DC till 2009-10 amounted to ₹44.22 lakh, of which, DC paid (January 2009) ₹11.67 lakh to the vendor for shipping of 40 desktop PCs, printers etc. Scrutiny further revealed that the DC also paid (May 2010) ₹5.95 lakh to Director, Software Technology Parks of India (STPI), Guwahati for providing computer set, electricity and power back up. Thus, DC, in violation of the relevant provision of CLR guidelines, incurred an unauthorised expenditure of ₹17.62 lakh (₹11.67 lakh + ₹5.95 lakh).

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<sup>25</sup> *Chithas/Hand Jamabandi*, and Updating/ entry of remarks portion of *Jamabandi* of all 11 revenue circles of the district, delivery of village wise *chithas/jamabandi*, correction/validation of data/records as and where necessary, delivery of one manuscript and subsequent village-wise *Chitha/Jamabandi* of all the 11 circles of the district.

<sup>26</sup> M/s Webx Technologies Private Limited, Panbazar, Guwahati.



In the reply furnished by DC and endorsed (November 2012) by the department, it was not specified as to why ₹17.62 lakh was paid to data entry vendor and Director, STPI beyond the scope of CLR guideline and hence the reply is not tenable.

### **3.2.9.10 Conclusion**

Audit of CLR project revealed a number of deficiencies in the project as well in the software which, if addressed, could help the Department and GOA in streamlining the activities and processes by ensuring smooth implementation of the project. These are enumerated below.

The Department is yet to fully comply with the objectives of the SRS of the “Dharitree” software because of inherent deficiencies in the software itself. Due to the deficiencies in the software, database and system designing, there were gaps in areas such as absence of a system for cross referencing of data in various fields, allowance of system to enter data manually, non-generation of certificates etc. Lack of proper system checks led to non-detection of errors/blanks in the database, allowance of mutation of area more than original area held by a land owner, non-generation of conversion of area by the system. There was absence of a well defined strategy for guiding various activities of the project coupled with delay in data entry and completion of the training programme which may hamper time-bound implementation of the project. Physical and logical controls were weak as evidenced by re-connection of external hard drives, absence of fire extinguishers, smoke detectors, power back up, non-installation of bio-metric devices, non-encryption of passwords, creation of more than one administrative users etc. Absence of documentation regarding back-up and a fool proof business continuity plan may hamper continuance of the activities in case of a disaster. Deficiencies in data entry, validation checks and non-generation of reports/returns had weakened the application controls. IT security upto the desired levels and proper password policy remained to be achieved. As regards the financial implication, cases of injudicious, idle and unauthorised expenditure were noticed which the GOA would need to examine for taking remedial measures.

### **3.2.9.11 Summary of recommendations**

GOA/R&DMD may consider implementing the recommendations included under respective paragraphs of this Report with special emphasis on the following, to derive optimum benefit of the CLR project by:

- Considering the deficiencies pointed out by audit in paragraphs 3.2.9.1 (ii), 3.2.9.1 (iv), 3.2.9.2 (iii), clauses of the MOU need to be revisited by GOA/R&DMD.
- Restricting the physical access of the system by disabling not only all external drives from individual PCs but also resetting of computer system.

- Setting up of a proper environment for computer devices and by utilizing the available resources.
- Devising a system to keep a log on the users as well as check user accounts at periodic intervals to remove dormant users.
- Making encryption and change of password at the point of first use and subsequently at prescribed intervals mandatory.
- Redefining the ID so as to ensure that it remains unique.
- Making necessary codification in software so as to generate *dag* revenue and *dag* local rates on the basis of *patta* type code and that of land area (both *dag*-wise and *pattadars* area-wise).
- Setting up of proper validation control within the system to cross check the related/inter dependent fields.
- Revamping data validation mechanism so as to ensure detection of invalid data inputs.
- Ensuring application of all the controls as required for the security of the project.
- Preparing an alternate effective arrangement to continue the activities in the event of disaster and to take necessary steps to handle the project independently.

## **AUDIT OF TRANSACTIONS**

### **3.3 Cases of fraud/misappropriation/losses**

#### **Border Areas and Agriculture Department**

##### **3.3.1 Suspected fraudulent expenditure**

**Failure of DC, Baksa to ensure genuineness of the claim before releasing fund and lack of proper monitoring by the officials of Agriculture Department, resulted in suspected fraudulent expenditure of ₹10 lakh.**

Based on the plan and estimate submitted (October 2007) by Sub-divisional Agriculture Officer (SDAO), Tamulpur, Border Areas Department, Government of Assam (GOA) accorded (March 2008) administrative approval to the implementation of the project - 'Herbal Garden (Medicinal Plant)' under Border Area Development Programme (BADP) 2007-08, a Centrally Sponsored Scheme, in Tamulpur circle of Baksa District at a cost of ₹10 lakh. Accordingly, Director of Border Areas, GOA

released (January 2009 and February 2010) ₹10 lakh<sup>27</sup> to DC, Baksa for implementation of the project. As per detailed plan and estimate, item-wise total cost of establishment of Herbal Garden was as under:

Sl. No.	Item of work	Estimated cost (₹)
1.	Fixed cost for office room cum store house and godown, labour quarter, furniture, fencing, power pump	5,77,000
2.	Cultivation of Sarpagandha	67,680
3.	Cultivation of Pipali	50,160
4.	Cultivation of Amlakhi	96,510
5.	Cultivation of Hilikha	40,000
6.	Cultivation of Bhomora	40,000
7.	Cultivation of Arjuna	42,660
8.	Cultivation of Brahmi	86,000
<b>Total</b>		<b>10,00,010</b>

The project was to be implemented by District Agriculture Officer (DAO), Baksa through a Non-Government Organisation (NGO) viz., “Manab Sewa Mahila Samittee” Baksa. DC, Baksa, on receipt of the utilization certificate (UC) submitted by the Samittee to DAO, Baksa, released ₹10 lakh in four<sup>28</sup> installments to the DAO between February 2009 and September 2010.

In accordance with Para 12 of the revised guideline (2008) of Border Area Development Programme (BADP), the entrusted officers of the State Government would carry out inspections of the projects to ensure quality and timely completion of the works and the inspection reports should be sent to the Ministry of Home Affairs on a quarterly basis. No evidence was available on record as to whether any field inspection was ever conducted either by DC or DAO or any entrusted official to monitor the progress/actual execution of the work.

Test-check (August – September 2011) of records of DC, Baksa further revealed that during physical verification conducted (August 2011) and information collected from local people by the officer from Directorate of Border Areas, Assam, it was found that except erection of a sign board, no work/plantation was done for implementation of the project. However, an expenditure of ₹10 lakh had already been shown as incurred on the basis of progress report, UCs and completion certificate submitted by the NGO without conducting inspection by the entrusted officers. On this fact being pointed out (September 2011) in Audit, the DC conducted (September 2011) an enquiry through Sub-divisional Officer (SDO) (civil), Tamulpur. Enquiry report submitted (February

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Sl. No.	Installment	DD No. and date	Amount released (₹)
1.	1st installment (60 per cent)	143113 dated 01 January 2009	6,00,000
2.	2nd installment (40 per cent)	853723 dated 10 February 2010	4,00,000
<b>Total</b>			<b>10,00,000</b>

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Sl. No.	Date of release	Cheque No	Amount (₹)
1.	7.02.2009	264848	3,60,000
2.	31.10.2009	279089	2,00,000
3.	2.08.2010	279474	3,00,000
4.	20.09.2010	279481	1,40,000
<b>Total</b>			<b>10,00,000</b>

2012) by the SDO confirmed the findings of the Directorate of Border Areas, GOA and attributed lack of monitoring by officials of Agriculture Department as the reason for financial mismanagement. DAO, Baksa, in turn, stated (February 2012) that the responsibility of monitoring was vested with SDAO, Tamulpur, but due to lack of adequate manpower, monitoring was not done properly.

Evidently, close monitoring as envisaged in the guideline was not done. The UCs furnished by the NGO were countersigned by the SDAO and DAO without verification of the facts through physical inspection and were sent to DC for release of installments.

Thus, failure of DC, Baksa to ensure genuineness of the claim before releasing fund and lack of proper monitoring by the officials of Agriculture Department, resulted in suspected fraudulent expenditure of ₹10 lakh.

### **3.4 Excess payment/Wasteful/Infructuous expenditure**

#### **Revenue and Disaster Management Department**

##### **3.4.1 Wasteful expenditure**

**Failure on the part of DC, Darrang to recover ₹84.61 lakh being the cost of substandard summer paddy seeds (MTU-7029) supplied by National Seed Corporation Limited (NSCL) in violation of terms of supply order led to wasteful expenditure of ₹84.61 lakh besides depriving the drought affected farmers from the intended benefits of the programme.**

Government of Assam (GOA), Revenue and Disaster Management Department (RDMD) sanctioned (December 2009) ₹3.89 crore to Deputy Commissioner (DC), Darrang, Mangaldai out of Calamity Relief Fund (2009-10) for procurement and distribution of six<sup>29</sup> Rabi seeds to drought affected farmers of small and marginal category. Of this, ₹1.43 crore was sanctioned for procurement of 5,367 quintal 'summer paddy' seeds.

Accordingly, DC, Darrang, Mangaldai placed (26 October 2009) order for supply of Rabi seeds including IR-64/Swarna Masuri variety of 'summer paddy' seeds of 5,367 quintals. National Seed Corporation Limited (NSCL) supplied (October 2009 to December 2009) different seeds worth ₹3.48 crore including 4,799.70 quintal (MTU-7029: 3,254.10 quintal and IR-64: 1,545.60 quintal) 'summer paddy' seeds valued ₹1.25 crore which were received by five<sup>30</sup> Circle Officers/Agricultural Development Officers of the district. Payment of ₹3.48 crore was made to NSCL during July and September 2010.

In accordance with the terms and conditions of the supply order, samples of seed supplied would be tested by Assam State Seed Certification Agency (ASSCA) and in case the quality of seeds did not conform to the minimum seed certification standard,

<sup>29</sup> Lentil, pea, wheat, mustard, maize and summer paddy.

<sup>30</sup> Dalgaoon, Kalaigaon, Mangaldai, Patharighat and Siphajhar Revenue Circle.

the consignment would be rejected and the expenditure involved would have to be borne by the supplier. Scrutiny (July and August 2011) of the records of DC, Darrang, Mangaldai revealed that 3,254.10 quintal ‘summer paddy seeds’ of the variety (MTU-7029) valued at ₹84.61 lakh was not actually ordered for by the DC. The samples of seeds (MTU-7029) were subsequently tested and certified (November 2009) by ASSCA as substandard. Besides, the affected farmers expressed their unwillingness to grow MTU-7029 due to its longer duration of maturity affecting next paddy crop cycle and cropping plan. Performance of IR-64 variety was reported to be excellent all over the district irrespective of its sowing time. Though DC, Darrang requested (December 2009) NSCL to replace the substandard summer paddy (MTU-7029) seeds with the variety (IR-64) actually ordered for, NSCL had not replaced the substandard seeds as of August 2011. Whether the substandard summer paddy seeds were actually distributed or remained unutilized was not stated by DC, Darrang, though called for (January 2011).

Thus, releasing the entire payment of ₹3.48 crore to the supplier by DC, Darrang despite certification of seeds (MTU-7029) worth ₹84.61 lakh as substandard by ASSCA, resulted in wasteful expenditure to that extent. Besides, the drought affected farmers were deprived of the intended benefits of the programme.

The matter was reported to Government in February 2012; their reply had not been received (November 2012).

### **3.4.2 Avoidable extra expenditure**

**Inordinate delay (24 years) in payment of compensation to the land owner by GMC as well as DC led to avoidable extra expenditure of ₹10.80 crore in addition to further excess expenditure of ₹0.75 crore towards payment of annual rent (recurring compensation).**

Section 4 (Part-II) of the Land Acquisition (LA) Act, 1894 (called the Act, hereafter) provides that whenever it appears to Government that land in any locality is needed for public purpose, a notification to that effect shall be published in the official gazette and in two daily newspapers by the Collector or Deputy Commissioner for survey. Thereafter, a declaration shall be made under the signature of an officer of the level of Secretary to Government under section 6 of the Act for publication of notification to the effect that the land is needed for public purpose. The Collector shall then obtain an order from Government for acquisition of land under section 7 of the Act and thereupon under section 8 *ibid*, cause the land to be marked out, measured and a plan made for acquisition. The Collector shall then cause public notice issued to persons interested stating that claims to compensation against acquisition of such land may be made to him under section 9 of the Act.

Scrutiny (October and November 2011) of the records of Deputy Commissioner (DC), Kamrup (Metro), Guwahati revealed that Guwahati Municipal Corporation (GMC) requested (July 1986) the DC for acquisition of land for ‘construction of Bus Stand and Park’ at Adabari. The DC placed (August 1986) requisition of land measuring 59 bighas 2 kathas 2 lecha from 57 *pattadars* and handed over the land to GMC in

December 1986 without observing the provisions of the Act and also without receiving the cost of land, which was fixed (March 1986) at ₹59.20 lakh. Though the land was handed over to GMC in August 1986, the DC submitted claim to GMC for payment of cost of the land amounting to ₹76.93 lakh (₹59.20 lakh + ₹17.73 lakh as recurring compensation for four years) in December 1990 *i.e.* after a lapse of more than four years from handing over the land. GMC deposited ₹75 lakh only in March 1999, which was paid by DC to *pattadars* as recurring compensation for the period December 1986 to January 2000.

Scrutiny further revealed that the DC issued first notification in March 1994, which got lapsed due to non-deposit of land value by GMC. The DC did not take any effective action till March 2002 to obtain the land value from GMC. Subsequently, the DC issued notifications in March 2002, December 2003, and November 2007, which also lapsed due to non-deposit of fund by GMC. Meanwhile, cost of the land increased (March 2010) to ₹12.53 crore and GMC, against fresh notification issued in March 2010, deposited (April and November 2010) ₹12.53 crore to the DC who disbursed the same to the *pattadars* between June 2010 and September 2011.

In reply, GOA while not denying the delays at various stages, stated (June 2012) that GMC had delayed depositing the amount of compensation payable to the *pattadars*, despite reminders.

Thus, inordinate delay (24 years) in payment of compensation to the land owner by GMC as well as DC led to avoidable extra expenditure of ₹10.80 crore in addition to further excess expenditure of ₹0.75 crore towards payment of annual rent (recurring compensation).

### **3.5 General**

#### **3.5.1 Follow up on Audit Reports**

##### **Non-submission of suo-moto Action Taken Notes**

In terms of the resolution (September 1994) of the Public Accounts Committee (PAC), the administrative Departments were required to submit *suo-moto* Action Taken Notes (ATNs) on paragraphs and reviews included in the Audit Reports, within three months of presentation of the Audit Reports to the Legislature, to the PAC with a copy to Accountant General (AG) (Audit) without waiting for any notice or call from the PAC, duly indicating the action taken or proposed to be taken. The PAC, in turn, is required to forward the ATNs to AG (Audit) for vetting before its comments and recommendation. No *suo-moto* replies/explanatory notes, however, received in respect of paragraphs and reviews included in the Audit Reports (Civil) up to 2009-10 from the respective departments. Against 41 paragraphs and reviews included in the Audit Reports (Civil) 2010-11, only two *suo-moto* replies/explanatory notes were received, in audit.

As of March 2012, PAC discussed 1,048 out of 1,598 paragraphs, reviews and stand-alone Reports pertaining to the years 1983-2011. However, as of March 2012, only

one ATN pertaining to 2004-05 in respect of one paragraph was furnished by the Home Department. Consequently, the audit observations/comments included in those paras/reviews had not been settled by PAC as of March 2012.

### **3.5.2 Action taken on recommendations of the PAC**

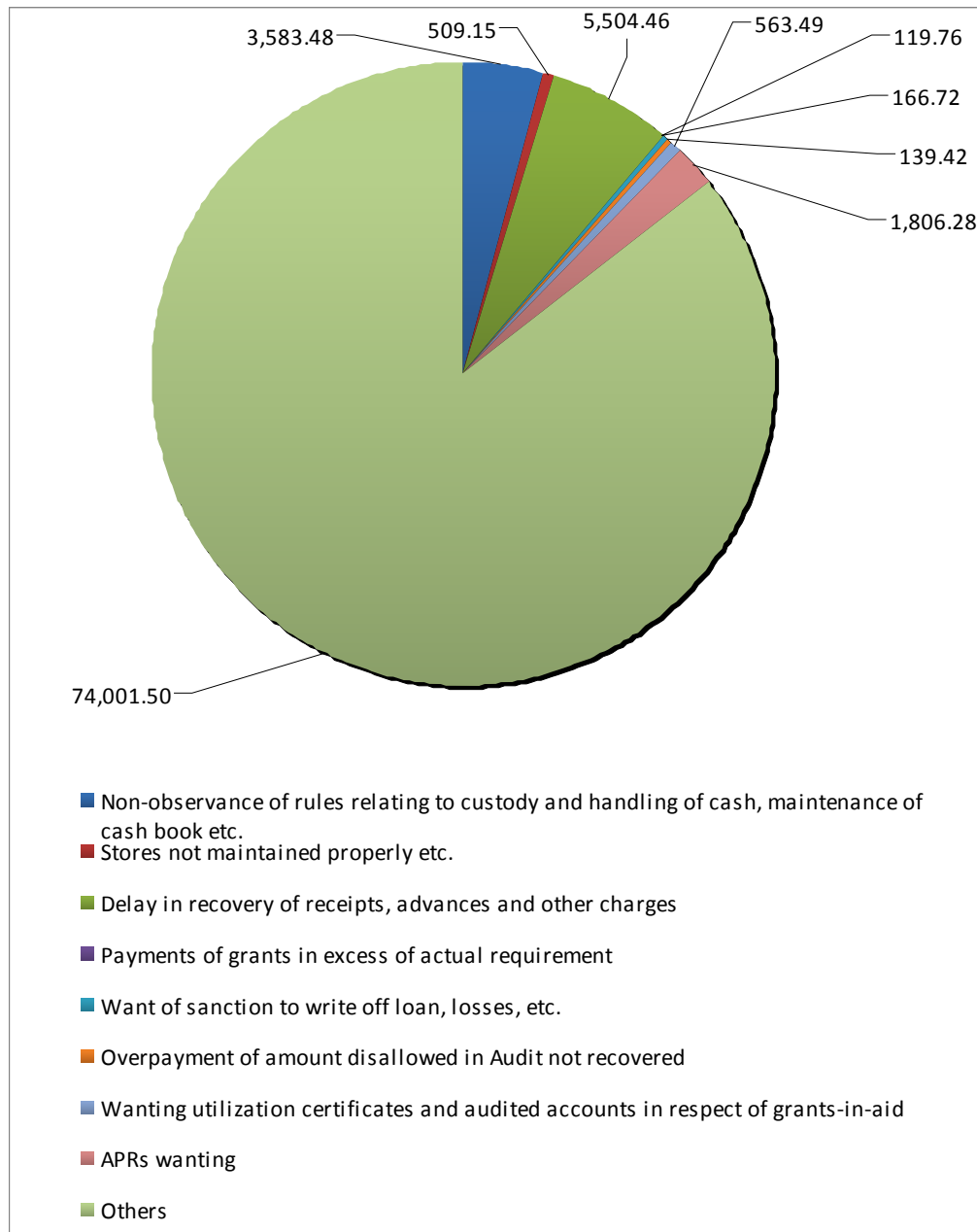
474 recommendations of the PAC, made in its Fifty Fifth to Hundred and thirty one Reports with regard to 36 Departments, were pending settlement as of March 2012 due to non-receipt of Action Taken Notes/Reports.

### **3.5.3 Response to audit observations and compliance thereof by senior officials**

The Principal Accountant General (PAG) arranges to conduct periodical inspection of Government Departments to test-check the transactions and verify the maintenance of significant accounting and other records according to prescribed rules and procedures. When important irregularities detected during inspection are not settled on the spot, Inspection Reports (IRs) are issued to the Heads of the concerned Offices with a copy to the next higher authorities. Orders of the State Government (March 1986) provide for prompt response by the executive to the IRs issued by the PAG to ensure rectificatory action in compliance with the prescribed rules and procedures. The authorities of the Offices and Departments concerned were required to examine the observations contained in the IRs in the light of the given rules and regulations and prescribed procedures and rectify the defects and omissions promptly wherever called for and report their compliance to the PAG. A half-yearly report of pending IRs was sent to the Commissioners and Secretaries of the Departments concerned to facilitate monitoring of the audit observations in the pending IRs.

IRs issued up to December 2011 pertaining to Civil Departments/Public Health Engineering Department/Public Works Department/Water Resource Department/Irrigation and Inland Water Transport Department disclosed that 23,043 paragraphs pertaining to 4,852 IRs were outstanding for settlement at the end of June 2012. Of these, 488 IRs containing 1,708 paragraphs had not been replied to/settled for more than 10 years. Even the initial replies, which were required to be received from the Heads of Offices within six weeks from the date of issue, were not received from 42 Departments in respect of 1,402 IRs issued between 1994-95 and 2011-12. As a result, serious irregularities, commented upon through 23,043 paragraphs involving ₹86,394.26 crore, had not been addressed as of June 2012 as shown in Chart-3.

**Chart-3 (₹ in crore)**



Non-receipt of replies to the IRs in respect of 42 Departments are indicative of the failure on the part of the Heads of Departments (Directors/Executive Engineers) to initiate action with regard to defects, omissions and irregularities pointed out by Audit. The Commissioners and Secretaries of the Departments concerned, who were informed of the position through half-yearly reports also failed to ensure prompt and timely action by the officers of the Departments concerned.



The above mentioned facts also indicated inaction against the defaulting officers thereby facilitating continuation of serious financial irregularities and loss to the Government though these were pointed out in Audit.

In view of large number of outstanding IRs and Paragraphs, the Government had constituted two Audit Objection Committees at State level for consideration and settlement of outstanding audit observations relating to Civil and Works Departments. During 2011-12, 269 meetings (Social Sector: 170; Economic Sector: 91; and General Sector: 8) of the Committees were held, in which, 1,879 IRs and 8,235 Paragraphs were discussed and 341 IRs and 3,688 Paragraphs were settled.

It is recommended that Government should review the matter and ensure that effective system exists for (a) action against defaulting officials who failed to send replies to IRs/Paragraphs as per the prescribed time schedule, (b) action to recover loss/outstanding advances/ overpayments in a time bound manner; and (c) revamp the system to ensure prompt and timely response to the audit observations.

**Guwahati  
The**

**(C. H. Kharshiing)  
Accountant General (Audit), Assam**

*Countersigned*

**New Delhi  
The**

**(Vinod Rai)  
Comptroller and Auditor General of India**

## Appendix – 1.1

(Reference to paragraph 1.1)

## Department-wise details of budget provision and expenditure during 2011-12 in respect of Social Sector (₹ in crore)

Sl. No.	Department	Grant No. and Name	Budget provision				Expenditure			
			Charged		Voted		Charged		Voted	
			Revenue	Capital	Revenue	Capital	Revenue	Capital	Revenue	Capital
1.	Co-operation	43- CO-operation	0	0	62.95	19.17	0	0	55.35	17.99
2.	Cultural Affairs	27- Art and Culture	0	0	101.69	0	0	0	51.62	0
		28-State Archives	0	0	1.07	0	0	0	0.97	0
3.	Higher Education	26- Education (Higher Edn.)	0	0	1076.05	0.10	0	0	943.91	0
4.	Food, Civil Supplies and Consumers Affair	37 – Food Storage, Warehousing & Civil Supplies	0.01	0	132.89	0	0	0	-88.05	0
5.	Health and Family Welfare	29- Medical and Public Health	0.30	0	1653.37	0	0	0	1460.92	0
		24-Aid Materials	0	0	0.01	0	0	0	0	0
6.	Labour and Employment	36-Labour and Employment	0	0	186.89	0	0	0	110.06	0
7.	Urban Development	31- Urban Development (Town and Country Planning)	0	0	171.09	0	0	0	63.76	0
		32-Housing Schemes	0	0	6.21	1.32	0	0	4.18	1.24
		34- Urban Development (Municipal Administration)	0	0	72.87	17.70	0	0	14.83	10.13
8.	Panchayat and Rural Development	56 Rural Development (Panchayat)	0.15	0	551.84	0	0.05	0	501.04	0
		57- Rural Development	0	0	512.41	0	0	0	311.56	0
9.	PHE	30-Water Supply and Sanitation	0	0	294.63	120.34	0	0	276.60	111.52
10.	Social Welfare	39-Social Security, Welfare and Nutrition	0	0	1397.16	0.10	0	0	1025.14	0
		40-Sainik Welfare and other Relief Programs	0	0	33.38	0	0	0	24.32	0
		42-Social Services	0	0	688.78	0	0	0	182.46	0
11.	Sports and Youth Welfare	74- Sports and Youth Services	0	0	58.30	0	0	0	39.98	0
12.	WPT&BC	38-Welfare of SC, ST and OBC	0	0	630.99	0.59	0	0	507.17	0.35
		78-Welfare of Plain Tribes and BC (BTC)	0	0	1089.00	81.00	0	0	1028.44	216.06
13.	Guwahati Development	73- Urban Development (GDD)	0	0	685.91	6.49	0	0	282.26	4.98
14.	Food and Civil Supplies	46-Weights and Measures	0	0	11.76	0	0	0	6.97	0
15.	Secondary Education	71- Education (Elementary, Secondary etc.)	0	0	6001.58	0	0	0	5097.57	0
16.	Elementary Education		0	0	6001.58	0	0	0	5097.57	0
<b>Total</b>			<b>0.46</b>	<b>0</b>	<b>15420.83</b>	<b>246.81</b>	<b>0.05</b>	<b>0</b>	<b>11901.06</b>	<b>362.27</b>
<b>Grand total:</b>			<b>Budget provision: ₹15,668.10 crore</b>				<b>Expenditure: ₹12,263.38 crore</b>			

Source: Appropriation Accounts 2011-12.

**Appendix – 1.2**

(Reference to paragraph 1.1)

**Department-wise details of budget provision and expenditure during 2011-12 in respect of Hill areas**

(₹ in crore)

Department	Grant No.	Budget provision				Expenditure			
		Charged		Voted		Charged		Voted	
		Revenue	Capital	Revenue	Capital	Revenue	Capital	Revenue	Capital
Hill Areas	70- Hill Areas	0	0	62.20	1.94	0	0	1.57	1.64
Hill Areas (KAAC)	76- Hill Areas Department (KAAC)	0	0	655.43	140.36	0	0	486.57	89.80
Hill Areas (NCHAC)	77- Hill Areas Department (NCHAC)	0	0	307.52	46.87	0	0	274.71	35.95
<b>Total</b>		<b>0</b>	<b>0</b>	<b>1025.15</b>	<b>189.17</b>	<b>0</b>	<b>0</b>	<b>762.85</b>	<b>127.39</b>
<b>Grand total:</b>		<b>Budget provision: ₹1,214.32 crore</b>				<b>Expenditure: ₹890.24 crore</b>			

Source: Appropriation Accounts 2011-12.

## Appendix-1.3

(Reference to Paragraph-1.2.1)

## Non-adjusted and non-traceable CA in five beats during 2005-09

(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	
2005-06	Funds disbursed	16,89,797	96,691	4,68,880	24,06,123	84,824	15,11,159	5,35,129	5,67,880	73,60,483
	Accounts submitted	11,24,226	96,691	4,68,880	23,06,535	84,824	4,08,150	5,35,129	5,67,880	55,92,315
	<b>Difference</b>	5,65,571	-	-	99,588	0	11,03,009	0	-	17,68,168
2006-07	Funds disbursed	20,69,662	6,24,345	4,48,876	78,19,329	2,20,537	35,79,942	10,26,238	13,55,714	1,71,44,643
	Accounts submitted	9,96,441	6,24,345	4,48,876	75,98,792	2,20,537	11,97,990	10,26,238	13,55,714	1,34,68,933
	<b>Difference</b>	10,73,221	-	-	2,20,537	-	23,81,952	-	-	36,75,710
2007-08	Funds disbursed	43,25,311	10,60,700	7,09,028	71,11,211	2,50,286	41,12,351	11,02,605	15,56,043	2,02,27,535
	Accounts submitted	25,55,583	10,60,700	7,09,028	66,69,212	2,50,286	14,53,703	11,02,605	15,56,043	1,53,57,160
	<b>Difference</b>	17,69,728	-	-	4,41,999	-	26,58,648	-	-	48,70,375
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
	<b>Difference</b>	18,58,873	-92,424	-31,410	16,82,751	-18,426	17,00,951	-47,124	-83,264	49,69,927
<b>Total</b>	<b>Funds disbursed</b>	<b>1,17,93,799</b>	<b>25,85,859</b>	<b>25,57,700</b>	<b>2,33,85,773</b>	<b>6,29,799</b>	<b>1,38,97,829</b>	<b>35,20,369</b>	<b>41,93,803</b>	<b>6,25,64,931</b>
	<b>Accounts submitted</b>	<b>65,26,406</b>	<b>26,78,283</b>	<b>25,89,110</b>	<b>2,09,40,898</b>	<b>6,48,225</b>	<b>60,53,269</b>	<b>35,67,493</b>	<b>42,77,067</b>	<b>4,72,80,751</b>
	<b>Difference</b>	<b>52,67,393</b>	<b>-92,424</b>	<b>-31,410</b>	<b>24,44,875</b>	<b>(-) 18,426</b>	<b>78,44,560</b>	<b>(-) 47,124</b>	<b>-83,264</b>	<b>1,52,84,180</b>

Appendix-1.4

(Reference to Paragraph-1.2.1)

Non-adjusted and non-traceable CA in five ranges during 2009-10

(In ₹)

Month	Development 2009-10	Northern Range	Western Range & Beat			Central Range & Beat		Eastern Range & Beat			Protection Range	Total
			Range	Kanger Basti Beat	Langcholiet Beat	Range	Abordium Beat	Range	Dhansiri Beat	Lahorijan Beat		
1	2	3	4	5	6	7	8	9	10	11	12	13
Apr-09	Funds disbursed by division	1,47,644	1,05,696	35,691	18,777	2,55,946	19,603	1,76,146	46,102	77,336	75,699	9,58,640
	Accounts submitted by Ranges	1,47,644	1,05,696	0	0	2,46,946	0	1,76,146	0	0	75,699	7,52,131
	Difference	0	0	35,691	18,777	9,000	19,603	0	46,102	77,336	0	2,06,509
May-09	Funds disbursed by division	3,28,229	3,28,008	71,967	1,38,319	6,58,302	39,483	8,77,340	92,204	54,220	43,974	30,32,046
	Accounts submitted by Ranges	3,88,229	3,28,008	0	0	6,58,397	0	8,76,665	0	0	51,974	26,03,273
	Difference	-60,000	0	71,967	1,38,319	-95	39,483	675	92,204	54,220	-8,000	4,28,773
Jun-09	Funds disbursed by division	1,37,416	1,57,585	35,967	19,542	3,18,577	19,884	1,76,655	46,102	77,817	67,753	10,57,298
	Accounts submitted by Ranges	1,37,146	1,57,585	0	0	3,18,577	0	1,76,627	0	0	59,753	8,49,688
	Difference	270	0	35,967	19,542	0	19,884	28	46,102	77,817	8,000	2,07,610
Jul-09	Funds disbursed by division	0	16,15,481	3,80,167	6,00,342	19,44,286	19,879	15,45,248	439,328	70,421	7,83,997	77,99,149
	Accounts submitted by Ranges	20,29,147	0	0	0	0	0	0	0	0	0	20,29,147
	Difference	-20,29,147	16,15,481	3,80,167	6,00,342	19,44,286	19,879	15,45,248	4,39,328	70,421	7,83,997	57,70,002
Aug-09	Funds disbursed by division	1,54,032	1,52,032	35,967	19,542	2,88,213	15,306	1,96,958	46,328	77,721	1,38,542	11,24,641
	Accounts submitted by Ranges	1,57,437	1,52,032	0	0	2,88,213	0	0	0	0	68,613	6,66,295
	Difference	-3,405	0	35,967	19,542	0	15,306	1,96,958	46,328	77,721	69,929	4,58,346
Sep-09	Funds disbursed by division	2,37,147	2,04,463	53,835	29,214	3,44,687	15,306	2,65,561	69,871	1,14,875	1,10,734	14,45,693
	Accounts submitted by Ranges	2,37,147	2,04,463	0	0	3,44,687	0	2,65,861	0	0	84,848	11,37,006
	Difference	0	0	53,835	29,214	0	15,306	-300	69,871	1,14,875	25,886	3,08,687
Oct-09	Funds disbursed by division	0	0	0	0	0	0	0	0	0	0	0
	Accounts submitted by Ranges	1,65,785	3,96,344	38,007	20,764	2,43,468	0	19,88,881	0	77,721	71,071	30,02,041
	Difference	-1,65,785	-3,96,344	-38,007	-20,764	-2,43,468	0	-19,88,881	0	-77,721	-71,071	-30,02,041

(Appendix 1.4 continued)

1	2	3	4	5	6	7	8	9	10	11	12	13
Nov-09	Funds disbursed by division	0	0	0	0	0	0	0	0	0	0	0
	Accounts submitted by Ranges	1,65,785	0	38,007	0	2,50,329	0	2,07,626	0	0	71,026	7,32,773
	Difference	-1,65,785	0	-38,007	0	-2,50,329	0	-2,07,626	0	0	-71,026	-732,773
Dec-09	Funds disbursed by division	15,94,965	12,41,548	2,15,768	2,79,408	14,85,319	16,195	13,07,117	3,43,732	3,82,186	4,04,763	72,71,001
	Accounts submitted by Ranges	15,95,434	12,41,548	0	0	14,85,319	0	1,307,117	0	0	4,04,763	60,34,181
	Difference	-469	0	2,15,768	2,79,408	0	16,195	0	3,43,732	3,82,186	0	12,36,820
Jan-10	Funds disbursed by division	6,81,612	6,89,517	38,378	1,95,657	7,57,278	1,16,195	7,80,331	2,32,099	2,66,627	2,70,763	40,28,457
	Accounts submitted by Ranges	1,56,612	6,89,757	0	0	9,57,278	0	7,80,331	0	0	2,70,763	28,54,741
	Difference	5,25,000	-240	38,378	1,95,657	-2,00,000	1,16,195	0	2,32,099	2,66,627	0	11,73,716
Feb-10	Funds disbursed by division	1,37,968	1,40,951	38,378	20,897	2,55,394	16,195	2,24,887	57,206	91,076	91,158	10,74,110
	Accounts submitted by Ranges	1,37,968	1,40,951	0	0	2,55,394	0	2,24,164	0	0	91,158	8,49,635
	Difference	0	0	38,378	20,897	0	16,195	723	57,206	91,076	0	2,24,475
Mar-10	Funds disbursed by division	5,000	4,75,110	0	0	3,89,937	0	4,27,438	1,15,625	87,500	3,06,500	18,07,110
	Accounts submitted by Ranges	0	4,75,110	0	0	0	0	4,27,438	0	0	4,05,500	13,08,048
	Difference	5,000	0	0	0	3,89,937	0	0	1,15,625	87,500	-99,000	4,99,062
<b>Total</b>	<b>Funds disbursed by division</b>	<b>34,24,013</b>	<b>51,10,391</b>	<b>9,06,118</b>	<b>13,21,698</b>	<b>66,97,939</b>	<b>2,78,046</b>	<b>59,77,681</b>	<b>14,88,597</b>	<b>17,99,779</b>	<b>25,93,883</b>	<b>2,95,98,145</b>
	<b>Accounts submitted by Ranges</b>	<b>53,18,334</b>	<b>38,91,494</b>	<b>76,014</b>	<b>20,764</b>	<b>50,48,608</b>	<b>0</b>	<b>64,30,856</b>	<b>0</b>	<b>77,721</b>	<b>19,55,168</b>	<b>2,28,18,959</b>
	<b>Difference</b>	<b>-18,94,321</b>	<b>12,18,897</b>	<b>8,30,104</b>	<b>13,00,934</b>	<b>16,49,331</b>	<b>2,78,046</b>	<b>-4,53,175</b>	<b>14,88,597</b>	<b>17,22,058</b>	<b>6,38,715</b>	<b>67,79,186</b>

Appendix-1.5

(Reference to Paragraph-1.3.1)

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
<b>Sub-total (A) :</b>								<b>1262500</b>	<b>1375000</b>	
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
	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
<b>Sub-total (B) :</b>								<b>1988910</b>	<b>2296000</b>	
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
<b>Sub-total (C) :</b>								<b>5273070</b>	<b>6412500</b>	
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
<b>Sub-total (D) :</b>								<b>1551330</b>	<b>2145000</b>	

(Appendix 1.5 contd.)

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
							<b>Sub-total (E) :</b>	<b>513500</b>	<b>546000</b>	
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
							<b>Sub-total (F) :</b>	<b>246500</b>	<b>422500</b>	
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
							<b>Sub-total (G) :</b>	<b>249750</b>	<b>356250</b>	
							<b>Grand total (A) to (G) :</b>	<b>11085560</b>	<b>135553250</b>	
							<b>Add: Vat @ 4%</b>	<b>443422</b>	<b>542130</b>	
							<b>Total :</b>	<b>11528982</b>	<b>14095380</b>	



**Appendix-1.6**

(Reference to Paragraph-1.4.6)

**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
<b>Details of rice procured at the rate offered by different suppliers</b>						
1.	DPRD/H/Acctts/SNP/2007-08/228 dtd. 24.04.08	Shri Deuri Lekthe, Howraghat	320	1,800	5,76,000	Langsomepi Development Block, Bakulia
2.	DPRD/H/Acctts/SNP/2007-08/224 dtd. NA	Shri Deuri Lekthe, Howraghat	470	1,800	8,46,000	Langsomepi Development Block
3.	DPRD/H/Acctts/SNP/2007-08/239(A) dtd. 24.04.08	Shri Birson Engti, Parakhowa	320	1,800	5,76,000	Amri Development Block, Ulukonchi
4.	DPRD/H/Acctts/SNP/2007-08/222 dtd. 24.04.08	Shri Ajoy Tokbi, Diphu	330	1,800	5,94,000	Bokajan Development Block
5.	DPRD/H/Acctts/SNP/2007-08/236 dtd. 24.04.08	Shri Damian Hanse, Ulukunchi	300	1,800	5,40,000	Chinthong Development Block
6.	DPRD/H/Acctts/SNP/2007-08/232 dtd. 24.04.08	Shri Tutu Engti, Howraghat	320	1,800	5,76,000	Rongmongwe Development Block
7.	DPRD/H/Acctts/SNP/2007-08/242 dtd. 24.04.08	Shri Habe Engti, Rongmongwe	320	1,800	5,76,000	Nilip Development Block
<b>(A) Total</b>			<b>2,380</b>		<b>42,84,000</b>	
<b>Details of rice procured at a rate approved by KAAC</b>						
1.	DPRD/H/Acctts/SNP/2007-08/59 dtd. 1.10.08	Eastern Traders, MG Road, Diphu	2,272	2,200	50,00,000	11 Blocks <sup>1</sup>
2.	DPRD/H/Acctts/SNP/2007-08/ dtd. 22.12.08	Eastern Traders, MG Road, Diphu	1,990	2,200+4 % VAT	45,53,120	- do -
<b>(B) Total</b>			<b>4,262</b>		<b>95,53,120</b>	
<b>Grand total (A+B)</b>			<b>6,642</b>		<b>1,38,37,120</b>	

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

**Appendix-1.7**  
(Reference to Paragraph-1.5.3)  
**Excess procurement of hospital linens**

Name of items	Opening balance (1.04.2005)	Purchase during 2005-10	Total	Issued during 2004-10	Balance as on 31.03.10	Rate (₹)	Value of balance items (₹)	Percentage of balance over issue/requirement of last five years
			(2+3)		(4-5)		(6X7)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Hospital blanket (red)	339	9888	10227	2415	7812	348	2718576	323
Deluxe blanket	Nil	2000	2000	584	1416	1800	2548800	242
Mosquito net	234	13363	13597	2414	11183	264	2952312	463
Hospital bed sheet	2692	11820	14512	3981	10531	190	2000890	265
Hospital bed cover	1151	7400	8551	2445	6106	290	1770740	250
Hospital window screen white	1511	16215	17726	6022	11704	139	1626856	194
Hospital mattress	39	1578	1617	1165	452	3000	1356000	39
Hospital pillow	113	2600	2713	1645	1068	120	128160	65
Hospital pillow cover	386	5700	6086	2317	3769	77	290213	163
Hospital towel	807	5375	6182	1035	5147	180	926460	497
<b>Total</b>							<b>1,63,19,007</b>	
<b>Add: VAT 12.5 per cent</b>								<b>20,39,876</b>
<b>Grand Total</b>							<b>1,83,58,883</b>	

Appendix-1.8

(Reference to Paragraph-1.5.3)

Fictitious issue of hospital linens

Name of items	Balance as on 31.03.2010	Quantity issued to EM, KAAC	Rate (₹)	Value of issued items (₹)	Quantity issued to others	Rate (₹)	Value (₹)	Balance as on 31.03.10	Rate (₹)	Value of stock (₹)
				(3x4)			(6x7)			{2-(3+6)}
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Hospital Blanket (Red)	7812	2400	348	835200	1206	348	419688	4206	348	1463688
Deluxe Blanket	1416	850	1800	1530000	--	1800	--	566	1800	1018800
Mosquito Net	11183	8000	264	2112000	--	264	--	3183	264	840312
Hospital Bed Sheet	10531	2000	190	380000	1000	190	190000	7531	190	1430890
Hospital Bed Cover	6106	1000	290	290000	--	290	--	5106	290	1480740
Hospital Window Screen White	11704	5000	139	695000	--	139	--	6704	139	931856
Hospital Mattress	452	50	3000	150000	--	3000	--	402	3000	1206000
Hospital Pillow	1068	500	120	60000	--	120	--	568	120	68160
Hospital Pillow Cover	3769	2000	77	154000	263	77	20251	1506	77	115962
Hospital Towels	5147	3000	180	540000	--	180	--	2147	180	386460
<b>Total :</b>				<b>67,46,200</b>			<b>6,29,939</b>			<b>89,42,868</b>
<b>Add : VAT 12.5 per cent</b>				8,43,275			78,742			11,17,859
<b>Grand Total :</b>				<b>75,89,475</b>			<b>7,08,681</b>			<b>1,00,60,727</b>

## Appendix-1.9

(Reference to Paragraph-1.5.4)

## 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 Wine	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	
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	6	4725.00	28350	Nil	6	28350	P/146	--	
12.			Laryngoscope Superior	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	
20.			Portable X-Machine set	3	152000	456000	Nil	3	456000	P/140	--	
21.		200, 19.06.09	Laporoscopic Boisy Forceps	1	134175	134175	1	Nil	--	P/50	DCH	121, 30.07.09

**Audit Report on Social, General and Economic (Non-PSUs) Sectors for the year ended 31 March 2012**

**(Appendix-1.9 contd.)**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
22.			Laporoscopic Knot Pusher	1	67575	67575	1	Nil	--	P/52	DCH	
23.			Laporoscopic Needle Holder Curved Jaws	1	187500	187500	1	Nil	--	P/54	DCH	
24.			Laporoscopic Suture Pusher	1	187500	187500	1	Nil	--	P/56	DCH	
25.			Laporoscopic 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	--	
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
		<b>Total:</b>				<b>1,86,26,738</b>			<b>1,29,16,535</b>			
		<b>Add: VAT 12.5 per cent</b>				<b>23,28,342</b>			<b>16,14,567</b>			
		<b>Total</b>				<b>2,09,55,080</b>			<b>1,45,31,102</b>			
		<b>Add : P. Tax 1 per cent</b>				<b>2,09,551</b>			<b>1,45,311</b>			
		<b>Grand Total :</b>				<b>2,11,64,631</b>			<b>1,46,76,413</b>			

## Appendix – 2.1

(Reference to paragraph 2.1)

## Department-wise details of budget provision and expenditure during 2011-12 in respect of Economic Sector

(₹ in crore)

Sl. No.	Department	Grant No. and Name	Budget provision				Expenditure				
			Charged		Voted		Charged		Voted		
			Revenue	Capital	Revenue	Capital	Revenue	Capital	Revenue	Capital	
1.	Agriculture	48-Agriculture	0	0	923.91	0	0	0	0	650.62	0
2.	Finance	10-Other Fiscal Services	0	0	1.64	0	0	0	0	1.45	0
		5-Sales Tax & other taxes	0	0	82.82	0	0	0	0	67.96	0
		13-Teresury & Accounts Administration	0	0	99.83	0	0	0	0	58.96	0
		66- Compensation and Assignment to Local Bodies and Panchayati Raj Institutions	0	0	1018.84	0	0	0	0	655.82	0
		7-Stamps and Registration	0	0	30.68	0	0	0	0	15.43	0
		8- Excise and prohibition	0	0	38.18	0	0	0	30.24	0	
3.	Fishery	54-Fisheries	0	0	90.89	0	0	0	55.22	0	
4.	Water Resources	63- Water Resources	0	0	206.88	907.37	0	1.87	195.40	283.06	
5.	Environment and Forest	55- Forestry and Wild Life	0	0	443.33	4.00	0	0	260.10	0.63	
6.	Handloom, Textiles and Sericulture	59- Sericulture and Weaving	0	0	214.62	0.30	0	0	155.19	0	
7.	Industries and Commerce	58-Industries	0	0	95.82	151.32	0	0	72.33	69.82	
		60-Cottage Industries	0	0	52.65	16.60	0	0	42.33	0.17	
8.	Irrigation	49- Irrigation	0	0	511.25	624.54	0	0	296.97	409.83	
9.	Planning and Development	45-Census, Surveys and Statistics	0	0	52.41	0	0	0	35.83	0	
		44- North Eastern Council Schemes	0	0	42.88	1171.79	0	0	6.09	347.57	
10.	Power (Electricity), Mines and Minerals	61- Mines and Minerals	0	0	10.30	5.39	0	0	10.05	3.78	
		62- Power (Electricity)	0	0	44.08	510.87	0	0	104.79	181.27	
11.	Public Works Roads	64- Roads Bridges	0	0	843.84	1056.83	0	0	619.18	580.93	
12.	Science and Technology	69- Scientific Services and Research	0	0	17.53	0	0	0	13.37	0	
13.	Soil Conservation	51- Soil and Water Conservation	0	0	41.26	0	0	0	37.38	0	
14.	Transport and Tourism	9-Transport Services	0	0	140.73	55.02	0	0	123.65	54.42	
		65- Tourism	0	0	31.12	43.17	0	0	15.86	30.11	
15.	Veterinary	52-Animal Husbandry	1.00	0	239.38	8.39	0.69	0	188.93	8.39	
		53- Dairy Development	0	0	43.42	0	0	0	28.72	0	
16.	Information Technology	75-Information Technology	0	0	40.25	29.30	0	0	36.69	14.96	
17.	Horticulture and Food Processing	67- Public Debt and Servicing of Debt	2237.38	1165.09	0	0	2207.50	1146.09	0	0	
		67- Horticulture	0	0	13.07	0	0	0	6.02	0	
18.	Public Works Building and National Highway	17-Administrative and Functional Buildings	0	0	228.41	232.37	0	0	222.03	74.78	
		21-Guest Houses, Government Hostels etc	0	0	14.58	0	0	0	12.77	0	
		33-Residential buildings	0	0	19.67	21.21	0	0	10.37	7.47	
<b>Total</b>			<b>2238.38</b>	<b>1165.09</b>	<b>5634.27</b>	<b>4838.47</b>	<b>2208.19</b>	<b>1147.96</b>	<b>4029.75</b>	<b>2067.19</b>	
<b>Grand total: Budget provision:</b>			<b>₹13,876.21 crore</b>				<b>Expenditure: ₹9,453.09 crore</b>				

Source: Appropriation Accounts 2011-12.

**Appendix – 2.2**

*(Reference to Paragraph -2.2.9.4)*

**Difference between departmental figures and figures in Finance Account**

**(₹ in crore)**

<b>Year</b>	<b>Fund released by GOI as reported by PWD Department</b>	<b>Fund released by GOI as per Finance Account</b>	<b>Difference</b>
2007-08	26.13	26.13	0
2008-09	22.59	15.49	7.10
2009-10	33.87	33.87	
2010-11	47.70	47.70	0
2011-12	-	-	0
<b>Total</b>	<b>130.29</b>	<b>123.19</b>	<b>7.10</b>

*Source: Departmental records.*

## Appendix – 2.3

(Reference to Paragraph -2.2.9.4)

## Discrepancy between figures furnished by Government and that of CE

(*₹in crore*)

Year	Fund release by Govt. of Assam as reported by the PWD Secretariat					Fund release by Govt. of Assam as per FOC register maintained by CE					Difference Excess(+) Less(-)
	CRF	ISC	EI	State share (EI)	Total	CRF	ISC	EI (Central share)	EI (State share)	Total	
2007-08	33.22	0	0	0	33.22	34.48	0		0	34.48	(+) 1.26
2008-09	17.31	0	0	0	17.31	17.12	0.40	0.10		17.62	(+) 0.31
2009-10	31.37		1.00	0	32.37	31.37	1.00	0.15	0	32.52	(+) 0.15
2010-11	41.94		2.10	0.20	44.24	42.76	1.33	0.00	0.20	44.29	(+) 0.05
2011-12	36.09		0.12	0	36.21	35.58	0.12	0	0	35.70	(-) 0.51
<b>Total</b>	<b>159.93</b>		<b>3.22</b>	<b>0.20</b>	<b>163.35</b>	<b>161.31</b>	<b>2.85</b>	<b>0.25</b>	<b>0.20</b>	<b>164.61</b>	<b>(+) 1.26</b>

Source: Departmental records.



**Appendix – 2.4**  
*(Reference to Paragraph -2.2.9.4)*  
**Unreconciled expenditure**

(₹ in crore)

<b>Year</b>	<b>Expenditure projected by department</b>	<b>Expenditure booked by Pr. AG (A&amp;E)</b>	<b>Difference</b>
2007-08	34.48	31.51	(-) 2.97
2008-09	17.62	15.96	(-) 1.66
2009-10	32.53	32.09	(-) 0.44
2010-11	44.29	44.28	(-) 0.01
2011-12	0	0	0
<b>Total</b>	<b>128.92</b>	<b>123.84</b>	<b>(-) 5.08</b>

Source: Departmental records.

**Appendix – 2.5**  
(Reference to Paragraph -2.2.10)  
**Statement showing the projects undertaken during 2007-12**

Sl No.	Name of road projects	Name of the implementing division
1	Improvement of Joypur road	Dibrugarh Rural Road
2	Improvement u/m chayang Ali (North)	Dibrugarh Rural Road
3	Improvement of Dadara Pacharia Borijani Sessa road(Ch.2411m to 7900m) including conversion of SPT bridge no 3/2 to RCC bridge under Jalukbari	Guwahati Road
4	Improvement of National Highway 37 to Nagaon chouk via DPS	Guwahati Road
5	Improvement of old AT road (from 504.80 to 516.00km) by strengthening & widening	Sivsagar State Road, Nazira
6	Improvement of Silchar Jaintapur road	Silchar Rural road
7	Improvement of road i) Bhowal point at NH 54 ii) Badri Ferryghat to bil par iii) Malugram to Sivbari	Silchar Rural road
8	Improvement of double laning of Silchar Khumbhirgram road from ch. 11000m to 23280m	Silchar Rural road
9	Improvement of metd & BT of Hatiphukhuri road ( from ch. 0m to 7300m)	Charaideo Rural road, Sonari
10	Improvement of Kanubari Lukhurakhan road (ISC)	Charaideo Rural road, Sonari
11	Construction of road from Missamari centre to Mail bazaar via Gamiri centre Bargharia kalyani temple	Sonitpur rural road
12	Improvement of metd. Nogora Ali to Dhodar Ali ( from 1 <sup>st</sup> km to 10 <sup>th</sup> km)	Golaghat Rural road
13	Improvement of historic Dhodhar Ali( 26 <sup>th</sup> km to 32 <sup>nd</sup> km) including widening and strengthening Arrengapara Amolapatty into intermediate lane including road side drain with footpath	Golaghat Rural road
14	Improvement of kamargaon Ali with link road (EI)	Golaghat Rural road
15	Construction of Matia Injal (Nayanpur) road with RCC bridge No. 1/1	Golaghat Rural road
16	Construction of AG office road	Guwahati City division II
17	Improvement of Rangia Hajo road	North Guwahati State road
18	Improvement of Rupsi Ali, Sonari (EI)	Charai deo Rural Road
19	Improvement of Met. Sepon Suffry road (from 1 <sup>st</sup> to 12 <sup>th</sup> km)	Charai deo Rural Road

(Appendix – 2.5 continued...)

1	2	3
20	Improvement of Metd. & BT of Ligiri Ali (from 0 m to 6100m)	Charai deo Rural Road
21	Improvement of Purbanchal Path connecting road to Chandan Nagar Tribeni path including RCC Bridge over river Bahini	Guwahati City division II
22	Improvement & Strengthening of Moran Naharkatia road from Moran town to Naharkatia town	Dibrugarh Rural Road
23	Improvement & Strengthening of Joypur Ali road from 9 km to 22.60 km	Dibrugarh Rural Road
24	Improvement & Strengthening of Dhodar Ali road from 196.50 km to 212.60 km	Dibrugarh Rural Road
25	Construction of RCC bridge no 5/6 on Dadara Pacharia Borijani Sessa road	Guwahati Road division
26	Improvement of road from Nazira to Nagahat via Geleky from ch. 13000 to 16600m (ISC)	Sivasagar State Road, Nazira
27	Improvement & upgradation of roads within Silchar Municipal area under major district (Job no 86- Urban)	Silchar Rural Road
28	Improvement & upgradation of roads within Silchar Municipal area in Cachar district (Job no 87- Rural)	Silchar Rural Road
29	Construction of road from Missamari centre to Mail bazaar via Gomiri centre Barangabari Temple (Phase II from Ch.9000 m to 18000m)	Sonitpur Rural Road
30	Improvement of Kamar Bandha road	Jorhat Rural road
31	Conversion of a portion of flood effected SBGR, Khaliabri Butikur road and portion.....	Lakhimpur State Road
32	Improvement of Metd. Golaghat Merapani road	Golaghat State Road
33	Improvement of AT road	Jorhat State road
34	Improvement of South Sarania road	Guwahati City division I
35	Improvement of Kathakathi Badhakhowa road via Athiabari (ISC)	Goalpara Rural road
36	Improvement of Ladoigarh road by met.& blactopping (EI)	Sivsagar Rural road
37	Improvement of Borbhita to Ambari road(EI)	Goalpara Rural road
38	Improvement of damaged road crust of metalled Dodhar Ali (EI)	Jorhat State road
39	Improvement of Sunsali road	Guwahati City division III
40	Improvement of Malow Ali Road by widening & strengthening of the existing single lane pavement to double lane pavement	Jorhat State Road
41	Improvement of No.2 Bamungaon road by widening & strengthening to the existing single lane pavement to intermediate lane	Jorhat State Road
42	Improvement of road from Solengi Rajabari via Tinialibari Sonapur to Rajgarh road	Sonitpur State Road

Source: Departmental records.

## Appendix – 2.6

(Reference to Paragraph -2.2.10 and 2.2.11)

Statement showing the projects selected for detailed examination showing the AA cost, Projected date of completion, Actual date of completion, progress achieved, expenditure incurred etc.

(₹ in crore)

SI No	Name of road projects	AA cost	Projected date of completion	Actual date of completion	Status of progress (in per cent)	Expenditure incurred
1	2	3	4	5	6	7
1	Improvement of Joypur road	2.20	November 2005	24-6-09	Completed	1.91
2	Improvement u/m chayang Ali( North)	1.88	May 2007	18-1-09	Do	1.68
3	Improvement of Dadara Pacharia Borijani Sessa road( Ch.2411m to 7900m) including conversion of SPT bridge no 3/2 to RCC bridge under Jalukbari	5.00	August 2000	6-9-08	Do	5.00
4	Improvement of old AT road (from 504.80 to 516.00km) by strengthening & widening)	2.98	July 2006	23-7-07	Do	2.91
5	Improvement of road iv) Bhowal point at NH 54 v) Badri Ferryghat to bil par vi) Malugram to Sivbari	2.76	February 2007	2009-10	Do	2.34
6	Improvement of metd & BT of Hatiphukhuri road (from ch. 0m to 7300m)	3.34	May 2008	18-5-11	Do	3.17
7	Improvement of Kanubari Lukhurakhan road (ISC)	3.47	October 2006	31-8-08	Do	3.06
8	Construction of road from Missamari centre to Mail bazaar via Gamiri centre Bargharia kalyani temple	4.64	November 2007	7-5-09	Do	4.55
9	Improvement of kamargaon Ali with link road (EI)	1.65	January 2007	3-12-07	Do	1.56
10	Improvement of Rangia Hajo road	2.66	February 2007	28-4-07	Do	2.59
11	Improvement of National Highway 37 to Nowagaon chok via DPS	4.73	January 2008	20-5-08	Do	4.63
12	Improvement of Silchar Jaintapur road	2.11	February 2007	2008-09	Do	1.81
13	Improvement of double laning of Silchar Khumbhirgram road from ch. 11000m to 23280m	13.37	June 2009	25-10-11	Do	9.56
14	Improvement of metd. Nogora Ali to Dhodar Ali (from 1 <sup>st</sup> km to 10 <sup>th</sup> km)	2.44	April 2009	15-12-08	Do	2.05
15	Improvement of historic Dhodhar Ali( 26 <sup>th</sup> km to 32 <sup>nd</sup> km) including widening and strengthening Arrengapara Amolapatty into intermediate lane including road side drain with footpath	5.28	April 2009	25-7-09	Do	5.00

*(Appendix – 2.6 continued....)*

1	2	3	4	5	6	7
16	Construction of Matia Injal ( Nayanpur) road with RCC bridge No. 1/1	4.35	April 2008	28-2-08/ 31-3-08	Do	4.33
17	Construction of AG office road	2.00	April 2008	31-1-09	Do	1.66
18	Improvement of Rupsi Ali, Sonari ( EI)	1.65	January 2007		95	1.58
19	Improvement of Met. Sepon Suffry road (from 1 <sup>st</sup> to 12 <sup>th</sup> km)	1.49	April 2006		95	1.23
20	Improvement of Metd. & BT of Ligiri Ali ( from 0 m to 6100m)	2.36	May 2008		43 to100	1.85
21	Improvement of Purbanchal Path connecting road to Chandan Nagar Tribeni path including RCC Bridge over river Bahini	1.23	May 2007		90	0.90
22	Improvement & Strengthening of Moran Naharkatia road from Moran town to Naharkatia town	54.29	April 2009		83 to 88 (roads) 47 (bridges)	45.15
23	Improvement & Strengthening of Joypur Ali road from 9 km to 22.60 km	6.57	December 2010		93	1.96
24	Improvement & Strengthening of Dhodar Ali road from 196.50 km to 212.60 km	9.21	August 2010		64	4.32
25	Construction of RCC bridge no 5/6 on Dadara Pacharia Borijani Sessa road	2.49	August 2010		65	0.28
26	Improvement of road from Nazira to Nagahat via Geleky from ch. 13000 to 16600m (ISC)	1.99	August 2008		79	1.40
27	Improvement & upgradation of roads within Silchar Municipal area under major district( Job no 86- Urban)	29.91	February 2010		0 to100	12.60
28	Improvement & upgradation of roads within Silchar Municipal area in Cachar district ( Job no 87- Rural)	33.00	February 2010		25 to 100	17.97
29	Construction of road from Missamari centre to Mail bazaar via Gomiri centre Barangabari Temple (Phase II from Ch.9000 m to 18000m)	7.42	August 2010		93	6.53

**Source:** *Departmental records.*

## Appendix – 2.7

{Reference to Paragraph -2.2.10.2 (a) and (b)}

## Statement showing less execution of work and advance payment made to the contractors

(₹ in crore)

Sl. No.	Name of project	Name of contractor	Tendered amount	Value of work done	Total amount including advances paid (month of payment shown in bracket)	Advance payment made on unmeasured work	Secured advance paid	Value of less execution of item of work	Date of completion as projected
1	Improvement of met. Joypur Road under Dibrugarh Rural Road Division	M/s D.J Construction (1 <sup>st</sup> )	1.91	0.32	0.30 (10/05)	0	0	0	24-06-09
		M/s Appasa Mech (2 <sup>nd</sup> )	1.39 (modified)	1.07	1.32 (3/08)	0.14	0.11	0	
		Sanjoy Kr. Singh (3 <sup>rd</sup> )	0.49	0.29	0.29 (3/09)	0	0	0.20	
2.	Improvement of (i) Road from Bhowal point at NH – 54 Extension to Bye-pass Road via Station approach road, Normal School to Jail Road, Native Church Road, Chincoorie Road, (ii) Road from Badri Ferryghat to Bilpar Road via Berenga, Madhurband, Panpatty, Nagapatty Radhamadev Road (iii) Malugram Sibbari Cachar Motor works via Ration Godown approach road, Ghaniwalla Road, Jahaj Gudam Road, Link road between Ration Godown and Jahaj Dodam Road of Silchar Road Division under CRF (MORT&H) for 2003-04.	M/s Jagannath Trade Syndicate	2.49	2.24	2.34 (01/08)	0.09	0.01	0.25	2009-10
<b>Total</b>						<b>0.23</b>	<b>0.12</b>	<b>0.45</b>	

Source: Departmental records.

**Appendix – 2.8**

(Reference to Paragraph-2.2.10.5)

**Incomplete works test-checked in audit**

Sl No.	Name of Incomplete projects	Name of the implementing division	Date of administrative approval by GOI	Date of financial sanction by GOA	Date of issue of work order to contractor	Physical progress as of March 2012 (in per cent)	Period of delay in awarding contract	Period of delay as of March 2012 beyond 24 months from the date of AA	Reason for delay
1	2	3	4	5	6	7	8	9	10
1	Improvement of Rupsi Ali, Sonari (EI)	Charai deo Rural Road	24-6-04	18-1-05	29-3-05	95	More than 5 months	69 months	Inaccessibility to the work site
2	Improvement of Met. Sepon Suffry road (from 1 <sup>st</sup> to 12 <sup>th</sup> km)	Charai deo Rural Road	3-5-05	27-12-05	7-7-05	95	----	58 months	Non commencement of unfinished work
3	Improvement of Metd. & BT of Ligiri Ali (from 0 m to 6100 m)	Charai deo Rural Road	14-3-07	4-8-07	23-8-07	43 to 100	More than 1 month	36 months	Do
4	Improvement of Purbanchal Path connecting road to Chandan Nagar Tribeni path including RCC Bridge over river Bahini	Guwahati City Division II	1-3-06	31-7-06	1-9-06	90	3 months	48 months	Land dispute
5	Improvement & Strengthening of Moran Naharkatia road from Moran town to Naharkatia town	Dibrugarh Rural Road	1-1-08	3-4-08	24-4-08 (road) 9-3-10 (bridge)	83 to 88 (road) 47( bridge)	1 to 23 months	26 months	Abnormal delay in submission of revised estimate
6	Improvement & Strengthening of Joypur Ali road from 9 km to 22.60 km	Dibrugarh Rural Road	29-10-08	26-11-09	15-12-10	93	More than 21 months	17 months	Slow progress of work
7	Improvement & Strengthening of Dhodar Ali road from 196.50 km to 212.60 km	Dibrugarh Rural Road	29-10-08	4-8-09	17-8-09	64	More than 5 months	17 months	Do
8	Construction of RCC bridge no 5/6 on Dadara Pacharia Borijani Sessa road	Guwahati Road division	31-3-08	16-12-08	24-2-09	65	More than 6 months	24 months	Delay in approval of drawing
9	Improvement of road from Nazira to Nagahat via Geleky from ch. 13000 to 16600 m (ISC)	Sivasagar State Road, Nazira	30-3-07	NA	30-10-07	79	3 months	36 months	Lack of proper survey and non-removal of electric poles

*(Appendix – 2.8 continued....)*

1	2	3	4	5	6	7	8	9	10
10	Improvement & upgradation of roads within Silchar Municipal area under major district (Job no 86- Urban)	Silchar Rural Road	26-8-08	18-02-09	28-2-09 to 8-10-09	0 to 100	2 to 9 months	19 months	Withdrawal of contract & non-allotment /delayed allotment of unfinished work
11	Improvement & upgradation of roads within Silchar Municipal area in Cachar district (Job no 87 - Rural)	Silchar Rural Road	26-8-08	18-02-09	23-2-09 to 7-10-09	25 to 100	2 to 9 months	19 months	Do
12	Construction of road from Missamari centre to Mail bazaar via Gomiri centre Barangabari Temple (Phase II from Ch.9000 m to 18000 m)	Sonitpur Rural Road	31-3-08	15-12-08	17-2-09	93	More than 6 months	24 months	Slow progress of work

Source: Departmental records.



**Appendix – 2.9**

{Reference to Paragraph-2.3.8.1 (i)}

**Budget allotment and expenditure of selected districts under salary (Non-plan) during 2006-12 (₹ in lakh)**

Name of district/DFDO	Year	Budget allotment	Expenditure	Saving as on March 2012	Percentage of Saving
Cachar	2006-07	64.67	57.48	7.19	8.87
	2007-08	71.48	64.82	6.66	
	2008-09	77.85	66.69	11.16	
	2009-10	92.76	86.67	6.09	
	2010-11	125.60	115.51	10.09	
	2011-12	130.25	121.55	8.70	
	<b>Sub-total</b>	<b>562.61</b>	<b>512.72</b>	<b>49.89</b>	
Goalpara	2006-07	34.07	30.15	3.92	5.04
	2007-08	34.75	34.44	0.31	
	2008-09	42.08	38.60	3.48	
	2009-10	48.74	46.94	1.80	
	2010-11	69.91	68.69	1.22	
	2011-12	78.41	73.62	4.79	
	<b>Sub-total</b>	<b>307.96</b>	<b>292.44</b>	<b>15.52</b>	
Golaghat	2006-07	33.96	31.04	2.92	7.46
	2007-08	34.00	32.12	1.88	
	2008-09	38.89	35.47	3.42	
	2009-10	46.67	41.74	4.93	
	2010-11	58.70	56.31	2.39	
	2011-12	63.03	58.02	5.01	
	<b>Sub-total</b>	<b>275.25</b>	<b>254.70</b>	<b>20.55</b>	
Hailakandi	2006-07	22.02	16.20	5.82	23.74
	2007-08	22.23	17.30	4.93	
	2008-09	28.50	22.64	5.86	
	2009-10	35.25	26.60	8.65	
	2010-11	47.00	32.37	14.63	
	2011-12	46.21	38.34	7.87	
	<b>Sub-total</b>	<b>201.21</b>	<b>153.45</b>	<b>47.76</b>	
Kamrup	2006-07	78.43	76.59	1.84	4.40
	2007-08	87.23	85.23	2.00	
	2008-09	107.44	98.17	9.27	
	2009-10	128.93	116.20	12.73	
	2010-11	157.40	156.94	0.46	
	2011-12	172.25	166.37	5.88	
	<b>Sub-total</b>	<b>731.68</b>	<b>699.50</b>	<b>32.18</b>	
Karimganj	2006-07	35.02	34.94	0.08	8.16
	2007-08	38.35	37.22	1.13	
	2008-09	45.64	43.68	1.96	
	2009-10	56.44	54.33	2.11	
	2010-11	86.00	79.86	6.14	
	2011-12	96.35	78.59	17.76	
	<b>Sub-total</b>	<b>357.80</b>	<b>328.62</b>	<b>29.18</b>	
Nagaon	2006-07	66.50	61.29	5.21	5.52
	2007-08	69.65	65.53	4.12	
	2008-09	75.24	72.57	2.67	
	2009-10	96.50	87.82	8.68	
	2010-11	125.91	123.73	2.18	
	2011-12	130.28	121.97	8.31	
	<b>Sub-total</b>	<b>564.08</b>	<b>532.91</b>	<b>31.17</b>	
North Lakhimpur	2006-07	60.63	55.59	5.04	2.34
	2007-08	64.99	58.41	6.58	
	2008-09	62.67	61.06	1.61	
	2009-10	76.72	80.70	-3.98	
	2010-11	107.78	106.22	1.56	
	2011-12	105.27	104.87	0.40	
	<b>Sub-total</b>	<b>478.06</b>	<b>466.85</b>	<b>11.21</b>	
Sivasagar	2006-07	44.40	42.14	2.26	7.87
	2007-08	43.25	37.07	6.18	
	2008-09	46.72	41.46	5.26	
	2009-10	56.06	49.44	6.62	
	2010-11	84.81	79.25	5.56	
	2011-12	89.26	86.46	2.80	
	<b>Sub-total</b>	<b>364.50</b>	<b>335.82</b>	<b>28.68</b>	
<b>Grand Total</b>		<b>3843.15</b>	<b>3577.01</b>	<b>266.14</b>	

Source: Departmental figures.

## Appendix-2.10

{Reference to Paragraph- 2.3.8.2 (ii)}

Statement showing the position of closing balances under various schemes as of 31 March 2012

(₹ in lakh)

Sl. No.	Name of Units	Name of scheme	Fund received and period of receipts		Total fund utilized up to 31.03/2012	Unspent balance as on 31.03.2012	Period of unspent as on 3/2012
			Period of receipt	Amount received			
1	2	3	4	5	6	7	8
1.	Director of Fisheries, Assam	State Plan	1984-85 to 2011-12	NA*	NA	1113.01	1 day to 324 months
		AACP	NA	NA	NA	24.23	13 months
		RKVY	NA	NA	NA	1624.84	NA
		NFDB	NA	NA	NA	51.13	NA
<b>Total</b>						<b>2813.21</b>	
2.	DFDO, Nagaon	RKVY	19.02.09 to 17.11.11	117.36	70.79	46.57	4 to 37 months
		EGS	12.04.08 to 17.11.11	40.29	32.29	8.00	4 to 47 months
		Fisheries training & extension	20.03.10 to 01.08.11	2.39	NIL	2.39	8 to 24 months
		NWFF	19.06.08	4.85	4.57	0.28	45 months
		Survey of Fisheries Sector	22.12.09	1.85	0.86	0.99	27 months
		Dev. Of water logged	04.07.11	1.75	1.27	0.48	9 months
		Matsya Mitra	14.06.11	0.64	15.00	5.64	10 months
		DDP Scheme	11.08.10 to 12.01.11	4.00	3.99	0.01	19 months
		State Plan	31.03.09 to 31.03.12	411.33	205.52	205.81	1 day to 36 months
<b>Total</b>						<b>270.17</b>	
3.	Karimganj	RKVY	NA	NA	NA	4.91	--
		Saving cum-relief	21.11.11	1.05	NIL	1.05	4 months
		NFDB	31.03.12	54.40	NIL	54.40	1 day
		State Plan	31.03.12	83.47	NIL	83.47	1 day
		Misc.	29.02.12 to 23.03.12	NA	NA	0.65	2 months
<b>Total</b>						<b>144.48</b>	

\*Not available.

(Appendix 2.10 continued)

4.	Sivasagar	State Plan	21.03.12 to 31.03.12	128.605	NIL	128.605	1 to 11 days
		Misc	2008-09	NA	NA	0.98	36 months and above
		EGS	26.10.10	NA	NA	0.20	17 months
		RKVY	2008-09 to 2011-12	146.00	NA	8.70	-
<b>Total</b>						<b>138.49</b>	
5.	North Lakhimpur	State Plan	31.03.10 to 31.03.12	95.20	13.46	81.71	1 day to 24 months
		RKVY	10.10.11 to 31.03.12	34.88	22.81	12.07	5 months
<b>Total</b>						<b>93.78</b>	
6.	Kamrup	State Plan	17.12.09 to 31.3.12	285.53	126.07	159.46	1 day to 27 months
		NWFF	13.6.06 to 25.6.07	2.20	NIL	2.20	57 to 69 months
		NFDB	29.11.10	3.60	3.10	0.50	16 months
		RKVY	25.02.09 to 17.02.12	208.64	169.69	38.95	1 to 37 months
		Others	30.03.10 to 31.03.12	2.38	0.75	1.63	1 day to 24 months
<b>Total</b>						<b>202.74</b>	
7.	Hailakandi	State Plan	N.A.	N.A.	N.A.	69.83	NA (Cash analysis not done)
		RKVY	-do-	-do-	-do-	9.06	
<b>Total</b>						<b>78.89</b>	
8.	Cachar	State plan	N.A.	N.A.	N.A.	124.36	NA (Cash analysis not done)
		RKVY	-do-	-do-	-do-	21.72	
<b>Total</b>						<b>146.08</b>	
9.	Golaghat	State plan, RKVY etc	N.A.	N.A.	<b>Total</b>	<b>152.50</b>	N.A (Cash analysis not done)
10.	Goalpara	State plan	N.A.	N.A.	N.A.	50.91	N.A (Cash analysis not done)
		RKVY	N.A.	N.A.	N.A.	4.03	--do--
		<b>Total</b>					
<b>Sub total</b>						<b>1283.07</b>	
<b>Grand total</b>						<b>4,096.28</b>	

Source: Departmental records.

## Appendix-2.11

*{Reference to Paragraph-2.3.8.2(iii)}*

## Statement showing non-deposit of lease money to the Government account

(₹ in lakh)

District	Number of Farm	Period of collection	Amount collected	Expenditure	Purpose of expenditure	Balance as on 31.03.12	Mode of keeping of balance
1	2	3	4	5	6	7	8
Nagaon	8	4/1994 to 03/2012	44.05	15.80	Construction works and staff salary	28.25	DDO' accounts
Kamrup	4	4/1992 to 03/2012	13.93	--	----	13.93	--do--
Sivasagar	7	4/1994 to 03/2012	42.72	22.34	Construction & repairing works	20.38	Fixed deposit
Hailakandi	1	4/2006 to 03/2012	8.59	7.43	Office expenses	1.16	DDO' accounts
Goalpara	4	4/2006 to 03/2012	10.26	9.36	Office expenses	0.90	--do--
Cachar	4	4/2006 to 03.2012	9.62	6.12	OE/TA/Vehicle maintenance etc.	3.50	--do--
<b>Total</b>	<b>28</b>		<b>129.17</b>	<b>61.05</b>		<b>68.12</b>	

Source: Departmental records.

**Appendix-2.12**

{Reference to Paragraph- 2.3.8.2 (v)}

**Irregular drawal of funds under State-Plan Schemes during the period from 2007-08 to 2011-12**

(₹ in lakh)

Name of District	Year	Name of Scheme	FOC received during the month & amount		Month & amount drawn under RC bill (No)			Month of drawal & deposit into C/Account	Remarks	
			Month	Amount	No. of RC Bill	Month	Amount			
1	2	3	4	5	6	7	8	9	10	
North Lakhimpur	2009-10	State-Plan	03/10	63.67	8 No	03/10	63.67	03/10	The funds were drawn on RC bills supported by copy of FOC, Sanction order and Running account bill-C, First and final bill (prepared by JE) and copy of suppliers bills (collected from suppliers). After drawal, the fund was kept in C/Account and expenditure is met from time to time later-on.	
	2010-11	--do--	03/11	12.29	2 No	03/11	12.29	03/11		
	2011-12	--do--	03/12	67.18	17 No	03/12	67.18	03/12		
<b>Total</b>					<b>27 No</b>		<b>143.14</b>			
Sivasagar	2008-09	--do--	03/2009	22.17	4 No	03/09	22.17	03/2009		
	2009-10	--do--	03/2010	83.73	7 No	03/10	83.73	03/2010		
	2010-11	--do--	01/11 & 03/11	42.43	6 No	02/11 & 03/11	42.43	02/11 & 03/11		
	2011-12	--do--	03/12	128.605	16 No	03/12	128.61	03/12		
<b>Total</b>					<b>33 No</b>		<b>276.94</b>			
Karimganj	2009-10	--do--	02/10 & 03/10	40.50	4 No	03/10	40.50	03/10		The funds were drawn on RC bills supported by copy of FOC, Sanction order and details of expenditure. After drawal, the funds were kept in C/Account and expenditure is met from time to time later on
	2010-11	--do--	03/11	15.62	1 No.	03/11	15.62	03/11		
	2011-12	--do--	03/12	77.908	14 No	03/12	77.91	03/12		
					<b>19 No</b>	<b>Total</b>	<b>134.03</b>			
Kamrup	2009-10	--do--	01/10	18.73	2 No	03/10	18.73	03/10		
	2011-12	--do--	03/12	138.228	16 No	03/12	138.23	03/12		
<b>Total</b>					<b>18 No</b>		<b>156.96</b>			
Nagaon	2008-09	--do--	03/2009	47.84	7 No.	03/09	47.84	03/09	--do--	
	2009-10	--do--	02/10 & 03/10	154.07	10 No	03/10	154.07	03/10		
	2010-11	--do--	08/10 to 03/11	60.80	9 No	02/11 & 03/11	60.80	02/11 & 03/11		
	2011-12	--do--	03/12	148.62	16 No	03/12	148.62	03/12		
<b>Total</b>					<b>42 No</b>		<b>411.33</b>			

(Contd .....)

## (Appendix 2.12 continued)

<b>Goalpara</b>	2007-08	--do--	N.A	3.50	2 No.	03/08	3.50	03/08	The funds were drawn on RC bills supported by copy of FOC, Sanction order and details of expenditure. After drawal, the funds were kept in C/Account and expenditure is met from time to time later on
	2008-09	--do--	N.A	33.22	8 No	03/09	33.22	03/09	
	2009-10	--do--	N.A	84.34	12 No	03/10	84.34	03/10	
	2010-11	--do--	N.A	57.95	12 No	01/11 to 03/11	57.94	01/11 to 03/11	
	2011-12	--do--	N.A	50.27	16 No	03/12	50.26	03/12	
<b>Total</b>					<b>50 No</b>		<b>229.26</b>		
<b>Golaghat</b>	2008-09	--do--	03/2009	33.59	8 No.	03/09	33.59	03/2009	The funds were drawn on RC bills supported by copy of FOC, Sanction order and details of expenditure. After drawal, the funds were kept in C/Account and expenditure is met from time to time later on
	2009-10	--do--	02/10 & 03/10	70.03	10 No.	03/10	70.03	03/10	
	2010-11	--do--	08/10 to 03/11	17.88	7 No.	03/11	17.88	03/11	
	2011-12	--do--	N.A	141.71	18 No	03/12	141.71	03/12	
<b>Total</b>					<b>43 No</b>		<b>263.21</b>		
<b>Cachar</b>	2008-09	--do--	10/08 to 03/09	35.32	6 No.	03/09	35.32	03/09	To avoid lapse of ceiling issued at the fag end of the year
	2009-10	--do--	02/10 to 03/10	56.01	10 No.	03/10	56.01	03/10	
	2010-11	--do--	08/10 to 03/11	51.73	11 No.	01/11 to 03/11	51.73	01/11 to 03/11	
	2011-12	--do--	N.A	99.97	17 No	03/12	99.97	03/12	
<b>Total</b>					<b>44 No.</b>		<b>243.03</b>		
<b>Hailakandi</b>	2008-09	State plan	03/2009	25.29	6 No.	03/09	25.29	03/09	To avoid the lapse of FOC as the FOC is released at the fag end of the year with a very limited validity period
	2009-10	--do--	01/10 & 03/10	47.30	6 No	03/10	47.30	03/10	
	2010-11	--do--	08/10 to 03/11	41.95	10 No.	01/11 to 03/11	41.95	03/11	
	2011-12	--do--	N.A.	67.91	14 No	03/12	67.91	03/12	
<b>Total</b>					<b>36 No</b>		<b>182.45</b>		
<b>Grand total</b>					<b>312 No.</b>		<b>2040.35</b>		

Source: Departmental records.

**Appendix-2.13**

{Reference to Paragraph - 2.3.9.1 (iii)}

**Statement showing purchase of Fish seeds by the DFDO, Goalpara**

SL No.	Payment date	Vr. No.	Name of supplier	Scheme component	Type of seed	Quantity	Amount	Remarks
1	23.10.07	185	Ashim Kr. Mallik	DDP, Scheme 2006-07	Fish seed		135000	Purchased prior registration
2	03.09.09	5	Sanjoy Roy	DWB, Gen.-2008-09-SP	Fish seed		144000	Not a registered dealer
3	19.06.10	b/15	Ashim Kr. Mallik	Inputs under EGS & SHG-2009-10	Fish seed	4x60000	240000	(Vr. verified) Purchased after expiry of validity period on 21.05.2010
4	-do-	b/16	-do-	Do-RT	fry	6Lx7000	42000	
5	-do-	b/17	-do-	Do-NT	spawn	11mx6000	66000	
6	02.07.10	150/3	Ashim Kr. Mallik	DWB-Gen-2009-10-SP-input	Fish seed		450000	Purchased after expiry of validity
7	09.07.10	59/2	Do	Woman specific-FSF-2009-10	Do		199800	Do-
8	-do-	60/2	Do	Do	Do		98986	Do
9	29.07.10	3/3	Do	Open water beel-SCSP-2009-10	Do		90000	Do
10	06.08.10	19/3	Do	DWN-TSP-2009-10	Do		49520	Do
11	07.08.10	6/3	Do	DWN-SCSP-2009-10	Do		180000	Do
12	06.09.10	44/3	Do	RT&NT-gen&tsp-09-10	Do		100000	Do
13	-do-	55/3	Do	NT-gen-09-10	Do		14142	Do
14	-do-	56/3	Do	RT-GEN-09-10	Do		9744	Do
15	-do-	57/3	Do	NT- GEN-09-10	Do		115600	Do
16	4.11.10	1/11	Pres/Jagoran SHG	EGS-Orn.Fish Breeding-09.10	Do		50000	Not a registered dealer
17	-do-	2/11	Ashim Kr. Mallik	EGS-Orn.Fish Breeding-09.10	Do		84000	Purchased after expiry of validity
18	5.2.11	2/12	Do	Woman Emp.Prog.FSF-10-11	Do		111717	Do
19	-do-	12/12	Do	EGS-10-11	Do		249840	Do
20	25.5.11	10/2	Jayanta Medhi	DWB-Gen-10-11	Do		127580	Not a registered dealer
21	3.6.11	7/3	Ashim Kr. Mallik	DWB-Gen-10-11	Do		170834	Purchased after expiry of validity
22	-do-	b/44	Jayanta Medhi	Open water beel-SCSP-10-11	Do		207612	Not a registered dealer
23	18.7.11	b/12	Ashim Kr. Mallik	DWB-SCSP-10-11	Do		258390	Purchased after expiry of validity
<b>RKVY</b>							00	Production NA
1	19.8.09	2/8	Ashim Kr. Mallik	Pisciculture activity-08-09-Input	Fish seed		414700	Production NA
2	23.9.09	b/8	Do	Reclamation-RT-08-09	Do		120000	Production NA
3	19.12.09	b/10	Do	Pisciculture activity-08-09-Input	Do		29600	Production NA
4	-do-	b/11	Do	Do	Do		153800	Production NA
5	-do-	b/12	Do	Do	Do		105900	Production NA
6	31.12.09	b/29	Do	Do	Do		64858	Production NA
							<b>Total</b>	<b>4083623</b>

Source: Departmental records.

**Appendix-2.14**

{Reference to Paragraph- 2.3.9.2 (i)}

**Farm-wise detail position of expenditure on Government Fish Farm during 2006-12**

(₹ in lakh)

Directorate/ District	Number of Fish Farm	Period of expenditure	Name of Fish Farm	Construction/ Development cost of New/ Existing Farms		Salary of Staff	Total expenditure	Revenue earned from Sale proceeds	Percentage of revenue earned
				Existing	New				
<b>Existing Farms</b>									
Directorate	1	01.05.2010 to 14.02.2011	Bharat Ratna GNB Sarabar	36.90	-	NIL	36.90	2.55	6.91
Karbi Anglong	12	04/2006 to 3/2012	Ranaima Fish Farm (Deptt)& Ranaima Beel Fishery(Lease)	25.99	-	96.38	293.55	6.57	2.24
			Diphu Fish Farm(Lease)	33.72	-				
			Safapani Fish Farm (Lease)	6.52	-				
			Bokajan Fish Farm (Lease)	7.17	-				
			Silonijan Fish Farm	33.69	-				
			Nilip Fish Farm	5.67	-				
			Rongmongwe Fish Farm	6.21	-				
			Hamren Fish Farm	7.34	-				
			Ulukunchi Fish Farm	7.60	-				
			Udali Fish Farm	42.14	-				
			Cheksolangso Fish Farm	20.31	-				
			Bahoni Fish Farm, Bokalia	0.81	-				
<b>New Farms</b>									
Karbi Anglong	3	25.05.2008 to 25.08.2009	Naharjan Fish Farm including Mini Hatcheries	-	26.74	NIL	119.39	NIL	0
			Ancient Tank for Fish Farm		30.00				
			Pisturi Phikur Fish Farm		62.65				
Jorhat	1	1984-85	Jalukoni Fish Seed Farm	-	50.84	57.16	108.00	NIL	0
<b>TOTAL</b>	<b>17</b>			<b>234.07</b>	<b>170.23</b>	<b>153.54</b>	<b>557.84</b>	<b>9.12</b>	

Source: Departmental records.



**Appendix-2.15**

(Reference to Paragraph - 2.3.9.8)

**Position of fund received and utilisation under RKVY during 2008-12**

(₹ in lakh)

Year	Total Provision			Total Amount received (project share)			Amount utilised			Balance with the Directorate.		
	Govt Share	Beneficiary share	Total	Civil works	Inputs	Total	Civil	Inputs	Total	Civil	Inputs	Total
2008-09	2000	1011.88	3011.88	933.63	733.25	1666.88	920.86	625.91	1546.76	12.77	107.34	120.11
2009-10	1000	573.90	1573.90	480.75	258.15	738.90	480.18	246.51	726.69	0.57	11.64	12.21
2010-11	1400	762.28	2162.28	821.16	428.85	1250.01	679.65	122.23	801.88	141.51	306.62	448.13
2011-12	1200	820.756	2020.76	600.00	00.00	600.00	598.96	00.00	598.96	1.04	00.00	1.04
Total	5600	3168.82	8768.82	2835.54	1420.25	4255.79	2679.65	994.65	3674.29	155.89	425.6	581.49

Source: Departmental records.

**Appendix-2.16**  
(Reference to Paragraph - 2.3.9.8)  
**Unspent balance under RKVY**

(₹ in lakh)

<b>District</b>	<b>Fund received</b>	<b>Fund utilized</b>	<b>Closing balance</b>
Director	5000.00	3375.00	1625.00
<b>Sub-total</b>	<b>5000.00</b>	<b>3375.00</b>	<b>1625.00</b>
Kamrup	228.66	189.71	38.95
Nagaon	165.54	118.97	46.57
Karimganj	122.71	117.80	04.91
Sivasagar	142.35	133.63	8.70
N. Lakhimpur	172.30	160.23	12.07
Goalpara	127.14	123.20	3.94
Hailakandi	77.95	67.79	10.16
Cachar	105.88	84.16	21.72
<b>Sub-total</b>	<b>1142.53</b>	<b>995.49</b>	<b>147.02</b>
<b>Grand total</b>	<b>6142.53</b>	<b>4370.49</b>	<b>1772.02</b>

Source: Departmental records.

**Appendix-2.17**  
(Reference to Paragraph - 2.3.13)  
**Staff position of the Department**

Category of post	Sanctioned Strength	Men in position	Vacancy
Director of Instruction, RFTI	1	0	1
Joint Director/ Deputy Director	11	6	5
Finance & Accounts Officer	1	0	1
Executive Engineer	1	0	1
Assistant Executive Engineer/Assistant Engineer/Junior Engineer	29	26	3
District Fishery Development Officer/Adl. District Fishery Development Officer/ Sub Divisional Fishery Development Officer	68	30	38
Superintendent of Fishery	2	0	2
Fishery Extension Officer / Assistant Fishery Officer	220	160	60
Fishery Demonstrator	286	261	25
Research Officer/Research Assistant	4	2	2
Fishery Information Officer/Special Officer Planning/Statistical Officer	3	0	3
Lecture/Junior Instructor	7	1	6
Marketing Officer	1	1	0
Register/Office Superintendent/Assistant	260	219	41
Assistant Audit Officer/Inspecting Auditor	3	2	1
Group D	361	288	73
Photographer/Mandal/Mechanic/Tracer/Cinema Operator	90	49	41
<b>Total</b>	<b>1,348</b>	<b>1,045</b>	<b>303</b>

Source: Departmental records.

**Appendix-2.18**  
*{Reference to Paragraph - 2.3.14(vii)}*  
**Outstanding Inspection Report and paragraphs**

Year	No. of outstanding IRs	No. of outstanding paragraphs		Total
		Part II A	Part II B	
1995-96	2	0	4	4
1996-97	1	0	1	1
1998-99	1	0	2	2
1999-00	1	0	2	2
1901-02	1	0	2	2
2002-03	1	0	1	1
2003-04	1	0	1	1
2005-06	2	0	5	5
2006-07	12	2	31	33
2007-08	3	1	8	9
2008-09	1	0	4	4
2009-10	10	1	51	52
2010-11	1	0	12	12
2011-12	11	0	158	158
<b>Total</b>	<b>48</b>	<b>4</b>	<b>282</b>	<b>286</b>

Source: Monthly Progress Reports.

**Appendix 2.19**

{Reference to Paragraph - 2.3.14 (viii)(b)}

**Sale proceeds collected and deposited into treasury under the “Head of A/c 0405”  
by the Fishery Officer, J.B. Garh Fish farm, Roha, Nagaon during 2003-12**

(In ₹)

Year	Sales proceeds collected through sale of			Total collection	Total deposit	Sales proceeds not deposited
	Fish	Fish seeds	Other items			
1	2	3	4	5	6	7
2003-04	1,43,960	2,72,575	39,075	4,55,610	3,28,067	1,27,543
2004-05	84,922	2,10,375	32,746	3,28,043	2,22,935	1,05,108
2005-06	2,25,307	2,44,190	51,660	5,21,157	NIL	5,21,157
2006-07	2,10,760	2,54,630	39,192	5,04,582	NIL	5,04,582
2007-08	1,52,171	4,53,375	43,469	6,49,015	1,21,586	5,27,429
2008-09	1,10,098	3,69,800	41,507	5,21,405	2,29,169	2,92,236
2009-10	1,68,438	3,37,240	43,779	5,49,457	NIL	5,49,457
2010-11	88,641	4,68,520	38,566	5,95,727	NIL	5,95,727
2011-12	2,15,353	4,32,353	50,151	6,97,857	1,09,314	5,88,543
<b>Total</b>	<b>13,99,650</b>	<b>30,43,058</b>	<b>3,80,145</b>	<b>48,22,853</b>	<b>10,11,071</b>	<b>38,11,782</b>

Source: Departmental records.

## Appendix-2.20

(Reference to paragraph- 2.4.1)

## Statement showing expenditure of ₹57.30 lakh towards de-watering of canal before completion of closing bund and construction of diversion canal

Name of the work	Date of completion of closing bund		Date of completion of diversion canal		Pump No.	Date of utilisation of pump		Hours	HP Power
	Date	MB Ref/Page No.	Date	SMB Ref/Page No.		From	To		
Medhipara FIS (A)	28.02.10	617, P/11	25.02.10	223, P/48	Z170F	12.01.10	28.02.10	376.50	10
					50041987	14.01.10	28.02.10	373.50	10
					91888	16.01.10	26.02.10	275.00	10
					1851054	16.01.10	25.02.10	288.50	5
					50041897	15.01.10	26.02.10	289.00	5
					1850504	16.01.10	28.02.10	255.50	5
					<b>Total :</b>		<b>1858.00</b>	<b>45</b>	
			<b>Total hours (A)</b>			<b>1858 X 45</b>	<b>83610.00</b>		
Baruapathar FIS (B)	19.02.10	615, P/6	23.02.10	226, P/29	Z/C55041436	12.01.10	23.02.10	193.00	10
					Z/C5504160	20.01.10	22.02.10	217.00	10
					Z/C55361489	16.01.10	21.02.10	238.50	10
					EDS38159	17.01.10	23.02.10	236.00	5
					9910119	15.01.10	23.02.10	189.00	5
					8337862	16.01.10	22.02.10	192.00	5
					<b>Total :</b>		<b>1265.50</b>	<b>45</b>	
			<b>Total hours (B)</b>			<b>1265.50 X 45</b>	<b>56947.50</b>		
Nampathar FIS (C)	17.02.10	618, P/3	22.02.10	225, P/38	G10097CM3	25.01.10	22.02.10	230.50	10
					MII/0912114	25.01.10	22.02.10	237.00	10
					9810120	28.01.10	22.02.10	225.00	10
					EDS46311	27.01.10	22.02.10	235.00	5
					EDS47522	25.01.10	22.02.10	192.40	5
					Z/C4509160	24.01.10	22.02.10	201.00	5
					<b>Total :</b>		<b>1320.90</b>	<b>45</b>	
			<b>Total hours (C)</b>			<b>1320.90 X 45</b>	<b>59440.50</b>		
<b>Grand Total : (A) + (B) + (C)</b>			<b>(83610 + 56947.50 + 59440.50) = 199998.00 hour</b>						
<b>Total expenditure incurred :</b>			<b>199998.00 hrs @ ₹28.65 per/hr. = ₹57,29,943.00</b>						

Source: Departmental records.

Appendix-2.21

(Reference to Paragraph-2.4.2)

Name of work: Improvement of DDS Road under ACA for the year 2007-08 (Chainage from 23,145 m to 26,075 m)

(Breath-3.75 m)

Sl. No	Name of contractor	Chainages	Scarifying		Making up loss of materials		WBM		Primer coat		Tack coat		Premix Carpeting		Seal Coat	
			Chainage	Qty. (sqm)	Chainage	Qty. (sqm)	Chainage	Qty. (cum)	Chainage	Qty. (sqm)	Chainage	Qty. (sqm)	Chainage	Qty. (sqm)	Chainage	Qty. (sqm)
1	Longkiram Kramsa	23145-23400	23150-23300 (150m x 3.75)	562.50	23145-23400 (255m x 3.75)	956.25	23150-23300 (150m x 0.281)	42.15	23145-23400 (255m x 3.75)	956.25	23145-23400 (255m x 3.75)	956.25	23145-23400 (255m x 3.75)	956.25	23145-23400 (255m x 3.75)	956.25
<b>Date of mst.</b>		<b>14.01.08</b> <b>21.02.08</b>	<b>16.01.08</b> <b>P/2</b>	<b>1120</b>	<b>19.01.08</b> <b>P/3</b>	<b>1120</b>	<b>24.01.08</b> <b>P/7</b>	<b>1120</b>	<b>03.02.08</b> <b>P/8</b>	<b>1120</b>	<b>06.02.08</b> <b>P/9</b>	<b>1120</b>	<b>13.02.08</b> <b>P/10-11</b>	<b>1120</b>	<b>20.02.08</b> <b>P/12</b>	<b>1120</b>
2	Long Ch. Terong	23400-24500	23250-23400 24000-24300	1687.50	23400-24500	4125.00	23280-24360	126.45	23400-23700 24000-24250	2062.50	23400-24500	4125.00	23400-24500	4125.00	23400-24500 (1100m x 3.75)	4125.00
<b>Date of measurement.</b>		<b>09.01.08</b> <b>03.04.08</b>	<b>08.03.08</b> <b>P/29</b>	<b>1120</b>	<b>12.03.08</b> <b>P/30</b>	<b>1120</b>	<b>18.03.08</b> <b>P/34</b>	<b>1120</b>	<b>19.03.08</b> <b>P/36</b>	<b>1120</b>	<b>21.03.08</b> <b>P/37</b>	<b>1120</b>	<b>28.03.08</b> <b>P/39</b>	<b>1120</b>	<b>03.04.08</b> <b>P/40</b>	<b>1120</b>
3.	Ahnkar Bey	24500-25600	24550-24910	1350.00	24500-25600	4087.50	24550-24910	101.16		3187.50	24500-25600	4125.00	24500-25600	4125.00	24500-25600	4125.00
<b>Date of mst.</b>		<b>09.01.08</b> <b>01.04.08</b>	<b>03.03.08</b> <b>P/2</b>	<b>1119</b>	<b>08.03.08</b> <b>P/3</b>	<b>1119</b>	<b>12.03.08</b> <b>P/7</b>	<b>1119</b>	<b>25.03.08</b> <b>P/8</b>	<b>1119</b>	<b>08.01.08</b> <b>P/9</b>	<b>1119</b>	<b>27.03.08</b> <b>P/11</b>	<b>1119</b>	<b>01.04.08</b> <b>P/12</b>	<b>1119</b>
4	Semson Sing Ingti	25600-26075	25500-25780 (280m x 3.75)	1050.00	25600-26075 (475m x 3.75)	1781.25	25500-25780 (280m x 0.281)	78.68	25600-26075 (475m x 3.75)	1781.25	25600-26075 (475m x 3.75)	1781.25	25600-26075 (475m x 3.75)	1781.25	25600-26075 (475m x 3.75)	1781.25
<b>Date of mst.</b>		<b>14.01.08</b> <b>01.05.08</b>	<b>02.04.08</b> <b>P/17</b>	<b>1119</b>	<b>06.04.08</b> <b>P/18</b>	<b>1119</b>	<b>10.04.08</b> <b>P/22</b>	<b>1119</b>	<b>13.04.08</b> <b>P/23</b>	<b>1119</b>	<b>18.04.08</b> <b>P/25</b>	<b>1119</b>	<b>26.04.08</b> <b>P/26</b>	<b>1119</b>	<b>01.05.08</b> <b>P/28</b>	<b>1119</b>
<b>Total :</b>				<b>4650.00</b>		<b>10950.00</b>		<b>348.44</b>		<b>7987.50</b>		<b>10987.50</b>		<b>10987.50</b>		<b>10987.50</b>
<b>Rate (₹)</b>				<b>7.70</b>		<b>26.70</b>		<b>1581.21</b>		<b>38.80</b>		<b>7.00</b>		<b>97.04</b>		<b>41.61</b>
<b>Amount (₹)</b>				<b>35805</b>		<b>292365</b>		<b>550957</b>		<b>309915</b>		<b>76913</b>		<b>1066227</b>		<b>457190</b>
<b>Total expenditure</b>		<b>27,89,372.00</b>														

**Appendix-2.22**  
(Reference to paragraph- 2.5.1)

**Statement showing extra expenditure due to inclusion of 10 per cent overhead charges**

(In ₹)

Name of work		Medhipara FIS (I)	Baruapara FIS (II)	Nampathar FIS (III)	Total qty. executed	Rate allowed in (I) to (III) FIS	Rate allowed in Dhankunda FIS (IV)	Difference in rates	Extra expenditure
Sl. No.	Item of works	Quantity of work done							
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1.	Earth work in excavation of foundation of head work in all soils including slushy mud, silt, sandy clay filling up sides of tranches and removal of spoils, etc. filling empty cement bags, etc. for all lead and lift, complete as directed (per cum.)	11796.62 8131.435	14160.16	19860.25 28532.82	<b>82481.29</b>	263.78	<b>239.63</b>	<b>24.15</b>	<b>1991923</b>
2.	Earth work in filling in all soils in Guide bund, Afflux Bund etc. by carriage for a minimum distance of 1 Km including paying compensation of earth obtained from private land, etc. will all lift, complete as directed (Payment will be made after deduction of 12.5% shrinkage) (per cum)	5619.475 3704.240	3227.675 7213.50	14707.70 20.80 1225.12 13015.00	<b>48733.51</b>	260.55	<b>244.65</b>	<b>15.90</b>	<b>774863</b>
3.	Earth work in excavation of deposited silt, sand and river debris from the seat of in Guide Bund, Afflux Bund, etc. including clearing jungle, trees upto 15cm dia. And uprooting roots and stumps, etc. from the seat of guide bund and Afflux bund etc, including carriage of excavated earth at a distance not less than 80M from the axis of the guide bund, afflux bund etc. (per cum.)	3932.20	1327.50 4720.05	148.78 6620.00 130.86	<b>16879.39</b>	99.33	<b>90.22</b>	<b>9.11</b>	<b>153771</b>
4.	Collection and supply of one man size (25cm to 30cm) blasted boulder from quarry site free from dust, dirt and any other foreign materials, screening, stacking in measurable stack at quarry site, incl. Carriage of boulder to the working site, loading, unloading, paying F/R (per cum.)	821.40 501.44 2095.24	1892.58 625.23	2224.75	<b>8160.64</b>	1576.42	<b>1526.66</b>	<b>49.76</b>	<b>406073</b>



**(Appendix-2.22 continued....)**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
5.	CC work in prop 1:4:8 in foundation abutment pier/wing wall with broken stone size 13mm to 38mm incl. Curing with necessary timber shuttering where necessary as directed (per cum.)	321.354	359.66	455.725	<b>1136.74</b>	4928.30	<b>4575.14</b>	<b>353.16</b>	<b>401451</b>
6.	CC work in prop 1:3:6 in foundation abutment pier/wing wall with broken stone size 13mm to 38mm incl. Curing with necessary timber shuttering where necessary as directed (per cum.)	2557.605	3063.895	14.04 4543.86 177.82	<b>10357.22</b>	5350.78	<b>4929.65</b>	<b>421.13</b>	<b>4361736</b>
7.	RCC work in slab, abutment, cap and above abutment column, deck slab, pier cap, pedestal, dirt wall and approach slab in prop 1:2:4 with broken stone size 6mm to 20mm reinforces with proper reinforcements as per design and drawing including curring with necessary timber shuttering (per cum.)	1440.111	1494.07	2961.795	<b>5895.98</b>	6124.13	<b>5672.45</b>	<b>451.68</b>	<b>2663096</b>
8.	CC work in slab, abutment, cap and above abutment column, deck slab, pier cap, pedestal, dirt wall and approach slab in prop 1:1.5:3 with broken stone size 6mm to 20mm including curing with necessary timber shuttering (per cum.)	205.14	263.56	336.30	<b>805.00</b>	6249.28	<b>5775.58</b>	<b>473.70</b>	<b>381329</b>
9.	Collection and supply of sand gravel (40% sand and 60% gravel) at quarry site free from dust, dirt and any other foreign materials, screening, stacking in measurable stack at quarry site including carriage of materials to the working site, loading, unloading, paying F/R (per cum.)	249.93 481.41	674.97 284.78	1268.08 663.68	<b>3622.85</b>	1227.15	<b>1148.58</b>	<b>78.57</b>	<b>284647</b>
10.	Centering and shuttering by ply wood including propping etc. where necessary in slab, abutment, cap and above abutment column, deck slab, pier cap, pedestal dirt wall and counter fort wall etc. of head work component and removal of forms after completion of CC and RCC work (per sqm.)	3200.79	3743.20	4482.04	<b>11426.03</b>	443.10	<b>238.39</b>	<b>204.71</b>	<b>2339023</b>

**(Appendix-2.22 continued....)**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
11.	Supply fitting, fixing and laying MS/TS reinforcement rod in position in RCC work, including cutting, bending, cranking and tying with 2ply 0.90mm annealed wire etc. (per Qtl.)	1451.81	1695.38	2088.39	<b>5235.58</b>	6919.01	<b>6294.38</b>	<b>624.63</b>	<b>3270300</b>
12.	Refilling the sides of structure after completion with soil mixed with sand and small sized boulders carried by truck from the deposited spoils within a radius of 1Km as there is no free space nearby including dressing, ramming etc. (per cum.)		4770.00	9796.00	<b>14566.00</b>	271.95	<b>249.45</b>	<b>22.50</b>	<b>327735</b>
13.	Cost of dewatering from the work site by running required nos. of pumps including the cost of POL, hire charge labour charges etc. and handling, carrying earth for a depth of maximum 3.20m (per Hour/HP)	207342.50	129705.00	229480.50	<b>566528.00</b>	28.65	<b>26.10</b>	<b>2.55</b>	<b>1444646</b>
14.	Providing weep holes with 50mm dia GI pipes (TATA make) of required length and depth and fitted with vertical non-return valve (50mm) inside of brass made incl. Cost of making filter of size 0.60 x 0.60 x 0.60m filled with graded filter media at back side and covering the back side with MS wire netting in the abutment, face wall of head work incl. Shuttering for providing space at the time of casting CC incl. Supply fitting bend, nipple, etc. (per No.)	114	114	58 40	<b>326.00</b>	2826.83	<b>2593.92</b>	<b>232.91</b>	<b>75929</b>
15.	Labour charge for spreading of hard river gravel or broken stone of size 13mm to 38mm to the required thickness incl. Dressing and ramming the seat before laying the materials as directed with a lead upto 30M and lift upto 1.5M (Per cum.)	--	--	444.30	<b>444.30</b>	295.88	<b>269.11</b>	<b>26.77</b>	<b>11894</b>
<b>TOTAL</b>									<b>18888416</b>

Source: Departmental records.

**Appendix-2.23**

(Reference to paragraph- 2.6.2)

**Statement showing short-deduction of VAT/Non-deduction of CESS from the contractors' bills**

		Quantity of work done				Item rate inclusive of 5% VAT (₹)	Amount (₹)
		Medhipara FIS	Baruapara FIS	Nampathar FIS	Total (₹)		
	Name of contractor	M/S. Sunrise enterprise	Sri Chandan Dekka	M/s. Hi-tech construction and supply			
	<b>Up to date payment made (₹)</b>	<b>8,08,19,727</b>	<b>7,02,37,295</b>	<b>11,74,05,250</b>	<b>26,84,62,272</b>		
	<b>Last payment voucher no. and date</b>	<b>3, 29.10.2011</b>	<b>268, 30.03.2011</b>	<b>266, 30.03.2011</b>			
Sl. No	Item of work done						
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	Earth work in excavation of foundation of head work in all soils including slushy mud, silt, sandy clay filling up sides of trenches and removal of spoils, etc. filling empty cement bags etc. for all lead and lift, complete as directed (per cum).	11796.62 8131.435	14160.16	19860.25 28532.82	<b>82481.29</b>	263.78	<b>21756913</b>
2.	Earth work in filling in all soils in Guide bund, Afflux Bund etc. by carriage for a minimum distance of 1 Km including paying compensation of earth obtained from private land etc. will all lift, complete as directed (Payment will be made after deduction of 12.5% shrinkage) (per cum).	5619.475 3704.240	3227.675 7213.50	14707.70 20.80 1225.12 13015.00	<b>48733.51</b>	260.55	<b>12697516</b>
3.	Earth work in excavation of deposited silt, sand and river debris from the seat of in Guide Bund, Afflux Bund etc., including clearing jungle, trees upto 15 cm dia. And uprooting roots and stumps etc., from the seat of guide bund and Afflux bund etc., including carriage of excavated earth at a distance not less than 80 M from the axis of the guide bund, afflux bund etc. (per cum).	3932.20	1327.50 4720.05	148.78 6620.00 130.86	<b>16879.39</b>	99.33	<b>1676630</b>
4.	Carriage of excavated spoils, slush of head work beyond initial lead of 120m incl. Loading and unloading in a distance of 2 km as directed. (per cum.)	9437.30	13216.147	18536.24	<b>41189.69</b>	176.93	<b>7287691</b>
5.	Supply and lying of cement bags with sand/earth including stitching the mouth, laying, fixing in position as directed (per no.)	3537	11970	3516 7473	<b>26496.00</b>	18.84	<b>499185</b>

(Appendix-2.23 continued....)

1	2	3	4	5	6	7	8
6.	Collection of sand at quarry site from dust, dirt, and any other foreign materials, screening, stacking in measurable stack at quarry site, incl. Carriage of materials to the working site, loading, unloading paying F/R (per cum.)	--	--	--	--	770.30	--
7.	Collection and supply of one man size (25 cm to 30 cm) blasted boulder from quarry site free from dust, dirt and any other foreign materials, screening, stacking in measurable stack at quarry site, incl. Carriage of boulder to the working site, loading, unloading, paying F/R (per cum.)	821.40 501.44 2095.24	1892.58 625.23	2224.75	<b>8160.64</b>	1576.42	<b>12864596</b>
8.	Collection and supply of crusher broken chips of size 6 mm to 20 mm from blasted boulder from Govt. approved quarry site free from dust, dirt and any other foreign materials, screening, stacking in measurable stack at quarry site, incl. Carriage of boulder to the chusher machine area then to the working site, loading, unloading, paying F/R (per cum.)	--	--	--	--	2158.27	--
9.	Collection and supply of crusher broken chips of size 13 mm to 38 mm from blasted boulder from Govt. approved quarry site free from dust, dirt and any other foreign materials, screening, stacking in measurable stack at quarry site, incl. Carriage of boulder to the chusher machine area then to the working site, loading, unloading, paying F/R (per cum.)	191.91 100.95 475.46	224.00 125.225	209.87	<b>1327.42</b>	2091.08	<b>2775731</b>
10.	CC work in prop 1:4:8 in foundation abutment pier/wing wall with broken stone size 13 mm to 38 mm incl. Curing with necessary timber shuttering where necessary as directed (per cum.)	321.354	359.66	455.725	<b>1136.74</b>	4928.30	<b>5602191</b>
11.	CC work in prop 1:3:6 in foundation abutment pier/wing wall with broken stone size 13 mm to 38 mm including curing with necessary timber shuttering where necessary as directed (per cum.)	2557.605	3063.895	14.04 4543.86 177.82	<b>10357.22</b>	5350.78	<b>55419206</b>
12.	RCC work in slab, abutment, cap and above abutment column, deck slab, pier cap, pedestal, dirt wall and approach slab in prop 1:2:4 with broken stone size 6 mm to 20 mm reinforces with proper reinforcements as per design and drawing including curring with necessary timber shuttering (per cum.)	1440.111	1494.07	2961.795	<b>5895.98</b>	6124.13	<b>36107724</b>

**(Appendix-2.23 continued...)**

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>
13.	CC work in slab, abutment, cap and above abutment column, deck slab, pier cap, pedestal, dirt wall and approach slab in prop 1:1.5:3 with broken stone size 6 mm to 20 mm including curing with necessary timber shuttering (per cum.)	205.14	263.56	336.30	<b>805.00</b>	6249.28	<b>5030670</b>
14.	Collection and supply of sand gravel (40% sand and 60% gravel) at quarry site free from dust, dirt and any other foreign materials, screening, stacking in measurable stack at quarry site including carriage of materials to the working site, loading, unloading, paying F/R (per cum.)	249.93 481.41	674.97 284.78	1268.08 663.68	<b>3622.85</b>	1227.15	<b>4445780</b>
15.	Centering and shuttering by ply wood including propping etc. where necessary in slab, abutment, cap and above abutment column, deck slab, pier cap, pedestal dirt wall and counter fort wall etc. of head work component and removal of forms after completion of CC and RCC work (per sqm.)	3200.79	3743.20	4482.04	<b>11426.03</b>	443.10	<b>5062874</b>
16.	Supply fitting, fixing and laying MS/TS reinforcement rod in position in RCC work, including cutting, bending, cranking and tying with 2-ply 0.90 mm annealed wire etc. (per Qtl.)	1451.81	1695.38	2088.39	<b>5235.58</b>	6919.01	<b>36225030</b>
17.	Refilling the sides of structure after completion with soil mixed with sand and small sized boulders carried by truck from the deposited spoils within a radius of 1Km as there is no free space nearby including dressing, ramming etc. (per cum.)		4770.00	9796.00	<b>14566.00</b>	271.95	<b>3961224</b>
18.	Cost of dewatering from the work site by running required nos. of pumps including the cost of POL, hire charge labour charges etc. and handling, carrying earth for a depth of maximum 3.20 m (per Hour/HP)	207342.50	129705.00	229480.50	<b>566528.00</b>	28.65	<b>16231027</b>
19.	Providing weep holes with 50mm dia GI pipes (TATA make) of required length and depth and fitted with vertical non-return valve (50mm) inside of brass made incl. Cost of making filter of size 0.60 x 0.60 x 0.60 m filled with graded filter media at back side and covering the back side with MS wire netting in the abutment, face wall of head work incl. Shuttering for providing space at the time of casting CC incl. Supply fitting bend, nipple, etc. (per No.)	114	114	58 40	<b>326.00</b>	2826.83	<b>921547</b>

**(Appendix-2.23 continued....)**

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>
20.	Labour for making level the ground surface for lay out of structure for fixing the required axis line by cutting the high land and filling and leveling the low land where necessary etc. (per sqm.)	10500.00	10500.00	13216.00	<b>34216.00</b>	30.94	<b>1058643</b>
21.	Const. of 1.00 M square boulder sausage incl. Supplying of materials with 25 cm to 30 cm size blasted boulder collecting from nearest quarry encaged in 15 cm mesh of 8G hexagonal wire netting and filling the voids between the boulders with gravel not exceeding 18 cm in size, tied with 8G galvanized tying wire at 13 cm apart, laid in position, etc. paying necessary F/R incl. Providing 1 no. of jati bamboo, etc. driven at least 0.60 m below ground and tying with sausage etc. (per RM)	280.00 700.00	167.00	--	<b>1147.00</b>	2698.42	<b>3095087</b>
22.	Const. of rectangular boulder apron of size 1.50 M x 0.50 M incl. Supplying of materials with 25 cm to 30 cm size blasted boulder collecting from nearest quarry encaged in 15cm mesh of 8G hexagonal wire netting and filling the voids between the boulders with gravel not exceeding 18 cm in size, tied with 8G galvanized tying wire at 13cm apart, laid in position incl. Local carriage of materials, paying F/R incl. Tying with boulder sausages etc. (per RM)	140.00 700.00	167.00	--	<b>1007.00</b>	2109.62	<b>2124387</b>
23.	Mixing of cement, sand and aggregate by concrete mixture machine incl. Manually loading and unloading the materials in the mixture machine etc. (per cum.)	--	--	--	--	177.11	--
24.	Const. of whole bamboo single pallasiding with matured bhaluka bamboo post 7.50cm to 10.0cm dia, 5cm apart 1.50M to 1.80M above ground and 1.00M to 1.20M below ground with jati bamboo struts placed in 1.20M to 1.50M apart, tied with 16G to 18G complete with 3 rows of horizontal half jati bamboo kamies (per RM)	359.85	442.20	280.00 415.00	<b>1497.05</b>	542.46	<b>812090</b>
25.	Labour charge for pitching with one man size boulder incl. Dressing and ramming the seat to proper size and slope, pitching etc. with local carriage of boulder from a distance of 60M with lift upto 3M (per cum.)	--	--	--	--	298.45	--
26.	Labour charge for spreading of hard river gravel or broken stone of size 13mm to 38mm to the required thickness incl. Dressing and ramming the seat before laying the materials as directed with a lead upto 30M and lift upto 1.5M (Per cum).	--	--	444.30	<b>444.30</b>	295.88	<b>131459</b>

**(Appendix-2.23 continued...)**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
27.	CC work in slab, abutment, cap and above abutment column, deck slab, pier cap, pedestal, dirt wall and approach slab in prop 1: 2: 4 with broken stone size 6mm to 20mm reinforces with proper reinforcements as per design and drawing incl. Curing with timber shuttering (Per cum.)	--	--	--	--	5398.00	--
28.	Centering and shuttering including propping etc. where necessary and removal of forms after completion of CC and RCC works (per sq m.)	--	--	245.82	<b>245.82</b>	262.12	<b>64434</b>
29.	Dismantling the existing culvert incl. Clearing wall and removing the dismantled materials to a safe place and stacking the serviceable materials at a suitable place as directed (per cum.)	--	--	--	--	571.50	--
30.	Dismantling CC abutment wall and wing wall of upper portion of ground level including removing the materials from site of works (per Cum.)	--	--	--	--	462.28	--
31.	Providing and laying 75 mm thick soling with 13mm to 38 mm size broken stone aggregate below the CC canal bed incl. Filling the interstices with river sand, ramming etc. (per sqm.)	--	--	103.06	<b>103.06</b>	309.00	<b>31846</b>
32.	Const. of temporary shed with 0.80M high earth filling and floor, etc. (per sqm.)	154.00	154	154.00	<b>462.00</b>	2255.09	<b>1041852</b>
33.	Earth work in excavation and removal of swelled up earth mixed with silt of slurry due to sand etc	1483.32 157.50 787.50	1744.995 300.60	3600.00	<b>8073.32</b>	502.38	<b>4055875</b>
34.	Rolling, cutting and removal of bamboo clumps incl. Uprooting of stems etc.	--	679.10	2049.00	<b>2728.10</b>	113.50	<b>309639</b>
35.	Labour for const. curtain wall by sheet "Z" type sheet pile with manually, etc.	1101.52	653.24	1452.744	<b>3207.50</b>	793.44	<b>2544962</b>
36.	Earth work in back filling of structure by earth obtained from borrow pit, filling in 15cm.	--	4764.40	9781.355	<b>14545.76</b>	125.08	<b>1819383</b>
37.	Const. of GSB	750.00	1500.00	--	<b>2250.00</b>	731.33	<b>1645493</b>

*(Appendix-2.23 continued....)*

1	2		3	4	5	6	7	8
38.	Const. of WBM		--	750.00	--	750.00	1193.11	894833
39.	Earth work in excavation of Diversion/Feeder channel to the designed section etc.		--	28011.50	--	28011.50	109.58	3069500
<b>Total :</b>								<b>251265018</b>
<b>I.</b>	<b>VAT</b>	(A)	5% VAT to be deducted on ₹251265018.00		₹12563251.00			
		(B)	Actual deduction made @ 4% on ₹251265018.00		₹10050601.00			
			Short-deduction of VAT (A)-(B)		₹2512650.00			
<b>II.</b>	<b>CESS</b>		Total CESS included @ 1% on ₹251265018.00		₹2512650.18			
			Less : Deduction made		<i>Nil</i>			
			Non-deduction of CESS		₹2512650.18			

Source: Departmental records.



**Appendix – 3.1**

(Reference to paragraph 3.1)

**Department-wise details of budget provision and expenditure during 2011-12 in respect of General Sector**

(₹ in crore)

Sl. No.	Department	Grant No. and Name	Budget provision				Expenditure			
			Charged		Voted		Charged		Voted	
			Revenue	Capital	Revenue	Capital	Revenue	Capital	Revenue	Capital
1.	Administrative Reforms and Training	22- Administrative Training	0	0	6.77	0	0	0	8.67	0
2.	Border Areas	50- Other Special Areas Programme	0	0	113.40	0	0	0	30.15	0
3.	Election	4-Election	0	0	101.98	0	0	0	82.38	0
4.	General Administration	12-District Administration	0.31	0	126.63	0	2.89	0	105.71	0
		25-Miscellaneous General Services	0.50	0	361.70	0	0	0	258.90	0
		47-Trade Adviser	0	0	0.96	0	0	0	1.01	0
5.	Home	14-Police	2.00	0	2446.19	48.04	0.19	0	1798.62	5.70
		15-Jails	0.11	0	57.69	0	0.05	0	48.36	0
		18-Fire Services	0.01	0	105.61	0	0	0	85.27	0
		19-Vigilance Comm. & others	0	0	47.26	0	0	0	39.75	0
		20-Civil Defense and Home Guards	0	0	148.80	0	0	0	131.55	0
6.	Judicial	3- Administration of Justice	39.50	0	166.60	0	30.95	0	98.49	0
7.	Legislative	1-State Legislature	0.62	0	54.88	44.26	0.39	0	42.79	26.79
		1-Head of State	4.95	0	0	0	4.13	0	0	0
		2-Council of Ministers	0	0	10.78	0	0	0	6.88	0
8.	Printing and Stationery	16- Stationery and Printing	0	0	28.32	0	0	0	24.30	0
9.	Revenue and Disaster Management	6-Land Revenue and Land Ceiling	0.04	0	322.61	0	0	0	155.23	0
		41- Natural Calamities	0	0	288.96	0	0	0	283.62	0
		72- Relief and Rehabilitation	0	0	42.45	0	0	0	14.12	0
10.	SAD	11- Secretariat and Attached Offices	0	0	1698.38	4.50	0	0	1219.08	3.00
11.	Information and Public Relations	35- Information and Publicity	0	0	24.87	0	0	0	23.11	0
<b>Total</b>			<b>48.04</b>	<b>0</b>	<b>6154.84</b>	<b>96.80</b>	<b>38.60</b>	<b>0</b>	<b>4457.99</b>	<b>35.49</b>
<b>Grand total:</b>			<b>Budget provision: ₹6,299.68 crore</b>				<b>Expenditure: ₹4,532.08 crore</b>			

Source: Appropriation Accounts 2011-12.

## Appendix – 3.2

(Reference to paragraph 3.1)

Department-wise details of budget provision and expenditure during 2011-12 in respect of other heads  
(₹ in crore)

Grant No.	Budget provision				Expenditure			
	Charged		Voted		Charged		Voted	
	Revenue	Capital	Revenue	Capital	Revenue	Capital	Revenue	Capital
23-Pension and other retirement benefits	5.55	0	2410.76	0	0	0	3123.73	0
10-Public Service Commission	6.97	0	0	0	6.53	0	0	0
68-Loans to Govt. Servant	0	0	0	1.10	0	0	0	0.09
<b>Total</b>	<b>12.52</b>	<b>0</b>	<b>2410.76</b>	<b>1.10</b>	<b>6.53</b>	<b>0</b>	<b>3123.73</b>	<b>0.09</b>
<b>Grand total:</b>	<b>Budget provision: ₹2,424.38 crore</b>				<b>Expenditure: ₹3,130.35 crore</b>			

Source: Appropriation Accounts 2011-12.

**Appendix – 3.3**

{Reference to paragraph 3.2.9.1 (ii)}

**Non-compliance of the objectives and its benefits of the SRS of ‘Dharitree’ software**

Sl. No.	Objectives and benefits of Dharitree as per SRS	Audit comment
1	Land owners will get <ul style="list-style-type: none"> <li>Legitimate certificates with quality</li> <li>No delay</li> <li>All the benefits out of land holding</li> </ul>	Benefits may not be achieved as: <ul style="list-style-type: none"> <li>‘dag’ number remained blank or entered as decimal/special character which affected the quality.</li> <li>Some data like pattadars’ area was required to be entered after applied for by the land owner causing delay in data retrieval.</li> <li>No scope to bifurcate the area of land holding as per land class <i>i.e.</i> the purpose for which the land was utilized.</li> </ul>
2	The administrators will be benefitted for making a quick planning, decision by person independent retrieval of all the necessary data, MIS reports, by simple clicking a few buttons of the system from the desktop of their work. The Agricultural, Planning Departments will be benefitted in making proper plan for agriculture development by getting up-to-date crop intimation from <i>Dharitree</i> ’.	The planning may not be treated as correct due to: <ul style="list-style-type: none"> <li>Unique ID remains no longer a unique rendering data unreliable.</li> <li>The software failed to generate essential reports like total land held by an individual throughout the state.</li> <li>System failed to calculate the <i>dag</i> revenue.</li> <li>System was deficient of cross referencing of data in various fields.</li> <li>Land was categorised under non-crop code of residential or business class. Simultaneously, the same land was also coded under crop code showing erroneous application of code.</li> <li>Some circles contained neither crop code nor non crop code.</li> </ul>
	The Judiciary (and thereby citizens) will be benefitted in faster disposal of a land dispute cases. The registration office will be benefitted in online cross checking of data. The Financial Institutions will be benefitted in cross checking land information (provided access is given to them) of a land owner for taking a decision on issuance of loan to the land holders and vice-versa.	Cross checking of land information could be unreliable as: <ul style="list-style-type: none"> <li>Start year of possession of a plot/<i>dag</i>, which in case of litigation, is necessary/important input, is not provided by the software.</li> <li>The software did not have provision to capture the balance area automatically after entering the area of the new sub-division created as a result of partition and the same has to be done manually.</li> <li>The software failed to provide scanning facility in respect of documents such as applications, supporting documents like gift/sale deed, Will, court order etc., for future verification resulting in non-preservation of the information.</li> <li>The conversion was not being generated by the system but was being done manually.</li> <li>After selling part of the land holding by the owner, the system failed to reduce original land holding by the sold portion by default.</li> </ul>

<b>Glossary of Abbreviations</b>	
AA	Administrative Approval
AACP	Assam Agricultural Competitiveness Project
AC	Abstract Contingent bills
ACA	Additional Central Assistance
ACM&HO	Additional Chief Medical and Health Officer
ADDO	Assistant Dairy Development Officer
AFO	Assistant Fishery Officer
AFR	Assam Financial Rule
AGMC	Assam Government Marketing Corporation
AIBP	Accelerated Irrigation Benefit Programme
AMC	Annual Maintenance Contract
AP	Annual Plan
APRs	Actual Payees' Receipts
ARIASP	Assam Rural Infrastructure and Agricultural Services Project
ASIDCL	Assam Small Industries Development Corporation Limited
ASSCA	Assam State Seed Certification Agency
ATNs	Action Taken Notes
ATR	Assam Treasury Rule
AWCs	Anganwadi Centres
AWHs	Anganwadi Helpers
AWWs	Anganwadi Workers
BADP	Border Area Development Programme
BE	Budget Estimates
BOCWAR	Building and Other Construction Workers Assam Rules
BOQ	Bill of Quantities
CA	Civil Advance
CCO	Chief Controlling Officer
CDPOs	Child Development Project Officers
CEO	Chief Executive Officer
CHC	Community Health Centre
CLR	Computerisation of Land Records
COs	Controlling Officers
CPSMS	Central Plan Scheme Monitoring System
CRF	Central Road Fund
CSS	Centrally Sponsored Schemes
DAO	District Agriculture Officer
DCC	Detailed Countersigned Contingent bills
DCR	Deposit at Call Receipt
DDF	Deputy Directors of Fisheries
DDOs	Drawing and Disbursing Officers
DFDO	District Fishery Development Officers
DFO	Divisional Forest Officer
DMO	District Malaria Officer
DoNER	Development of North Eastern Region
DPR	Detailed Project Report
DRDA	District Rural Development Agency
DSG	Dharampal Satyapal Group

**(Glossary of Abbreviations Contd.....)**

EI	Economic Importance
EM	Executive Member
EMD	Earnest Money Deposit
EO	Executive Officer
FDR	Fixed Deposit Receipt
FFDA	Fish Farmers Development Agencies
FIR	First Information Report
FIS	Flow Irrigation Scheme
FISHCOPFED	National Federation of Fishermen's Co-operative Limited
FOC	Fixation of Ceiling
FYP	Five Year Plan
GAC	Government Ayurvedic College
GFR	General Financial Rule
GIA	Group Accident Insurance
GIS	Group Insurance Scheme
GMC	Guwahati Municipal Corporation
GMCH	Guwahati Medical College and Hospital
GMDA	Guwahati Metropolitan Development Authority
GMP	Good Manufacturing Practice
GPF	General Provident Fund
GWL	Ground Water Level
H&FW	Health and Family Welfare
HAD	Hill Areas Department
HADP	Hill Areas Development Programme
HBA	House Building Advance
HLC	High Level Committee
HRD	Human Resource Development
HTC	Havarpi Tourist Complex
HTW	Hand Tube Well
IAY	Indira Awas Yojana
ICDS	Integrated Child Development Service
ID	Identification Numbers
IDEA	Interactive Data Extraction and Analysis
IFC	Industry Facilitation Council
IIT	Indian Institute of Technology
IMC	Indian Major Carps
IRS	Indoor Residual Spray
IRs	Inspection Reports
ISC	Inter-State Connectivity
ISM	Indian System of Medicine
ISM&H	Indian System of Medicine and Homoeopathy
JCH	Jorhat Civil Hospital
JDF	Joint Directors of Fisheries
JMCH	Jorhat Medical College Hospital
JVC	Joint Venture Company
KAAC	Karbi Anglong Autonomous Council

*(Glossary of Abbreviations Contd.....)*

LGB	Live Gene Bank
LP/ME	Lower Primary/Middle English
MBs	Measurement Books
MFHCVs	Mobile Fish Health Care Vans
MGNREGS	Mahatma Gandhi National Rural Employment Guarantee Scheme
MoRD	Ministry of Rural Development
MORTH	Ministry of Road Transport and Highways
MRI	Magnetic Resonance Imaging
NBFGR	National Bureau of Fish Genetic Research
NEC	North Eastern Council
NFBS	National Family Benefit Scheme
NFDB	National Fishery Development Board
NGO	Non-Government Organisation
NICSI	National Informatics Centre Services Inc.
NIT	Notice Inviting Tender
NITs	National Institute of technology
NLCPR	Non-lapsable Central Pool of Resources
NLRMP	National Land Records Modernisation Programme
NOC	No Objection Certificate
NRHM	National Rural Health Mission
NSAP	National Social Assistance Programme
NSCL	National Seed Corporation Limited
NVBDCP	National Vector Borne Disease Control Programme
NWFF	National Welfare Fund for Fishermen
OEM	Original Equipment Manufacturer
P&RD	Panchayat and Rural Development
PAC	Public Accounts Committee
PAN	Permanent Account Number
PDD	Planning and Development Department
PHC	Primary Health Centre
PHE	Public Health Engineering
PMGSY	Prime Minister's Gram Sadak Yojana
R&DMD	Revenue and Disaster Management Department
RFTI	Regional Fisheries Training Institute
RITES	Rail India Technical Engineering Services
RK	Revenue Kanungo
RKVY	Rastriya Krishi Vikash Yojana
RORs	Records of Rights
RSVY	Rastriya Sam Vikash Yojana
SAP	State Ayurvedic Pharmacy
SBBs	State Brood Banks
SCCP	Scheduled Caste Component Plan
SDAO	Sub-divisional Agriculture Officer
SDO	Sub-divisional Officers
SHG	Self Help Groups
SJSRY	Swarna Jayanti Sahari Rojgar Yojana
SLSC	State Level Seed Committee

***(Glossary of Abbreviations Contd.....)***

SNP	Special Nutrition Programme
SOE	Statement of Expenditure
SQL	Structured Query Language
SRS	System Requirement Specification
SSI	Small Scale Industry
STPI	Software Technology Parks of India
TFC	Twelfth Finance Commission
TIO	Tourist Information Officer
TMSS	Town Milk Supply Scheme
TMT	Thermo Mechanically Treated
TS	Technical Sanction
UCs	Utilisation Certificates
URS	User Requirement Specification
VAT	Value Added Tax
WTK	Water Testing Kit
ZP	Zilla Parishad