

EXECUTIVE SUMMARY

Executive Summary

This Audit Report has been prepared in three chapters. Chapters I, II and III deal with Social, Economic (Non-PSUs) and General Sectors respectively.

This Report contains 25 Draft Audit paragraphs, two Compliance Audits *viz.*, 'Incentive to Scheduled Caste students (Scholarship schemes)' and 'Border Areas Development Programme', three Performance Audits (PAs) (Social Sector: one, Economic Sector: one and General Sector: one) and Audit of 'Pension Management System of the Directorate of Pension'. The draft audit paragraphs and draft PA Reports were sent to the Commissioner/Secretary of the departments concerned with a request to furnish replies within six weeks. The views of the Government were incorporated wherever appropriate. The audit findings relating to the PAs were discussed in the Exit Conferences held with the Commissioners/Secretaries. A synopsis of the important findings contained in the Report is presented below.

SOCIAL SECTOR

Performance Audit

Performance Audit on 'Implementation of National Rural Drinking Water Programme'

Government of India (GoI) launched the National Rural Drinking Water Programme (NRDWP) in April 2009 as a Centrally Sponsored Scheme to provide adequate and safe water for drinking, cooking and other basic domestic needs on a sustainable basis to the rural population. A Performance Audit (PA) on Implementation of the NRDWP was conducted covering the period 2012-13 to 2016-17 to assess the impact of implementation of the NRDWP in Assam. Government of Assam (GoA) incurred an expenditure of ₹ 2,356.03 crore on NRDWP during 2012-17 on implementation of 21,106 water supply schemes. As on 31 March 2017, only 17 *per cent* of rural habitations could attain 'fully covered'¹ status under the NRDWP. The main challenge was 'quality affected habitations' which were 12.5 *per cent* (11,048 out of 88,099 habitations) against the national average of 4.3 *per cent* of such habitations.

(Paragraph 1.2)

Audit of 'Pension Management System of the Directorate of Pension'

The Directorate of Pension (DoP), under the Pension and Public Grievances Department (PPG), Government of Assam (GoA), was computerised (March 2009) through a comprehensive system *viz.*, 'Director of Pension Information System (DPIS)'. The objective of the computerization was to ensure speedy finalisation of

¹ based on 55 litre per capita per day (lpcd) norm.

pension cases of the employees of the Provincialised schools and the Panchayati Raj Institutions (PRI).

Audit of Pension Management System of the DoP was carried out covering all the pension modules that were implemented during 2009-17. The audit revealed deficiencies in system design, input controls, data backup and security controls. Audit also noticed persisting delays in disposal of pension cases and inability of the system to perform age analysis of these cases.

(Paragraph 1.3)

Compliance Audit

The Ministry of Social Justice and Empowerment (MoSJ&E), GoI has taken up several scholarship schemes to provide incentives to Scheduled Caste (SC) students to enable them to complete their education and to minimize incidence of drop out.

Compliance Audit for the period 2012-17 on implementation of the scheme showed that it suffered from lack of updated database leading to instances of incorrect, inadequate and incomplete distribution of scholarship including cases of misappropriation of scholarship fund.

(Paragraph 1.4)

Director of Welfare of Plain Tribes and Backward Classes, Assam incurred an excess expenditure of ₹ 0.75 crore on procurement of dyed cotton yarn during 2015-16 due to fixation of higher rate by the Departmental Purchase Committee (DPC).

(Paragraph 1.5.1)

Award of work by the Director, Cultural Affairs, Assam to a firm without ensuring availability of funds and inability to make payment in time resulted in a loss of ₹ 3.98 crore to the Government by way of making payment of interest as per court order.

(Paragraph 1.5.3)

Injudicious decision of the Gauhati University authority to invest (in fixed term deposit) ₹ 27.70 crore in the banks paying lower rate of interest resulted in loss of ₹ 62.07 lakh.

(Paragraph 1.5.4)

Joint Director of Health Services, Karbi Anglong incurred extra expenditure of ₹ 0.82 crore in procuring medicines at higher rates than the Maximum Retail Price (MRP).

(Paragraph 1.5.5)

Cash amount of ₹ 5.19 lakh withdrawn from bank by the Chairman, Town Committee, Maibong was not accounted for in the Cash Book. Absence of records in support of utilization of the amount pointed towards suspected misappropriation of the amount.

(Paragraph 1.5.6)

Karbi Anglong Autonomous Council diverted ₹ two crore out of available funds under Rashtriya Krishi Vikas Yojana towards an inadmissible project in violation of the provision of Scheme Guidelines.

(Paragraph 1.5.7)

District Social Welfare Officers, Kamrup (M) and Goalpara irregularly procured 4,274 sewing machines under Indira Gandhi Matritva Sahyog Yojana for ₹ 3.84 crore. Besides, procurement of the same at a rate higher than the MRP led to an excess expenditure of ₹ 1.13 crore.

(Paragraph 1.5.9)

Expenditure of ₹ 1.13 crore incurred by the Director, Char Areas Development (CAD), Assam for the procurement and distribution of vehicles to 21 beneficiaries was doubtful for want of records of actual deliveries.

(Paragraph 1.5.10)

Director, CAD, Assam, besides making irregular procurement of huller mills for ₹ 3.07 crore, incurred avoidable extra expenditure of ₹ 2.20 crore due to allowing exorbitantly higher rates than the market rates.

(Paragraph 1.5.11)

ECONOMIC SECTOR

Performance Audit

Performance Audit on 'Flood Control in Assam'

The rivers, Brahmaputra and Barak along with their tributaries traverse the State of Assam. As identified by Rastriya Barh Ayog, 31.50 lakh hectares (ha) (40 per cent out of the total 78.44 ha land area) of the State is flood prone area which is four times (approximately) of the national mark². Almost every year, the State is ravaged by devastating floods causing huge loss of life and property. GoI implemented Flood Management Programme (FMP) and Flood forecasting scheme during XI (2007-12) and XII (2012-17) five years plans.

A PA on assessing the impact of the implementation of the selected projects under FMP, as well as other programmes of flood control undertaken by Water Resources

² 10.2 per cent flood prone area of the total area of the country.

Department, Government of Assam covering the period 2007-2017 was conducted. Audit noticed short release of funds during the period both by the Centre and State under the programme. Audit also brought out deficiencies in planning which showed that the State relied on short term measures to avert flood problems without adopting long term solutions. There were instances, where implementation of short term and immediate measures suffered from deficiencies like delay in land acquisition, inadmissible expenditure, wasteful and unfruitful expenditure *etc.* The State incurred substantial loss³ in the form of damage to properties/crops *etc.*, during 2007-2017.

(Paragraph 2.2)

Compliance Audit

Executive Engineer (Agriculture) of five divisions incurred excess expenditure of ₹ 4.17 crore on procurement and distribution of diesel pump sets and execution of civil works of shallow tube well under the World Bank aided Project.

(Paragraph 2.3.1)

Executive Engineer, Karbi Anglong Irrigation Division, Diphu made excess payment of ₹ 4.03 crore to the contractors due to non-deduction of Value Added Tax (VAT) at applicable rates.

(Paragraph 2.3.2)

Executive Engineer, PWD, Guwahati Road Division incurred an avoidable extra expenditure of ₹ 82.67 lakh on Road-cum-Built Up Girder (BUG) Bridge No. 1/1 over River Digaru at Old AT Road due to injudicious analysis of providing and launching Steel Truss of Structural Steel BUG Super structure.

(Paragraph 2.3.3)

The Project Director (ASRP) delayed handing over of the site for construction of road under Assam State Roads Project which resulted in cost overrun of ₹ 15.13 crore. The Department also did not recover the additional cost of ₹ 3.95 crore from the defaulting contractor as was required under the provisions of the contract agreement.

(Paragraph 2.3.4)

Injudicious inclusion of inadmissible 10 *per cent* premium for remote areas in the estimates and subsequent awarding of the work at rates inclusive of premium, had resulted in excess expenditure of ₹ 2.21 crore.

(Paragraph 2.3.5)

Executive Engineer (EE), PWD (Roads), Mangaldoi State Road Division incurred an extra expenditure of ₹ 75.62 lakh towards carriage of road metals from the quarry by providing extra carriage in the estimates.

(Paragraph 2.3.7)

Executive Engineer, Tezpur Water Resources Division incurred an avoidable expenditure of ₹ 3.88 crore due to non-adoption of lowest rate by the Departmental

³ ₹ 23,493.39 crore (quantified by Revenue and Disaster Management Department).

Tender Committee for the supply of geo bags besides making extra payment of ₹ 23.21 lakh towards local carriage of gabion boxes.

(Paragraph 2.3.8)

GENERAL SECTOR

Performance Audit

Performance Audit on 'Working of Fire and Emergency Services'

The Fire and Emergency Services, Assam (F&ES) has been identified as a multi hazard first responder and entrusted with the task of safeguarding life and property of the people from fire, floods, storms, earthquakes *etc.*

A performance audit on 'Working of Fire and Emergency Services' for the period 2012-13 to 2016-17 showed that the department could not attain the desired level of preparedness required to minimise the impact in the eventuality of any disaster taking place in future. This was due to lack of adequate planning, infrastructure, database and awareness.

(Paragraph 3.2)

Compliance Audit

The Department of Border Management, Ministry of Home Affairs (MHA), GoI, is implementing the Border Area Development Programme (BADP)⁴ from the seventh Five Year Plan (1988-1992). In Assam, implementation of BADP started since 1993-94.

BADP is a major intervention strategy of the Central Government to meet the special development needs of the people living in remote and inaccessible areas situated near the international border and to saturate the border areas with the required essential infrastructure through convergence of central/state/local schemes and participatory approach.

Implementation of the scheme in the state suffered due to short release of funds amounting to ₹ 191.19 crore by the GoI during 2012-15. This was due to non-submission of utilisation certificates (UCs) by the State and delay in approval of the schemes by the State Level Screening Committee.

(Paragraph 3.3)

The Deputy Commissioner, Jorhat failed to deduct 10 *per cent* contractor's profit at the time of payment for works executed through Construction Committees which resulted in excess payment of ₹ 0.70 crore.

(Paragraph 3.4.1)

⁴ A Centrally funded scheme upto 2015-16 and a Centrally Sponsored Scheme with sharing pattern of 90:10 between GoI and GoA from 2016-17.

The Deputy Commissioner, Jorhat failed to furnish the records of utilization of ₹ 13.56 lakh which pointed towards suspected misappropriation. Further, the Additional DC irregularly issued UC against the amount.

(Paragraph 3.4.2)

Director, Printing and Stationery, Assam incurred infructuous expenditure of ₹ 1.21 crore towards purchase of machineries for modernization of Government Press, which remained uninstalled and unutilized.

(Paragraph 3.4.3)

Assam State Disaster Management Authority made excess payment of ₹ 2.95 crore to All India Disaster Mitigation Institute due to misinterpretation of the terms and conditions of the agreement.

(Paragraph 3.4.4)

Expenditure of ₹ 1.54 crore incurred by Deputy Commissioner, Kamrup (Rural) for the execution of four works of permanent nature from State Disaster Response Fund (SDRF) was irregular and unauthorized.

(Paragraph 3.4.5)

State Government delayed transfer of SDRF to Public Account in violation of the SDRF Guidelines that resulted in potential loss of interest of ₹ 51.24 crore.

(Paragraph 3.4.6)