



SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest

Report of the Comptroller and Auditor General of India For the year ended 31 March 2019



**Jaintia Hills Autonomous District Council,
Jowai, Meghalaya**

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

For the year ended 31 March 2019

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Jowai, Meghalaya**

TABLE OF CONTENTS		
	Paragraph	Page
<i>Preface</i>		(iii)
<i>Overview</i>		(v)
Chapter-I: Constitution, Rules and Maintenance of Accounts		
Profile of Jaintia Hills Autonomous District Council	1.1	1
Rules for the management of District Fund	1.2	1
Maintenance of Accounts	1.3	2
Administrative set-up of the Council	1.4	3
Internal Control	1.5	5
Summary of Recommendations	1.6	5
Chapter-II: Autonomous District Council Funds		
Introduction	2.1	7
Receipt and Disbursement	2.2	7
Substantial variation between Budget Estimates and Actuals	2.3	12
Conclusion	2.4	15
Summary of Recommendations	2.5	15
Chapter-III: Comments on Accounts		
Introduction to Accounts & Comments on Council Accounts	3	17
Discrepancy in the opening and closing cash balance	3.1	17
Recovery of misappropriated fund	3.1.1	19
Non-reconciliation of closing balance	3.2	20
Understatement of Capital Expenditure	3.3	21
Conclusion	3.4	22
Summary of Recommendations	3.5	22
Chapter-IV: Compliance Audit Observations		
Discretionary Grant and Gratuitous Relief: Observations thereof	4.1.1	25
Implementation of schemes from Council own fund: Observation thereof	4.1.2	27
Delay/Non-submission of Utilisation Certificates	4.2	28
Outstanding Inspection Reports	4.3	29
Follow-up action on Audit Reports	4.4	30
Conclusion	4.5	30
Summary of Recommendations	4.6	31
Appendices		
Statement showing the details of Discretionary Grant and Gratuitous Relief released during the year 2018-19.	Appendix-I	33
Statement showing expenditure incurred on purchase of CGI Sheets, plastic chairs, agricultural sprayers, tarpaulin, etc., distributed to beneficiaries during 2018-19.	Appendix-II	38

PREFACE

This Report has been prepared for submission to the Governor of Meghalaya under Paragraph 7(4) of the Sixth Schedule to the Constitution of India. It relates mainly to the issues arising from the audit of the Annual Accounts as also of the transactions of the Jaintia Hills Autonomous District Council, Jowai, Meghalaya for the year 2018-19.

2. This Report contains four Chapters, the first of which deals with the Constitution of the Jaintia Hills Autonomous District Council, the rules for the management of the District Fund and maintenance of accounts by the District Council. Chapter-II depicts Autonomous District Council Funds position. Chapter-III deals with comments on the Accounts of the Council and Chapter-IV deals with compliance issues during test-audit of the transactions of the Council for the year 2018-19.



OVERVIEW

OVERVIEW

This Report contains four Chapters. Chapter-I provides a background on the formation of the Autonomous District Council, rules for the management of the District Fund and relevant constitutional provisions on maintenance of Accounts. Chapter II gives an overview on the financial position of the Council and budgetary process during the year. Chapter-III of the Report deals with the Comments on Accounts of the Council. Chapter-IV deals with the audit findings pertaining to transaction audit of the Council.

1. Internal Control

An evaluation of internal control system in the Council revealed that internal control mechanism was weak which is evident from persistent irregularities like discrepancy in cash balances as per Annual accounts (Paragraph 3.1), and non-reconciliation of cash balance with bank accounts (Paragraph 3.2), etc. Due to weak internal controls, the attempt on the part of Audit to examine the annual accounts and transactions of the Council was constrained to that extent.

In order to enhance the Internal Control system, the Council established an Internal Audit Section which commenced operations from 01 September 2023.

(Paragraph 1.5)

Recommendations:

- (i) *The personnel of the Finance and Accounts Department may be trained through targeted upskilling initiatives, leveraging the resources and opportunities provided by the State's training facilities.*
- (ii) *The Internal Audit Section may take prompt corrective actions as necessary to address the deficiencies identified in audit. Provision for trainings and development opportunities for staff within the Internal Audit Section to enhance their skills and knowledge in conducting thorough and effective audits is recommended.*

A synopsis of the important findings contained in the Report is presented below:

2. Autonomous District Council Funds

During 2018-19, total receipts of the Council decreased by ₹ 16.94 crore (17.56 per cent) from ₹ 96.47 crore in 2017-18 to ₹ 79.53 crore in 2018-19. The reason for decrease was mainly due to decrease in share of taxes on Mines and Minerals by ₹ 17.86 crore (33 per cent) from ₹ 72.61 crore received in 2017-18 to ₹ 54.75 crore during 2018-19. Own Revenue Receipts of the Council also decreased by ₹ 2.93 crore (26 per cent) from ₹ 11.28 crore collected during 2017-18 to ₹ 8.35 crore collected in 2018-19.

During 2018-19, out of the total fund available of ₹ 148.77 crore, including opening balance, the Council utilised ₹ 105.77 crore (71 per cent).

(Paragraph 2.2.1)

During 2018-19, JHADC generated ₹ 8.35 crore from its own sources. It received ₹ 59.42 crore as share of taxes, ₹ 0.13 crore as Grants-in-aid from the State Government,

and ₹ 11.63 crore as Special Assistance from Government of India. As such, JHADC is primarily dependent on external sources of funds (89.50 *per cent*) as against its own sources of funds (10.50 *per cent*).

(Paragraph 2.2.1.1)

During 2018-19, the total revenue expenditure of JHADC increased by 29.59 *per cent* from ₹ 81.61 crore in 2017-18 to ₹ 105.77 crore in 2018-19. The increase in revenue expenditure during 2018-19 was across all Major heads which ranged between 11 and 26 *per cent* over the previous year.

Despite incurring an expenditure of ₹ 22.53 crore under ‘Public Works – Construction’, i.e., construction of roads, School buildings, *etc.*, being capital expenditure, there was no capital expenditure reported in the Annual Accounts by the Council.

(Paragraph 2.2.1.2)

The total receipts of the Council amounting to ₹ 79.53 crore showed a decrease of 45 *per cent* from the Budget Estimate (₹ 145.50 crore) during 2018-19. Similarly, expenditure of the Council amounting to ₹ 105.77 crore, also fell short of the Budget Estimate (₹ 167.18 crore) by 37 *per cent*.

(Paragraph 2.3)

Recommendations:

- (i) *The Council needs to improve the collection efficiency of revenue from own sources in order to be less dependent on share of taxes and grants-in-aid.*
- (ii) *The Council needs to plan utilisation of available funds appropriately, to ensure optimal use, maintaining alignment with the predetermined budgetary plan for expenditures. Additionally, it is advised that capital expenditures be accurately categorised and recorded under appropriate heads in the Annual Accounts.*
- (iii) *The Council may undertake detailed budgetary analysis and reviews to identify untapped eligible revenue resources and for estimating revenue receipts more accurately. Expenditure on schemes implemented by the Council should also be incurred as per the budget estimate to achieve its objectives.*

3. Comments on Accounts

The JHADC opened Cash Books (2014) without accurately reflecting a prior missing fund of ₹ 5.49 crore removed in October 2004. Despite prior reports by the Comptroller and Auditor General highlighting this issue, the Council has yet to address them or provide an updated status on the Cash Books reconciliation as on September 2023.

(Paragraph 3.1)

There was a total misappropriation of ₹ 7.08 crore, comprising ₹ 5.49 crore from 2001 to 2004 and an additional ₹ 1.59 crore misappropriated between March and May 2014. Despite recovering ₹ 1.69 crore, significant amounts remain outstanding, with ₹ 5.39 crore yet to be recovered. Despite partial recovery of the embezzled funds, these

were not disclosed in the Annual Accounts for proper monitoring of recovery of the balance amount.

(Paragraph 3.1.1)

The closing balance in the Annual Accounts for 2018-19 showed a difference of ₹ 19.11 lakh when compared to the Bank Statements for the same period. Additionally, there was overstatement of ₹ 1.01 crore in the closing balance between the Annual Accounts and the Cash Book. However, the Council did not prepare any reconciliation statement to identify the reasons for these discrepancies.

(Paragraph 3.2)

JHADC incurred capital expenditure of ₹ 22.53 crore on various construction projects during 2018-19. However, the expenditure was booked as revenue expenditure. This has resulted in overstatement of revenue expenditure by ₹ 22.53 crore and understatement of capital expenditure by ₹ 22.53 crore.

(Paragraph 3.3)

Recommendations:

- (i) *The Council should take effective steps to recover the balance amount of ₹ 5.39 crore with proper disclosure in the Annual Accounts whenever such recoveries are made.*
- (ii) *The Council should prepare monthly reconciliation statements to explain any differences between the Cash Books, Bank Statements and Annual Accounts. Recasting of the Cash Books may be expedited.*
- (iii) *The Council should adhere to the format of Accounts prescribed by the C&AG. Budgetary provisions and the corresponding expenditure should be classified according to the nature of expenditure to ensure proper disclosure in the Annual Accounts.*

4. Compliance Audit Observations

During 2018-19, the JHADC exceeded its budget for Discretionary Grants (DG) and Gratuitous Relief (GR) by ₹ 3.94 crore, resulting in total expenditures of ₹ 9.94 crore against the budget provision of ₹ 6.00 crore. Funds were allocated to 918 DG beneficiaries and 834 GR beneficiaries through the MDCs. There was inconsistency in the amounts allocated to the MDCs. In respect of DG, the amount released to 30 MDCs ranged between ₹ 3.00 lakh and ₹ 32.00 lakh while it was ₹ 1.55 lakh to ₹ 31.00 lakh in case of GR. Additionally, there was lack of supporting documentation for various expenses incurred by the MDCs.

(Paragraph 4.1.1)

The Council had not established any rules for implementing the Member of District Council Schemes (MDCs' schemes) and Normal Development Schemes from the Council's own fund. In 2018-19, ₹ 95.06 lakh was allocated to MDCs, out of which ₹ 45.54 lakh was expended on purchase of CGI sheets, plastic chairs, agricultural

sprayers, tarpaulin, *etc.* However, the expenditure incurred by the MDCs were not supported by vouchers/Cash Memos. In the absence of such details the genuineness of the expenditure could not be vouched-safe in audit.

(Paragraph 4.1.2)

Despite receiving GoI grants amounting to ₹ 46.13 crore between the years 2015-16 to 2017-18, UCs for ₹ 6.91 crore were not submitted even after lapse of more than five years.

(Paragraph 4.2)

Recommendations:

- (i) *The Council must strictly adhere to Rule 42 of the JADF Rules, 1967 while making payments for expenditures incurred in day-to-day business of the Council.*
- (ii) *The Council should ensure consistent application of the new guidelines established in October 2022 in respect of Discretionary Grants and Gratuitous Relief by all members of the Council.*
- (iii) *The Council may strengthen the mechanism for implementation of schemes/projects in a time bound manner to avoid undue delays in submission of UCs and the risk of misutilisation of funds.*

The image features a solid dark red background. On the left side, there are three overlapping circles of varying sizes, each with a dark red outline and a lighter red fill. To the right of these circles is a light red, scroll-like rectangular container with rounded corners and a subtle drop shadow. The container has a horizontal bar at the top and a small tab at the bottom left. Inside this container, the chapter title is displayed in a serif font.

CHAPTER-I

Constitution, Rules and Maintenance of Accounts

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Constitution, Rules and Maintenance of Accounts

1.1 Profile of Jaintia Hills Autonomous District Council

The United Khasi and Jaintia Hills Autonomous District Council was set up in June 1952 under the provisions of Article 244 (2) read with the Sixth Schedule to the Constitution of India. The Council was bifurcated in 1967 and the Jowai District Council was carved out of it. In 1973, the United Khasi and Jaintia Hills District Councils was renamed as Khasi Hills Autonomous District Council and Jaintia Hills Autonomous District Council respectively.

The Sixth Schedule to the Constitution provides for administration of specified tribal areas. For that purpose, it provides for constitution of a District Council for each Autonomous District with powers to make laws on matters listed in paragraph 3(1) of the schedule mainly in respect of allotment, occupation, use of land, management of forest other than reserve forests, use of any canal or water courses for irrigation purposes, regulation of the practice of “Jhum”¹ or other forms of shifting cultivation, establishment of village or town committees or councils and their powers, village or town administration including police, public health and sanitation and inheritance of property.

Paragraph 6 (1) of the Schedule empowers the Council to establish, construct or manage primary schools, dispensaries, markets, cattle pounds, ferries, fisheries, roads, road transport and water ways in the respective autonomous districts. Paragraph 8 of the Schedule further empowers the Councils to assess, levy and collect within the autonomous districts, revenue in respect of land and buildings, taxes on professions, trades, callings and employments, animals, vehicles and boats, tolls on passengers and goods carried in ferries and taxes for the maintenance of schools, dispensaries or roads.

Jaintia Hills Autonomous District Council (JHADC) consists of 30 Members including 29 elected Members and one Member nominated by the Governor on the recommendation of the Chief Executive Member (CEM). The Council headed by a Chief Executive Member, is headquartered at Jowai, Meghalaya. During 2018-19, the Council had its full strength of members consisting of all 29 elected and one nominated member.

1.2 Rules for the management of the District Fund

The Sixth Schedule provides for the constitution of a District Fund for each Autonomous District to which shall be credited all moneys received by the Council in the course of administration of the districts in accordance with the provisions of the Constitution. In terms of paragraph 7(2) of the Schedule, Rules are to be framed by the Governor for management of the District Fund and the procedure to be followed in respect of

¹ “Jhum” cultivation is a local name for slash and burn agriculture practiced by the tribal groups in the north-eastern states of India. Crops are grown in this cultivation by clearing the trees and other vegetation and then burning the fields. Land burning allows the addition of potash to the soil, which in effect increases soil fertility and nutrient content.

payment of money into the said fund, the withdrawal of money therefrom, the custody of money therein and any other matter connected with or ancillary to these matters. These rules had not been finalised (September 2023). Meanwhile, the affairs of the Jaintia Hills Autonomous District Council were being regulated in accordance with the Jowai Autonomous District Fund Rules, 1967.

1.3 Maintenance of Accounts

In pursuance of paragraph 7(3) of the Sixth Schedule to the Constitution of India, the forms of Accounts of the Council was prescribed by the Comptroller and Auditor General of India with the approval of the President.

In terms of Paragraph 7 (4) of the Sixth Schedule of the Constitution, the Comptroller and Auditor General of India shall cause the accounts of the District Council to be audited in such manner as he may think fit, and the Reports of the Comptroller and Auditor General relating to such accounts, shall be submitted to the Governor who shall cause them to be laid before the Council.

Rule 97 of the Jowai Autonomous District Fund Rules, 1967 stipulates that the Annual Accounts of the Council should be prepared as per the prescribed forms and forwarded to the Accountant General by 30 June each year. The annual accounts of the Council for the year 2018-19 was however submitted to the Principal Accountant General (Audit), Meghalaya in March 2022 after a delay of more than two years.

The staff position in the Finance and Accounts Department responsible for maintenance of Accounts of the Council during 2018-19, is depicted in **Table 1.1** below:

Table 1.1: Statement showing the details of sanctioned strength and Person-in-position of Finance & Accounts Department of the Council

Sl. No.	Posts	Sanctioned Strength	Person-in-Position
1.	Finance & Accounts Officer	1	1
2.	Assistant Finance & Accounts Officer	1	1
3.	Accountant	1	1
4.	Junior Accountant	1	1
5.	Data Entry Operator	2	2
6.	Nazir-cum-Cashier	1	1
7.	Cashier	1	1
8.	Upper Division Assistant	1	1
9.	Lower Division Assistant	22	21
10.	Duftry	1	1
11.	Peons	9	9
	Total	41	40

From the table above, it can be seen that the Council had in position 40 accounts staff against the sanctioned strength of 41 and all the staff deployed for Accounts and Audit were appointed for their respective work. Despite availability of qualified staff, Audit has seen persistent shortcomings in maintenance of accounts such as non-maintenance of relevant records, deficiencies in cash management and delay in submission of Annual Accounts by the Autonomous District Council (ADC).

Financial statements are a structured representation of the financial position and financial performance of an entity. The objective of financial statements is to provide information about the financial position, financial performance and cash flows of an entity that is useful to stakeholders in making and evaluating decisions about the allocation of resources. Due to deficiencies in financial statements, the appropriateness of utilisation of resources could not be assessed.

While accepting the audit observation, JHADC, in reply stated (December 2023) that the submission of Annual Accounts remained arrear for several years for want of skilled staff to prepare Annual Accounts. The Council have already overcome the situation and at present there is no arrear in submission of Annual Accounts. Further, a commitment is made to ensure timely submission of Annual Accounts henceforth.

Audit acknowledges that Council has taken steps to streamline the submission of Annual Accounts. The Annual Accounts for the year 2022-23 have also been received in October 2023 with a delay of four months. Nevertheless, it remains incumbent upon the Council to prioritise staff training so as to improve their skills, ensuring that future accounts are prepared and submitted timely.

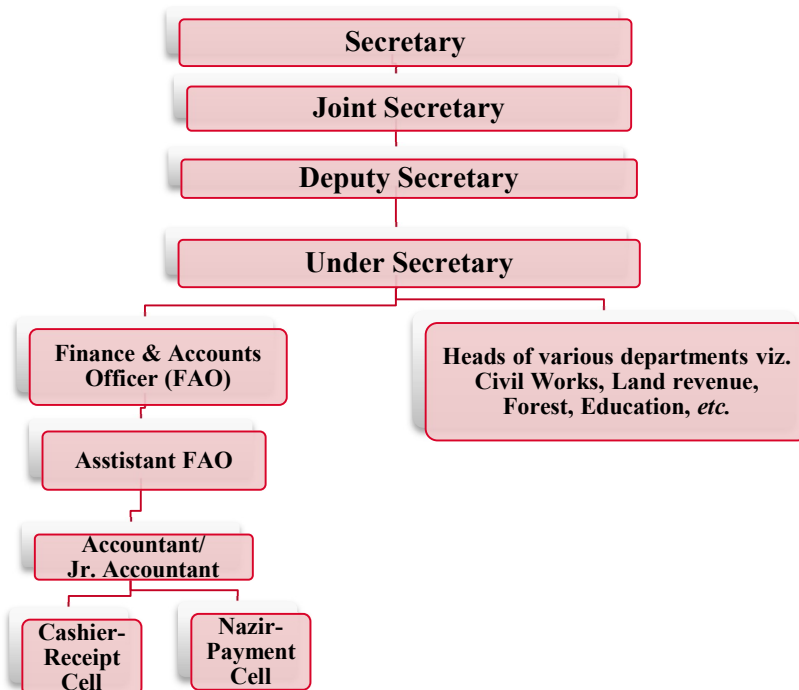
Recommendation: *The personnel of the Finance and Accounts Department may be trained through targeted upskilling initiatives, leveraging the resources and opportunities provided by the State's training facilities.*

1.4 Administrative set-up of the Council

The Executive Committee of the District Council comprises of the Chief Executive Member and one or more but not exceeding ten other Members to exercise the functions hereinafter specified in ADC Rules. The Chief Executive Member is elected by the District Council and the other Executive Members are appointed by the Governor on the advice of the Chief Executive Member from amongst the members of the District Council. The Executive Committee is headed by the Chief Executive Member who is the administrative head of the Council. There is a Secretary to the Executive Committee appointed by the Chief Executive Member. In addition, there is also a Secretary to the Legislative Council who heads the Legislative Wing and a Judge who heads the District Council Court.

The flow chart of the administrative hierarchy of the Council is depicted in **Chart 1.1:**

Chart 1.1: Administrative set-up of JHADC



Source: JHADC records.

The functions of the Council are administered through 16 Departments by managing its various functions and activities with 1,010 persons-in-position (94 *per cent*) against a total sanctioned strength of 1,070 persons, as mentioned in **Table 1.2**.

Table 1.2: Human Resources position of JHADC during 2018-19

Sl. No.	Name of the Department/Branch	Sanctioned Strength	Person-in-Position
1.	General Administration Department	141	136
2.	Finance and Accounts Department	41	40
3.	Land Revenue and Land Reform Department	186	171
4.	Land Record and Land Settlement Department	104	101
5.	Taxation Department	59	58
6.	Forest Department	228	226
7.	Political Department	28	28
8.	Civil Works Department	109	98
9.	Education Department	21	21
10.	Market, Agriculture, Soil and Fishery Department	54	43
11.	Statistics and Information Department	15	15
12.	Stationery and Printing Department	13	13
13.	Planning Department	10	9
14.	Judicial Department	31	24
15.	Legislative Department	24	21
16.	Arts & Culture Department	6	6
Total		1,070	1,010

1.5 Internal Control

Internal control system in an organisation ensures that proper checks and procedures are in place for efficient and effective discharge of its mandate, reliability of its financial reporting and compliance with applicable laws and regulations.

An evaluation of internal control system in the JHADC, revealed that internal control mechanism in the Council was weak which is evident from persistent irregularities like discrepancy in cash balances as per Annual accounts (Paragraph 3.1), and non-reconciliation of cash balance with bank accounts (Paragraph 3.2), as discussed in the succeeding Chapters. Absence of internal controls is considered a serious audit constraint.

Effective internal control reduces the risk of asset loss, and helps to ensure that information is complete and accurate, financial statements are reliable, and day-to-day operations are conducted in accordance with the provisions of applicable laws and regulations.

While accepting the audit observation, JHADC in reply (December 2023) stated that in order to enhance the Council's Internal Control system, the Executive Committee has approved the establishment of an Internal Audit Section through Decision No. 6 dated 29 November 2022. Subsequently, Notification No. JHADC/GEN/IA/8/2023/2 dated 27 June 2023 was issued to formalise the creation of the Internal Audit Section and staff allocation. Operations of the section commenced on 01 September 2023.

Efforts made by the Council to strengthen its internal control mechanism is acknowledged.

Recommendation: *The Internal Audit Section may take prompt corrective actions as necessary to address the deficiencies identified in audit. Provision for trainings and development opportunities for staff within the Internal Audit Section to enhance their skills and knowledge in conducting thorough and effective audits is recommended.*

1.6 Summary of recommendations

- (i) *The personnel of the Finance and Accounts Department may be trained through targeted upskilling initiatives, leveraging the resources and opportunities provided by the State's training facilities.*
- (ii) *The Internal Audit Section may take prompt corrective actions as necessary to address the deficiencies identified in audit. Provision for trainings and development opportunities for staff within the Internal Audit Section to enhance their skills and knowledge in conducting thorough and effective audits is recommended.*



CHAPTER-II

Autonomous District Council Funds

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Autonomous District Council Funds

2.1 Introduction

Sixth Schedule to the Constitution provides for a District Fund for each Autonomous Region and a Regional Fund to which shall be credited all moneys received by the District Council for that district and the Regional Council for that region in the course of the administration of such district or region respectively. The District Fund of the Autonomous District Council is constituted under the provisions of Sub- Paragraph (I) of Paragraph 7 of the Sixth Schedule.

The ADC fund comprises receipts from its own resources, shared revenue and grants/ loans and advances from State/Central Government. Broad classification is as discussed below:

A. District Fund

District Fund is divided into four sections as detailed below:

- (i) **Revenue Section** for Revenue Receipts and Revenue Expenditures. This section shall deal with the proceeds of taxation and other receipts classed as revenue and expenditure met therefrom. It shall also include the grants and contributions received from the Government of India (GoI)/Government of Meghalaya (GoM) and also grants and contributions from the Council.
- (ii) **Capital Section** for Capital Receipts and expenditure of Capital nature².
- (iii) **Debt**, under which Loan received from Government and other sources and their repayments shall be recorded. This section shall also record District Council Provident Fund deducted and payments made, and
- (iv) **Loans and Advances** raised and paid off by the District Council.

B. Deposit Fund

Deposit Fund covers transactions relating to Deposits, General Provident Fund (GPF), other funds and advances such as Cess, Income Tax, Sales Tax and Security Deposits, *etc.* where the Council incurs a liability to repay the moneys received or has a claim to recover the amount paid.

2.2 Receipts and Disbursement

The receipts and expenditure of JHADC for the year 2018-19 is depicted in **Table 2.1**:

² Expenditure incurred for acquiring fixed assets that can be used for a longer duration.

Table 2.1: Summarised position of Accounts for the year 2018-19

(₹ in crore)

PART –I DISTRICT FUND³					
Receipts			Disbursement		
2017-18	1. Revenue Receipt	2018-19	2017-18	Revenue Expenditure	2018-19
4.45	(i) Taxes on Income and expenditure	4.19	1.26	(i) District Council	1.50
1.05	(ii) Land Revenue	1.10	8.84	(ii) Land Revenue	11.30
0.23	(iii) Other Administrative Services	0.45	1.13	(iii) Administration of Justice	1.38
0.17	(iii) Stamps and Registration	0.30	3.87	(iv) Executive Members	5.95
1.59	(iv) Taxes on Vehicles	4.67	12.11	(v) Secretariat General Services	16.37
4.48	(v) Interest Receipts	1.38	0.55	(vi) Stationery and Printing	0.74
0.50	(vii) Other General Economic Services	0.51	25.07	(vii) Public Works	27.84
0.04	(viii) Fisheries	0.03	3.02	(viii) Pensions and other retirement benefits	5.71
0.34	(ix) Forest	0.37	9.26	(ix) Forest	12.13
72.61	(x) Mines & Minerals	54.75	0	(x) Fisheries	0
0.02	(xi) Stationery and Printing	0.02	11.43	(xi) Education	14.57
-	(xii) Grants-in-aid from:	-	0.70	(xii) Statistics and Information	0.90
0.24	(a) State Government	0.13	2.54	(xiii) Relief on account of natural calamities	5.11
10.75	(b) Government of India	11.63	1.63	(xiv) Agriculture	1.96
			0.09	(xv) Interest payment	0
			0.11	(xvi) Art and Culture	0.31
96.47	Total Revenue Receipt	79.53	81.61	Total Revenue Expenditure	105.77
	Revenue Deficit	26.24	14.86	Revenue surplus	
0	2. Capital	0	0	2. Capital	0
0	3. Debt	0	0	3. Debt	0
02.92	4. Loans and Advances	0	2.92	4. Loans and Advances	0
99.39	Total Part-I District Fund	79.53	84.53	Total Part –I District Fund	105.77
PART II- DEPOSIT FUND					
0	Deposit receipts	0	0	Deposits Payments	0
0	Total of part II Deposit fund	0	0	Total of Part II Deposit fund	0
99.39	Total receipts (I + II)	79.53	84.53	Total Disbursements (I +II)	105.77
54.38	Opening balance	69.24	69.24	Closing balance ⁴	43.00
153.77	Grand total	148.77	153.77	Grand total	148.77

Source: Annual Accounts of JHADC.

2.2.1 Sources and application of funds

A comparative statement of sources and application of fund by the Council during 2018-19 with 2017-18 is given in Table 2.2.

³ To which shall be credited all money received by the Council in the course of Administration of the District in accordance with the provisions of the Constitution.

⁴ 2018-19: Cash - ₹ 1.82 crore; Bank - ₹ 27.19 crore; PLA - ₹ 3.28 crore; Investment - ₹ 10.71 crore.

Table 2.2: Sources and application of fund during 2018-19**(₹ in crore)**

Particulars		2017-18	2018-19	Increase/Decrease (per cent)
Opening Cash Balance		54.38	69.24	27.33
Sources	<i>Own Revenue Receipts</i>	11.28	8.35	-25.97
	<i>Share of Taxes</i>	74.20	59.42	-19.92
	<i>Grants-in-Aid (GoI)</i>	10.75	11.63	8.19
	<i>Grants-in-Aid (GoM)</i>	0.24	0.13	-45.83
	Total Revenue Receipts	96.47	79.53	-17.56
	Capital Receipts	0.00	0.00	-
	<i>Recoveries of Loans and Advances</i>	0.00	0.00	-
	<i>Receipts under Deposit Fund</i>	2.92	0.00	-100
	Total	99.39	79.53	-19.98
Application	Revenue Expenditure	81.61	105.77	29.60
	Capital Expenditure	0.00	0.00	-
	<i>Disbursement of loans and advances</i>	2.92	0.00	-100
	<i>Disbursement under Deposit Fund</i>	0.00	0.00	-
	Total (Disbursement)	84.53	105.77	28.13
Closing Cash Balance		69.24	43.00	-37.89

Source: Annual Accounts of JHADC.

It can be seen from **Table 2.2** that:

- Total receipts of the Council decreased by ₹ 16.94 crore (17.56 per cent) from ₹ 96.47 crore in 2017-18 to ₹ 79.53 crore in 2018-19. The reason for decrease was mainly due to decrease in share of taxes on Mines and Minerals by ₹ 17.86 crore (33 per cent) from ₹ 72.61 crore received in 2017-18 to ₹ 54.75 crore during 2018-19.
- Own Revenue Receipts of the Council also decreased by ₹ 2.93 crore (26 per cent) from ₹ 11.28 crore collected during 2017-18 to ₹ 8.35 crore collected in 2018-19.

During 2018-19, out of the total fund available of ₹ 148.77 crore, including OB, the Council utilised ₹ 105.77 crore (71 per cent).

2.2.1.1 Resources

JHADC collects its revenue through:

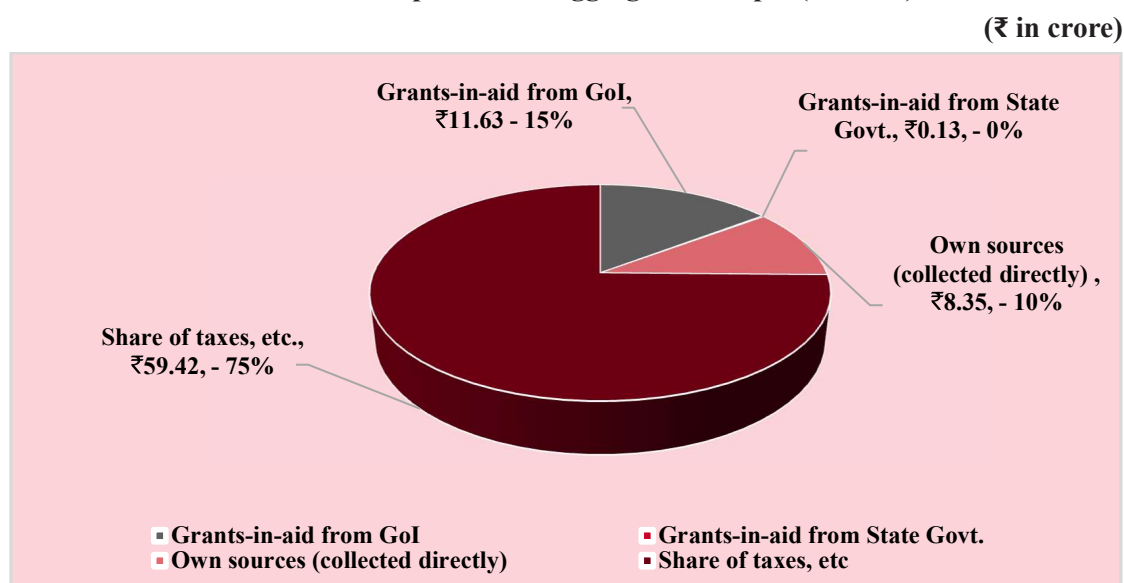
- **Revenue from own sources** - Trade licenses, taxes on profession, land revenue, market auction, bank interest, fisheries, forest, stamp & registration *etc.*
- **Share of taxes** - From the State Government on taxes on vehicles, forest and mines & minerals.

➤ **Grant-in-Aid** - From the State Government through the State Plan.

During 2018-19, JHADC generated ₹ 8.35 crore⁵ from its own sources. It received ₹ 59.42 crore⁶ as share of taxes, ₹ 0.13 crore⁷ as Grants-in-aid from the State Government, and ₹ 11.63 crore⁸ as Special Assistance from Government of India. As such, JHADC is primarily dependent on external sources of funds (89.50 *per cent*) as against its own sources of funds (10.50 *per cent*).

Chart 2.1 below depicts the composition of resources of JHADC amounting to ₹ 79.53 crore during 2018-19.

Chart 2.1: Composition of Aggregate Receipts (2018-19)



Recommendation: The Council needs to improve the collection efficiency of revenue from own sources in order to be less dependent on share of taxes and grants-in-aid.

2.2.1.2 Availability of funds and expenditure

The revenue receipts and revenue expenditure of JHADC during 2018-19 is analysed in the following paragraphs:

A. Revenue Receipts

Table 2.3, and **Chart 2.2** below summarise the revenue receipts of JHADC during 2018-19.

⁵ Revenue from own sources: – ₹ 8.35 crore: (i) Taxes on income & expenditure- ₹ 4.19 crore, (ii) Land revenue- ₹ 1.10 crore; (iii) Stamps & Registration- ₹ 0.30 crore; (iv) Interest receipt- ₹ 1.38 crore; (v) Other Administrative Services- ₹ 0.45 crore, (vi) Fisheries- ₹ 0.03 crore, (vii) Other General Economic Services- ₹ 0.51 crore, (viii) Forest- ₹ 0.37 crore and (ix) Stationery and Printing- ₹ 0.02 crore.

⁶ Share of taxes – ₹ 59.42 crore: (i) Taxes on vehicles- ₹ 4.67 crore and (iii) Mines & Minerals- ₹ 54.75 crore.

⁷ Grants-in-aid from State Government – ₹ 0.13 crore (Forests: ₹ 0.09 crore + Land Survey & Reform: ₹ 0.04 crore).

⁸ Grants-in-aid from Government of India for areas not included under Part IX and IXA of the Constitution.

Table 2.3: Summarised position of revenue receipts for the year 2018-19

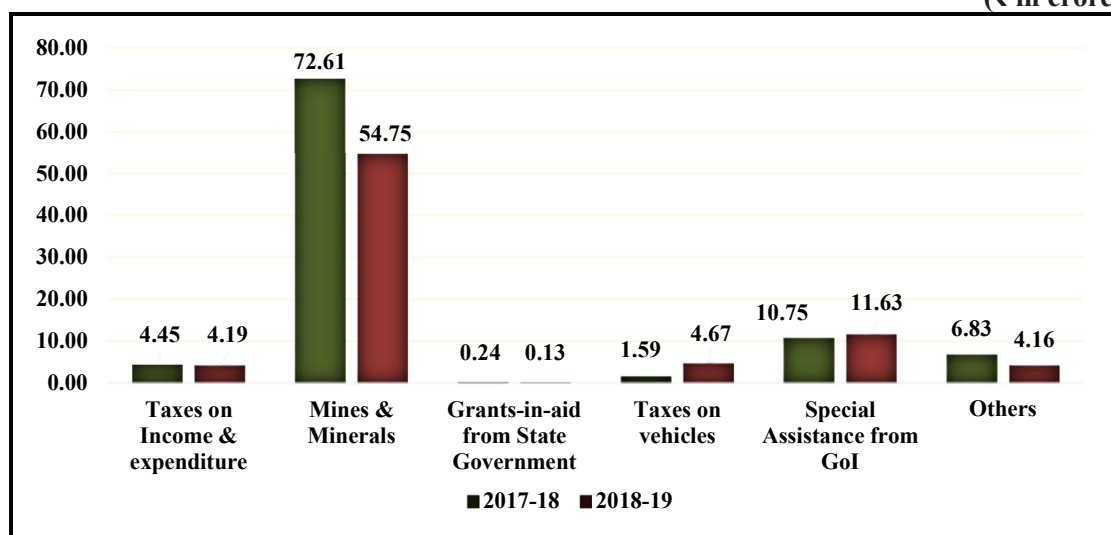
(₹ in crore)

Head	2017-18	2018-19 (percentage of revenue)
Taxes on Income and Expenditure	4.45	4.19 (5)
Mines & Minerals	72.61	54.75 (69)
Taxes on vehicles	1.59	4.67 (6)
Grants-in-aid from State Government	0.24	0.13 (0)
Grants-in-aid from GoI	10.75	11.63 (15)
Others ⁹	6.83	4.16 (5)
Total	96.47	79.53 (100)

Source: Annual Accounts of JHADC.

Chart 2.2: Composition of Revenue Receipts

(₹ in crore)



Source: Annual Accounts of JHADC.

- As evident from **Table 2.3**, the total revenue receipts of JHADC decreased by 17.56 *per cent* from ₹ 96.47 crore in 2017-18 to ₹ 79.53 crore during 2018-19. The decrease in revenue receipts during 2018-19 was primarily due to decrease in receipt of share of royalty on Mines and Minerals from the State Government and less receipt of interest which declined by 69 *per cent* from ₹ 4.48 crore received in 2017-18 to ₹ 1.38 crore during 2018-19.
- During 2018-19, JHADC relied heavily on royalty from Mines & Minerals (₹ 54.75 crore) and taxes from vehicles (₹ 4.67 crore), constituting 75 *per cent* of its total revenue (₹ 79.53 crore). However, despite the critical role of these revenues, the Council lacks a mechanism for timely release of its share from the State Government and there was no means to verify the accuracy of shares received.

⁹ Others include, (i) Land Revenue (₹ 1.10 crore), (ii) Stamps & Registration (₹ 0.30 crore), (iii) Interest Receipts (₹ 1.38 crore), (iv) Stationery & Printing (₹ 0.02 crore), (v) Other Administrative Services (₹ 0.45 crore), (vi) Other General Economic Services (₹ 0.51 crore), (vii) Fisheries (₹ 0.03 crore), (viii) Forests (₹ 0.37 crore) = ₹ 4.16 crore.

B. Revenue expenditure

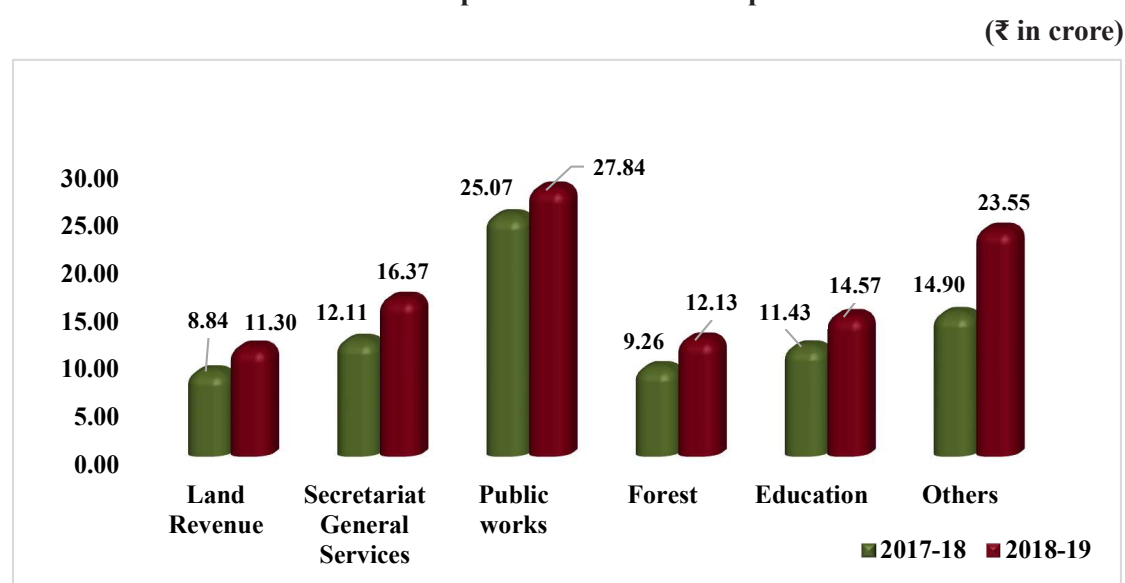
Table 2.4 and Chart 2.3 below summarise the revenue expenditure of JHADC during 2017-18 and 2018-19.

Table 2.4: Summarised position of revenue expenditure for the year 2018-19

Major Head	2017-18	2018-19 (percentage)
Land Revenue	8.84	11.30 (11)
Secretariat General Services	12.11	16.37 (15)
Public Works	25.07	27.84 (26)
Forest	9.26	12.13 (12)
Education	11.43	14.57 (14)
Others ¹⁰	14.90	23.55 (22)
Total	81.61	105.77 (100)

Source: Annual Accounts of JHADC.

Chart 2.3: Composition of Revenue Expenditure



- The total revenue expenditure of JHADC increased by 29.59 per cent from ₹ 81.61 crore in 2017-18 to ₹ 105.77 crore in 2018-19. As can be seen from **Chart 2.3**, the increase in revenue expenditure during 2018-19 was across all Major heads which ranged between 11 and 26 per cent over the previous year.
- During 2018-19, Secretariat General Services (₹ 16.37 crore) Public Works (₹ 27.84 crore), Education (₹ 14.57 crore) and Forest (₹ 12.13 crore), together accounted for 67 per cent of the revenue expenditure leaving small percentage for other heads of expenditure such as Art & Culture and Agriculture etc.

¹⁰ Others includes, (i) District Council (₹ 1.50 crore), (ii) Executive Members (₹ 5.95 crore), (iii) Administration of Justice (₹ 1.38 crore), (iv) Stationery & Printing (₹ 0.74 crore), (v) Pension & other retirement benefits (₹ 5.71 crore), (vi) Arts & Culture (₹ 0.31 crore), (vii) Statistics & Information (₹ 0.90 crore), (viii) Relief on account of natural calamities (₹ 5.11 crore), and (ix) Market, Agriculture, Soil & Fishery (₹ 1.95 crore) = ₹ 23.55 crore.

- Despite incurring an expenditure of ₹ 22.53 crore under ‘Public Works – Construction’, i.e., construction of roads, School buildings, etc., being capital expenditure, there was no capital expenditure reported in the Annual Accounts by the Council.

Recommendation: The Council needs to plan utilisation of available funds appropriately, to ensure optimal use, maintaining alignment with the predetermined budgetary plan for expenditures. Additionally, it is advised that capital expenditures be accurately categorised and recorded under appropriate heads in the Annual Accounts.

2.2.1.3 Grants received under Article 275(1) of the Constitution

Grants-in-aid under the provision of Article 275(1) of the Constitution of India are 100 per cent annual grant from Government of India to States having notified Scheduled Tribes. Grants under this programme are an additive to State’s initiatives and effort for tribal development.

During the year 2018-19, JHADC did not receive grant under Article 275(1).

2.3 Substantial variation between Budget Estimates and Actuals

Scrutiny of budget estimates for the year 2018-19 vis-à-vis actual receipt and expenditure revealed that there were variations between budget estimates (BE) as compared to receipts and expenditure as detailed in **Table 2.5**:

Table 2.5: Budget estimates and actual for the year 2018-19

(₹ in crore)

Particulars	Budget Estimate (BE)	Actual	Excess (+) / Shortfall (-)	Percentage of Excess (+) / Shortfall (-)
Receipt	145.50	79.53	(-) 65.97	(-) 45.34
Expenditure	167.18	105.77	(-) 61.41	(-) 36.73

Source: Budget Estimates of Receipts and Expenditure and Statement 5 & 6 of Annual Accounts.

In comparison to the BE, the Council’s receipts exhibited a declining trend, falling short of the BE by 45 per cent. Similarly, expenditure also fell below the BE by 37 per cent.

Scrutiny of some of the Major heads under which the actual receipts and expenditure were significantly less than the estimated budget provisions during 2018-19 were as under:

Table 2.6: Heads under which receipts were significantly less than the BE

(₹ in crore)

Sl. No.	Heads	2018-19		
		Budget Estimate	Actual	Shortfall (Percentage)
1.	Forest	0.85	0.37	0.48 (56)
2.	Land revenue	1.41	1.10	0.31 (22)
3.	Trading by Non-tribal (TNT)	1.25	Nil	1.25 (100)
4.	Share of revenue from GoM	65.00	59.42	5.58 (9)

Source: Budget estimates of Receipts and Expenditure and Statement No.5 of Annual Accounts.

The shortfall between the budget provision and the actual collection of revenue from own sources such as forest, land revenue, and trading by non-tribal ranged between nine and 100 *per cent*. This highlights a shortfall in the Council's effectiveness in own revenue collection, relative to its planned targets. Further, given the Council's reliance on shares from the State Government, it is imperative to establish a robust system to ensure the timely disbursement of shares by the State Government.

In respect of expenditure, the shortfall was mainly due to the following Major heads, wherein expenses notably decreased during the fiscal year 2018-19, as detailed in **Table 2.7** below.

Table 2.7: Heads under which expenditure were significantly less than the BE

(₹ in crore)

Sl. No.	Major Head	2018-19		
		Budget Estimate	Actual	Shortfall (percentage)
1.	Public works	53.52	27.84	25.68 (48)
2.	Education	20.56	14.57	5.99 (29)
3.	Administration of Justice	2.20	1.38	0.82 (37)
4.	Land revenue	16.22	11.30	4.92 (30)
5.	Forest	16.27	12.13	4.14 (25)

The shortfall between the budget provision and actual expenditure across departments such as Public Works, Education, Administration of Justice, Land revenue and Forest Departments ranged from 25 to 48 *per cent*. This indicates poor implementation of schemes by the Council.

Audit however observed that Council had utilised 71 *per cent* of total available funds during the year 2018-19, which was entirely spent on revenue expenditure.

In response, JHADC stated (December 2023), that the shortfall in revenue collection compared to the budget provision is partly due to unpredictability in certain revenue streams, influenced by service demand, prevailing circumstances, and socio-economic conditions. Budget provisions for forest, land revenue, and taxes were based on previous revenue collection trends. Additionally, the overall deficit in receipts was largely attributed to less receipt of the Council's share of Major and Minor Minerals from the Government.

Regarding shortfall in expenditure, JHADC clarified that the expenditure shortfall was due to budget provisions being contingent upon available funds from Council's own revenue, share of Major and Minor Minerals, and government grants. Unlike State Government Departments, funds aren't released against the budget, so actual expenditure depends on the availability of funds in that year. Shortfalls occur when actual revenue, government shares, and grants fall below budget estimates. In the Civil Works Department, expenditure was affected by delayed employee salaries, pending arrear payments, insufficient government grants, and delayed receipt of central assistance. Similar issues impacted other major departments like Education, Administration of Justice, Land Revenue, and Forest. Given the Council's reliance on timely government

releases of royalty and grants, consistent delays or non-release hinder revenue collection and expenditure plans from being fully realised.

With regards to utilisation of 71 *per cent* of the available funds, JHADC stated that ₹ 11.63 crore being Central Grant was received on 27 March 2019 leaving little scope to utilise the fund during the year. Besides, ₹ 10.71 crore was lying under investment in Term Deposit which the Council cannot utilise. Towards the end March 2019, only ₹ 3.28 crore remained in the PLA balance, causing a fund shortage that led to delayed salary payments of ₹ 12.68 crore, eventually settled in July 2019. Consequently, most funds were allocated to the Civil Works Department for project completion, leaving inadequate funds for salaries.

While accepting the Council's response, audit emphasizes on the necessity of addressing specific challenges contributing to deficiencies, such as delayed salary disbursements and insufficient grants, through optimised resource allocation. It is imperative for the Council to boost its revenue collection mechanisms, particularly from the Head, 'Trading by Non-tribals'. Notably, the Council consistently projected ₹ 1.25 crore annually in the Budget Estimate since 2015-16 for this purpose, yet no collection has been realised under this category during any of these years. Additionally, it is crucial for the Council to enhance coordination with the State Government to expedite the release of the Council's share from mines and minerals and vehicle taxes. Further, the implementation of a robust monitoring mechanism is essential to ensure the effective utilisation of funds across various departments.

Recommendation: *The Council may undertake detailed budgetary analysis and reviews to identify untapped eligible revenue resources and for estimating revenue receipts more accurately. Expenditure on schemes implemented by the Council should also be incurred as per the budget estimate to achieve its objectives.*

2.4 Conclusion

Revenue receipts of JHADC decreased by 17.56 *per cent* from ₹ 96.47 crore in 2017-18 to ₹ 79.53 crore during 2018-19. The decrease in revenue receipts during 2018-19 was primarily due to decrease in receipt of share of royalty on Mines and Minerals from the State Government and less collection of own revenue receipts as compared to previous year.

During 2018-19, JHADC relied heavily on royalty from Mines & Minerals (₹ 54.75 crore) and taxes from vehicles (₹ 4.67 crore), constituting 75 *per cent* of its total revenue (₹ 79.53 crore). However, despite the critical role of these revenues, the Council lacks a mechanism for timely release of its share from the State Government and there was no means to verify the accuracy of shares received.

Revenue expenditure of JHADC increased by 29.60 *per cent* from ₹ 81.61 crore in 2017-18 to ₹ 105.77 crore in 2018-19. The increase in revenue expenditure during 2018-19 was across all Major heads which ranged between 11 and 26 *per cent* over the previous year.

The Council had utilised 71 *per cent* (₹ 105.77 crore) of total available funds (₹ 148.77 crore) during the year 2018-19.

Variations between the BEs and actual receipts and expenditure during 2018-19 indicate that the JHADC had prepared BEs without taking actual position into consideration. Budgetary assumptions of the Council were not realistic during 2018-19, budgetary estimates were off the mark with a considerable shortfall of 45.34 and 36.73 *per cent* from the estimated receipt and expenditure, *respectively* (Table 2.5).

2.5 Summary of recommendations

- (i) *The Council needs to improve the collection efficiency of revenue from own sources in order to be less dependent on share of taxes and grants-in-aid.*
- (ii) *The Council needs to plan utilisation of available funds appropriately, to ensure optimal use, maintaining alignment with the predetermined budgetary plan for expenditures. Additionally, it is advised that capital expenditures be accurately categorised and recorded under appropriate heads in the Annual Accounts.*
- (iii) *The Council may undertake detailed budgetary analysis and reviews to identify untapped eligible revenue resources and for estimating revenue receipts more accurately. Expenditure on schemes implemented by the Council should also be incurred as per the budget estimate to achieve its objectives.*



CHAPTER-III

Comments on Accounts

CHAPTER-III

Comments on Accounts

3. Introduction to Accounts and Comments on Council Accounts

The annual accounts of the District Council shall record all transactions, which take place during a financial year commencing from 01 April to 31 March. The annual accounts of the District Council shall be maintained in such forms as prescribed by the Comptroller and Auditor General of India.

The JHADC prepares its annual accounts in the prescribed format containing the following seven statements, which detail the receipts and disbursements of the JHADC for the year with bifurcation of the expenditure under revenue and capital.

The Annual Accounts of JHADC for the year 2018-19 contained the following seven statements as given in **Table 3.1**:

Table 3.1: Details of Statements of Accounts

Sl. No.	Statement No.	Particulars of Statements
1.	Statement No. 1	Summary of Transactions
2.	Statement No. 2	Capital Outlay- Progressive Capital Outlay
3.	Statement No. 3	Debt Position
4.	Statement No. 4	Loans and Advances by the Council
5.	Statement No. 5	Detailed account of Revenue by Minor Heads
6.	Statement No. 6	Detailed account of Revenue Expenditure by Minor Heads
7.	Statement No. 7	Statement of receipts, disbursements and balances under Heads relating to District Fund and Deposit Fund

3.1 Discrepancy in the opening and closing cash balance

The affairs of the Jaintia Hills Autonomous District Council (JHADC) were being regulated in accordance with the Jowai Autonomous District Fund Rules, 1967. Rule 16 (1) of the Fund Rules states that the Cashier shall keep a Cash Book in the form prescribed in which he shall enter all sums received and payment made by him on account of the Council. Rule 7 further states that the Member-in-charge of the Financial Affairs shall, at the time of audit, cause to be produced all accounts, registers, documents and subsidiary papers which may be called for by the audit authority for investigation.

The Council vide Office Memorandum dated 28 May 2014 created two separate cells viz. Receipt Cell and Payment Cell. Accordingly, two Cash Books were brought into use, one for Receipt Cell and another for Payment Cell. The Cash Book of the Receipt Cell was opened on 02 June 2014 showing opening balance as 'Nil' and the Payment Cell brought the cash book into use on 21 October 2014, also with 'Nil' opening balance. Showing opening balance as 'Nil' in the Cash Books was wrong and misleading since the Council had not reconciled and re-cast the cash book taking into account the fund of ₹ 5.49 crore unauthorisedly removed during 01 October 2004.

➤ Audit is of the view that opening of the Cash Book without taking into account the missing fund is a violation to the provisions of Rule 16 (1) of the Fund Rules, and in the absence of re-casted Cash Book, the closing balance of 'cash in hand' as reflected in the Annual Accounts for the year 2018-19 could not be vouched safe by Audit.

➤ Mention was made in Paragraph 3.1 of the Report of the Comptroller and Auditor General of India for the year ended 31 March 2005 that the closing balance of cash in hand as on 30 September 2004 was ₹ 5.49 crore. In the following month (01 October 2004) a new Cash Book was opened with 'Nil' opening balance without any attestation or authorisation order and thus fund amounting to ₹ 5.49 crore was unauthorisedly removed from the Cash Book. This fund was not brought back into the subsequent Cash Books for the year 2005-06 to 2018-19. Thus, the opening balance of cash in hand as on 01 April 2005 was understated by ₹ 5.49 crore and remained unreconciled till 31 March 2019. This fact was also brought out in **Paragraph 2.2.2** of (2005-06 to 2007-08), **Paragraph 3.1** of (2008-09), **Paragraph 2.3** of (2009-10), **Paragraph 2.3** of (2010-11), **Paragraph 2.4** of (2011-12), **Paragraph 2.4** of (2012-13), and **Paragraph 2.4** of (2013-14) of the Report of the Comptroller and Auditor General of India.

It was however observed that in the past Reports discrepancies in the opening and closing cash balances as pointed out by Audit had not been reconciled by the JHADC, even in the Annual Accounts for the year 2018-19. As such, the opening and closing balances shown in the Annual Accounts does not reflect true and correct picture of the financial affairs of JHADC.

The Council vide Office Order No. 898 dated 16 June 2016 had notified the task of 'updating of the Council Cash Book and Compilation of Annual Accounts from 01 April 2005 to 30 May 2014'. However, till date (September 2023), the status on the updating of the Cash Books has not yet been furnished.

In reply, JHADC stated (December 2023), that closing balance of the previous year is taken as the opening balance during the year, total receipts added *minus* total expenditure forms the closing balance of the current year. Hence, the amount of ₹ 5.49 crore, flagged by the audit, has been incorporated as the opening balance during recasting of the Cash Book from October 2004 onwards.

The Council also stated that the misappropriated amount of ₹ 5.49 crore was the revenue receipts of the Council and accounted for under respective heads in the first instance and already accounted for in the Annual Accounts. To clarify, the Cash Books were required to start with a 'nil' opening balance, as the closing balance was determined after the submission of the enquiry report. There is no opportunity to alter amounts in the Cash Book during recasting and updating from October 2004 onwards.

Thus, any unauthorised advances or misappropriations mentioned in Para 3.1 of the Audit Report for the year 2004-05, along with any other unaccounted amounts, will be incorporated into the Cash Book during recasting. This will result in the difference between the cash balance as per the Cash Book and the actual cash in hand.

The reply of the Council is found to be contradictory as on one hand the Council stated that the amount of ₹ 5.49 crore flagged by the audit, has been incorporated in the

opening balance during recasting of the Cash Book from October 2004 onwards. On the other hand, the Council stated that any unauthorised advances or misappropriations mentioned in Para 3.1 of the Audit Report for the year 2004-05, along with any other unaccounted amounts, will be incorporated into the Cash Book during recasting. The fact remains that the Council had not reconciled the discrepancy in opening balance and closing balance of ₹ 5.49 crore even for the Annual Account for the year 2018-19. Hence, the discrepancy in opening balance and closing balance persisted and the Cash Book balance is understated to that extent.

3.1.1 Recovery of misappropriated fund

Mention was made in Paragraph 3.1 of the Report of the Comptroller and Auditor General of India for the year ended 31 March 2005 wherein the total amount of revenue receipts allegedly retained by the Nazir during April 2001 to September 2004 was ₹ 479.42 lakh¹¹. In addition to this, ₹ 69.25 lakh was not covered under the reports¹² of the Council's Examiner of Accounts. Thus, there was a total misappropriation of ₹ 5.49 crore (₹ 479.42 lakh + ₹ 62.25 lakh) during the period from 01 April 2001 to 30 September 2004. Out of ₹ 5.49 crore, an amount of ₹ 49.27 lakh was refunded by the retired Nazir, and ₹ 53.54 lakh was refunded by 26 MDCs. Hence, ₹ 445.85 lakh is yet to be recovered by the Council.

In this regard, the Executive Committee of the Council in a meeting held on 17 May 2007, pointed out that some advances shown to have been made to the members may have been adjusted but not accounted in the records. Accordingly, the Executive Committee decided that the Examiner of Accounts should verify from records whether the advances given to the members out of the revenue receipts have been adjusted.

Audit noticed that as per the Report¹³ submitted (August 2010) by the Examiner of Accounts, during the year 2001-02 to 2004-05 (September 2004), an amount of ₹ 1.03 crore¹⁴ had been recovered out of the misappropriated Revenue Receipts. The Council had further recovered an additional amount of ₹ 0.04 crore¹⁵ during 2018-19, from the total misappropriated amount of ₹ 5.49 crore and the remaining balance of ₹ 4.42 crore had not yet been recovered (August 2022).

Audit further noticed that an amount of ₹ 1.59 crore was again misappropriated between March and May 2014. Of this amount, ₹ 0.60 crore was recovered during the accounting

¹¹ ₹ 479.42 lakh = ₹ 236.35 lakh unauthorisedly given as advance to Members of the District Council (MDC), + ₹ 0.92 lakh diverted towards office expenses, + ₹ 49.27 retained by the retired Nazir, and + ₹ 192.87 lakh being the untraced missing amount.

¹² Council entrusted (January 2005) the job of updating the Cash Book to the Council's Examiner of Accounts. The Council's Examiner of Accounts submitted two reports in January 2007 (report on the updating of Cash Book of JHADC for the period from 01 April 2001 to 30 September 2004) and August 2010 (recovery of the misuse and missing Council's Revenue collections during 01 April 2001 to 30 September 2004).

¹³ 2nd Report on the recovery of the misuse missing Council's revenue collection during the period from 01 April 2001 to 31 June 2004.

¹⁴ ₹ 49.27 lakh refunded by Shri S. S. Shallam, retired Nazir and ₹ 53.54 lakh refunded by 26 MDCs.

¹⁵ ₹ 2.69 lakh recovered from deduction of pension from Shri T. Manar, Ex-MDC (August 2018) and ₹ 1.04 lakh recovered from Shri B. R. Lano, MDC (28 August 2018).

year 2014-15 and ₹ 0.02 crore¹⁶ was recovered in 2016-17, leaving an outstanding balance of ₹ 0.97 crore yet to be recovered as of August 2022.

Thus, till date (August 2022) the Council has recovered ₹ 1.69¹⁷ crore out of the total misappropriated fund of ₹ 7.08 crore (₹ 5.49 crore + ₹ 1.59 crore), leaving a balance of ₹ 5.39¹⁸ crore yet to be recovered as on September 2023.

In reply, the JHADC stated (December 2023) that the Executive Committee in its meeting decided (EC decision No. 2 dated 20 June 2022) to recover misappropriated funds from retirement benefits or outstanding dues of those responsible. Subsequently, Office order No. 1127 of 2023 outlined procedures for finalising pension cases and deducting recoverable amounts from pensions. As a result, ₹ 43,05,535¹⁹ was recovered from the pension benefits of nine former MDCs, and credited to PLA.

While Audit acknowledges the steps taken by JHADC to recover misappropriated funds, the outstanding recovery out of the misappropriated amount of ₹ 7.08 crore upto the audited account for the year 2018-19 remains at ₹ 5.39 crore. The recovered amounts are not appropriately disclosed in the Annual Accounts for proper monitoring of recovery of the balance amount.

Recommendation: *The Council should take effective steps to recover the balance amount of ₹ 5.39 crore with proper disclosure in the Annual Accounts whenever such recoveries are made.*

3.2 Non-reconciliation of closing balance

The Council during the year 2018-19 was operating five Bank Accounts with different Banks. The Closing Balance as per Annual Accounts and as per Bank Statements as detailed below:

Table 3.2: Differences in closing balance as per Annual Accounts and Bank Statements
(Amount in ₹)

Bank (Account No.)	Closing Balance as per Accounts on 31 st March 2019	Closing Balance as per Bank Statement on 31 st March 2019	Difference
Punjab National Bank, Forest (43010109673)	4,09,671.00	5,10,064.00	-1,00,393.00
Punjab National Bank, CWD (43010109598)	67,19,260.00	3,23,24,961.25	-2,56,05,701.25
HDFC Bank, CWD (50100193541244)	25,61,95,273.00 ²⁰	19,46,27,698.00	6,15,67,575.00
SBI CWD (10941564112)	76,73,943.00	2,72,13,820.00	-1,95,39,877.00
Axis Bank, CWD (917010058092471)	9,68,495.00	1,53,78,945.00	-1,44,10,450.00
Total	27,19,66,642.00	27,00,55,488.25	19,11,153.75

Source: Annual Accounts and Bank statements.

¹⁶ Amount recovered from Death-cum-Retirement Gratuity of Smti. O. Shylla, Finance & Accounts Officer (Retired on 31 March 2012).

¹⁷ ₹ 1.03 crore + ₹ 0.04 crore + ₹ 0.60 crore + ₹ 0.02 crore = ₹ 1.69 crore recovered.

¹⁸ ₹ 7.08 crore minus ₹ 1.69 crore recovered.

¹⁹ ₹ 8,90,836/- from two ex-MDCs and ₹ 34,14,699/- from seven ex-MDCs = ₹ 43,05,535/- (October 2023).

²⁰ As per Annual Accounts, Cash Balance in bank account is ₹ 23,58,75,150 + interest credit in HDFC is ₹ 2,03,20,123 = ₹ 25,61,95,273).

From the above, it is seen that there was a difference of ₹ 19.11 lakh in the closing balances between the Annual Accounts and Bank Statements. The Council however, did not prepare any reconciliation statement to identify the reasons for the differences as per Accounts and as per Bank Statement.

Further, the closing balance of the Cash Book exhibited in the Annual Accounts as 'Cash in hand' did not tally with the cash balance of JHADC as per Cash Book. The details are shown in the **Table 3.3:**

Table 3.3: Discrepancy in cash balance as per Annual Accounts and Cash Book

(₹ in crore)

Year	Closing balance as per Annual Accounts	Closing balance as per Cash Book	Overstatement (+)/ Understatement (-)
2018-19	1.82	0.81	(+) 1.01

The above discrepancy has not been reconciled till date (September 2023). The possibility of fraud or misappropriation escaping the notice of the authorities due to such delays in reconciliation cannot be ruled out.

In reply, JHADC stated (December 2023) that the discrepancy in closing cash balance between the Annual Accounts and the Cash Book was because the amounts in the cash book exclude misappropriated amounts and subsequent recoveries. In contrast, the Annual Accounts include misappropriated amounts since they were already accounted for. The Cash Book had to be opened with a 'nil' opening balance due to the absence of the correct figure of the closing balance, which was later ascertained through an inquiry report. After updating and recasting the Cash Book, any differences in the closing cash balance will be reconciled.

The action taken by the Council to reconcile the closing cash balance with the Annual Accounts and Bank statement, including recasting of the closing balance to nullify the discrepancy in the Cash Book may be intimated to Audit for verification.

Recommendation: *The Council should prepare monthly reconciliation statements to explain any differences between the Cash Books, Bank Statements and Annual Accounts. Recasting of the Cash Books may be expedited.*

3.3 Understatement of Capital Expenditure

As per Statement 6 of the Annual Accounts, JHADC had incurred capital expenditure of ₹ 22.53 crore on various construction projects. However, during the year, expenditure on construction works was booked as revenue expenditure. This resulted in overstatement of revenue expenditure by ₹ 22.53 crore. Consequentially the capital expenditure was understated by ₹ 22.53 crore during 2018-19.

Audit also noticed that the Council did not maintain progressive Capital outlay at the end of the year as prescribed in Statement 2 of the Annual Accounts in violation of the Para 7 (4) of the Sixth schedule of the Constitution.

In reply, JHADC stated (December 2023) that the Council's accounts follow the Jowai Autonomous District Fund Rules, 1967, and align with the Annual Budget provisions

passed by the House. Classification of receipts and expenditure under Capital and Revenue head based on its nature would be in contravention of the Jowai Autonomous District Fund Rules, 1967 and deviate from the Budget provision that had been passed by the House.

The reply is not acceptable since the Council is mandated to maintain the annual accounts in such forms as prescribed by the CAG with bifurcation of the expenditure under revenue and capital. Since the Council is incurring expenditure for creation of assets, the expenditure should have been booked under Capital Head of Account, which will call for proper classification while preparing Annual Budgetary provisions, clearly indicating Revenue and Capital expenditure separately for proper disclosure.

Recommendation: *The Council should adhere to the format of Accounts prescribed by the C&AG. Budgetary provisions and the corresponding expenditure should be classified according to the nature of expenditure to ensure proper disclosure in the Annual Accounts.*

3.4 Conclusion

The JHADC opened Cash Books without accurately reflecting a prior missing fund of ₹ 5.49 crore. Despite prior reports by the Comptroller and Auditor General highlighting this issue, the Council has yet to address them or provide an updated status on the Cash Book reconciliation as of September 2023.

There was a total misappropriation of ₹ 7.08 crore, comprising ₹ 5.49 crore from 2001 to 2004 and an additional ₹ 1.59 crore misappropriated between March and May 2014. Despite recovering ₹ 1.69 crore, significant amounts remain outstanding, with ₹ 5.39 crore yet to be recovered. Despite partial recovery of the embezzled funds, these were not disclosed in the Annual Accounts for proper monitoring of recovery of the balance amount.

The closing balance in the Annual Accounts for 2018-19 showed a difference of ₹ 19.11 lakh when compared to the Bank Statements for the same period. Additionally, there was overstatement of ₹ 1.01 crore in the closing balance between the Annual Accounts and the Cash Book. However, the Council did not prepare any reconciliation statement to identify the reasons for these discrepancies.

JHADC incurred capital expenditure of ₹ 22.53 crore on various construction projects during 2018-19. However, the expenditure was booked as revenue expenditure. This has resulted in overstatement of revenue expenditure by ₹ 22.53 crore and understatement of capital expenditure by ₹ 22.53 crore.

3.5 Summary of recommendations

- (i) *The Council should take effective steps to recover the balance amount of ₹ 5.39 crore with proper disclosure in the Annual Accounts whenever such recoveries are made.*

- (ii) *The Council should prepare monthly reconciliation statements to explain any differences between the Cash Books, Bank Statements and Annual Accounts. Recasting of the Cash Books may be expedited.*
- (iii) *The Council should adhere to the format of Accounts prescribed by the C&AG. Budgetary provisions and the corresponding expenditure should be classified according to the nature of expenditure to ensure proper disclosure in the Annual Accounts.*



CHAPTER-IV

Compliance Audit Observations

CHAPTER-IV

Compliance Audit Observations

4.1 Non-compliance to Rule 42 of the Jowai Autonomous District Fund Rules, 1967 while incurring expenditure - Observations thereof

Rule 42 of the Jowai Autonomous District Fund Rules, 1967 states that, “a Council employee entrusted with payment of money shall obtain for every payment he makes, including repayment of sums previously lodged with the Council, a voucher setting forth full and clear particulars of the claim and all information necessary for its proper classification and identification in the accounts. As far as possible, the particular form of voucher applicable to the case shall be used. Supplier of stores and other private persons should be encouraged to submit their bills and claims in the prescribed forms. Every voucher shall bear or have attached to it an acknowledgement of the payment, signed by the person by whom or in whose behalf the claim is put forward”.

4.1.1 Discretionary Grant and Gratuitous Relief: Observations thereof

The JHADC makes payment to various beneficiaries under the nomenclature of Discretionary Grants (DG) and Gratuitous Relief (GR) through the respective Members of District Council (MDCs). Budgetary provision of ₹ 3.00 crore each under DG and GR was provided in the Annual Budget. The Executive Committee vide its decision dated 25 January 2017, laid down the procedures for DG and GR as detailed below:

- Grant of DG and GR shall be the prerogative of the Chief Executive Member (CEM). The CEM on the recommendation of the local MDC may grant an amount within ₹ 1.00 lakh and any amount over ₹ 1.00 lakh shall be accompanied by detail estimates and enquiry report.
- The local MDC may arrange payment of DG and GR within ₹ 1.00 lakh from his own resources and obtain an Actual Payee Receipt from the beneficiaries for submission to the CEM for sanction of reimbursement (enclosing the Actual Payee Receipts (APRs) and form of claim for sanction of reimbursement).
- Payment of the reimbursement claim shall be made in cash or by direct transfer to the payee account.
- All bills for payment shall be countersigned by the Executive Member in-charge Finance.

The budget allotment and expenditure under DG and GR during 2018-19 is presented in the Table below:

Table 4.1: Budget allotment and expenditure under Discretionary Grants and Gratuitous Relief

(₹ in crore)

Year	Budget allotment			Expenditure		
	DG	GR	Total	DG	GR	Total
2018-19	3.00	3.00	6.00	4.93	5.01	9.94

From the above it is seen that against the total budget provision of ₹ 6.00 crore, the Council had incurred an expenditure of ₹ 9.94 crore. The excess expenditure of ₹ 3.94 crore was met through re-appropriation from the 'budget provision of ₹ 8.00 crore under Major Head of Account – F-Dev Grant (COF) and (a) Normal Dev Scheme & (b) MDC Schemes'.

Scrutiny of records relating to DG and GR of the JHADC revealed the followings:

- (i) No system or criteria was adopted/followed for selection of beneficiaries.
- (ii) The MDCs prepared and submitted the list of beneficiaries or the claim form (indicating the name of the beneficiaries, date of payment, amount paid and purpose for which the grant is given) along with the APRs of the beneficiaries.
- (iii) There was no record to show that the selected beneficiaries were informed/intimated about their being selected.
- (iv) There were no proper vouchers as specified in Rule 42 of the Jowai Autonomous District Fund Rules, 1967 maintained by the JHADC.

It was noticed that the Secretary, Executive Committee released the fund to the MDCs concerned on the basis of re-imbursement claims submitted by the respective MDCs along with the supporting APRs of the beneficiaries. Scrutiny of APRs of the beneficiaries to whom the DG and GR was sanctioned, revealed that 918 beneficiaries received the DG of ₹ 4.93 crore from the MDCs concerned for house repairing, house construction, shop repairing, higher studies, purchase of medicine, books, CGI sheets, improvement of paddy field, personal work, *etc.* and 834 beneficiaries received the GR of ₹ 5.01 crore from the MDCs concerned for house repairing, improvement of paddy field, purchase of medicine, books, school fees, CGI sheets, shop repairing, personal work, *etc.*, (**Appendix-I**). Further, it was also noticed that there was no uniformity in release of fund to the MDCs. In respect of DG, the amount released to 30 MDCs ranged between ₹ 3.00 lakh and ₹ 32.00 lakh while it was ₹ 1.55 lakh to ₹ 31.00 lakh in case of GR.

Except the Actual Payee Receipts of the concerned MDCs, there were no supporting vouchers of payment of school fees, books, medicines, hospitalisation bills, CGI sheets, *etc.*, paid by the beneficiaries as required under the fund *ibid*. There was no purchase vouchers of CGI sheets attached by the concerned MDCs justifying the purchases and even the APRs of the beneficiaries was silent about the quantity/ numbers of CGI sheets received by them.

Thus, in absence of purchase vouchers (invoices)/ payment bills, certified quantity of materials received by the beneficiaries, disproportionate release of money for same purposes and absence of well-defined rules and guidelines, payment of ₹ 9.94 crore to the MDCs by the Secretary, Executive Committee indicates lack of internal controls mechanism and the need for laid down criteria, procedures, limits *etc.*

In reply, JHADC stated (December 2023) that the Executive Committee approved new guidelines for implementing Discretionary Grants and Gratuitous Relief funds in its

meeting on 26 September 2022. These guidelines replaced previous procedures. Office order in this regard was issued on 14 October 2022. Since then, both grants have been implemented according to the new guidelines.

While Audit acknowledged the steps taken by the Council on adoption of new guidelines for implementing Discretionary Grants and Gratuitous Relief since October 2022, however, the fact remains that the Council failed to maintain voucher setting forth full and clear particulars of expenditure along with an acknowledgement of the payment in violation of its own Rule *ibid*.

4.1.2 Implementation of schemes from Council own fund: Observation thereof

The Civil Works Department (CWD) of the Jaintia Hills Autonomous District Council implements schemes pertaining to Member of District Council Schemes (MDCs' schemes) and Normal Development Schemes from the Council's own fund.

Examination of records (August 2022), Audit observed that in spite of incurring huge expenditure regularly under these schemes, the purpose/ objectives for which the schemes were implemented have not yet been defined or prescribed by the Council (January 2022). As a result, the following irregularities were noticed in its implementations:

- No rules/ regulations/ guidelines for implementation of the schemes have been framed.
- There was no system or criteria adopted/ followed for selection of beneficiaries.
- The MDCs prepared and submitted the list of beneficiaries for the scheme along with the amount recommended without giving detailed information like address of the beneficiaries, purpose/ reason for which the amount was recommended, *etc.*

During the year 2018-19, a total of ₹ 95.06 lakh was released by the Chief Engineer, CWD, JHADC to the MDCs, out of this amount, ₹ 45.54 lakh was expended on purchase of CGI sheets, plastic chairs, agricultural sprayers, tarpaulin, *etc.* to be distributed to the beneficiaries, ₹ 41.60 lakh was distributed as financial assistance to poor beneficiaries for improvement of houses, paddy fields, *etc.*, and ₹ 7.92 lakh was expended on construction of community hall, school buildings, *etc.*, on the basis of the following documents:

- (i) Bills for sanctioning of the amount.
- (ii) Completion report of the MDCs certifying the completion of purchase of CGI sheets, distribution of the same to the beneficiaries.
- (iii) Distribution list of beneficiaries.
- (iv) Cash Memo (purchase invoices) for purchase of CGI sheets, *etc.*
- (v) Photographs of works undertaken.
- (vi) APRs of beneficiaries in some cases only

However, audit observed that the expenditure of ₹ 45.54 lakh (**Appendix-II**) incurred by the MDCs were not supported by vouchers/Cash Memos as required under the rule *ibid*. In the absence of such details the genuineness of the expenditure could not be vouched-safe in audit.

In reply, JHADC stated (December 2023) that under these schemes, the members identify projects based on local needs, implement them using their own funds within allocated amounts, and submit required documents such as completion report, purchase voucher/invoice/cash memo, list of beneficiaries for reimbursement.

However, new guidelines for implementing these schemes were approved by the Executive Committee in a meeting on 26 September 2022. Since then, Council's Own Fund schemes and MDC Schemes have been implemented according to these guidelines.

While Audit acknowledged the steps taken by the Council on adoption of new guidelines for implementation of Council's Own Fund schemes and MDC schemes, however, the fact remains that, Rule 42 of the Jowai Autonomous District Fund Rules, 1967, which requires submission of vouchers setting forth full and clear particulars of the claims was not adhered to by the Council.

Recommendations:

- (i) *The Council must strictly adhere to Rule 42 of the JADF Rules, 1967 while making payments for expenditures incurred in day-to-day business of the Council.*
- (ii) *The Council should ensure consistent application of the new guidelines established in October 2022 in respect of Discretionary Grants and Gratuitous Relief by all members of the Council.*

4.2 Delay/ Non-submission of Utilisation Certificates (UCs)

As per the terms and conditions of the sanction orders issued by the District Council Affairs Department, Government of Meghalaya, the Council was responsible for:

- Utilisation of the grant within one year from the date of sanction.
- Utilise the amount expeditiously and to submit UCs in the format (Form 19-A of GFR) within the prescribed period i.e., within twelve months of the closure of the financial year.

During the period from 2015-16 to 2017-18, the Council received grants-in-aid from the State Government for implementation of different schemes *i.e.* (i) Under Article 275(1) of the Constitution (₹ 181.37 lakh), (ii) As one-time Special Assistance grant (₹ 3357.00 lakh) and (iii) Under Areas not included in Part IX and IXA of the Constitution (₹ 1074.90 lakh).

Against the above grants-in-aid received, the Council submitted the utilisation certificates as detailed below:

Table 4.2: Details of submission of Utilisation Certificates

Year of sanction	Name of the scheme	Grant released	UC submitted		Outstanding UCs as on August 2022
			Amount	Date	
2015-16	Special Assistance Grant (SAG)	33,57,00,000	16,17,42,000	22.05.2018	2,85,37,000 (nine per cent)
			7,68,26,000	30.10.2018	
			6,85,95,000	08.05.2019	
2016-17	Article 275 (1)	1,81,37,000	66,41,000	18.05.2017	1,14,96,000 (63 per cent)
2017-18	Areas excluded in Part IX and IXA	10,74,90,000	5,04,45,000	19.11.2018	5,70,45,000 (53 per cent)
Total:		46,13,27,000	36,42,49,000	-	9,70,78,000 (21 per cent)

According to the terms and conditions outlined in the sanctioned order, the grant was to be utilised within the financial year. However, from **Table 4.2** above, it can be seen that out of ₹ 46.13 crore sanctioned by GoI during 2015-16 to 2017-18, UCs amounting to ₹ 9.71 crore had not been submitted even after lapse of more than five years (August 2022).

In reply, the JHADC stated (December 2023) that the Council has submitted a Utilisation Certificate for an additional ₹ 280.16 lakh out of ₹ 3,357 lakh received under the Special Assistance Grant. Hence, a total of ₹ 3,351.79 lakh has been certified, leaving a balance of ₹ 5.21 lakh. For funds amounting to ₹ 181.37 lakh received under Article 275(1) and ₹ 1,074.90 lakh received under Areas excluded in Part IX and IX A of the Constitution, the schemes/works are completed and the Utilisation Certificates for the remaining amounts are under process of submission.

Audit observed that the Council could not submit UCs even after five years have elapsed since the funds were sanctioned, indicating that there is a lack of effective monitoring and oversight of expenditure within the Council. Though the Council has taken action for submission of UCs pertaining to grants received under Article 275(1) and Special Assistance Grant, it was silent on the outstanding UCs of ₹ 570.45 lakh (53 per cent) against grants received under Areas excluded in Part IX and IXA. Thus, the total outstanding UCs remains at ₹ 690.62 lakh²¹.

Recommendation: The Council may strengthen the mechanism for implementation of schemes/projects in a time bound manner to avoid undue delays in submission of UCs and the risk of misutilisation of funds.

4.3 Outstanding Inspection Reports

Audit observations on financial irregularities and defects in the maintenance of accounts noticed during previous local audits which are not settled on the spot are communicated to the Secretary of the Council with copy to the District Council Affairs Department and Finance Department through Inspection Reports (IRs). Eight

²¹ ₹ 114.96 lakh (Article 275(1)) + ₹ 5.21 lakh (SAG) + ₹ 570.45 lakh (Areas excluded in Part IX and IXA).

IRs issued between July 2005 and April 2022, comprising 74 paras had not been settled (June 2022).

In reply, JHADC stated (December 2023) that 11 outstanding paras relating to four Inspection Reports has been reviewed and settled by the team conducting audit during May-June 2018. The reply also stated that replies to 39 paras in respect of the Inspection Reports for the years 2005-15 and Supplementary Inspection Reports for the years 2011-12 to 2012-13 has been furnished between July 2017 and August 2022.

It may be stated that replies of the Council were not accompanied by complete documents in support of the replies. The matter is under correspondence with JHADC. Consequently, ten outstanding paras related to Inspection Reports for the years 2000-01 to 2004-05 have not been conclusively resolved.

4.4 Follow-up action on Audit Reports

According to the JADF Rules, 1967, the Member in-charge of Financial Affairs shall place the Audit Report before the Council and shall send a copy of the proceedings of discussion held by the Council thereon to the Governor of the State for information. Though, the Audit Reports for the years up to 2012-13 in respect of the Jaintia Hills Autonomous District Council has been placed before the Council, apart from the Chairman's request for greater diligence from Council officials in the future, and considering past findings as lessons, no further action was taken by the Council regarding the audit paragraphs contained in these reports.

It is recommended that the Council may ensure time bound action on the audit observations pointed out in the Audit Reports to facilitate improved financial discipline and good governance in the conduct of the affairs of the Council.

4.5 Conclusion

The JHADC exceeded its budget for Discretionary Grants (DG) and Gratuitous Relief (GR) by ₹ 3.94 crore in 2018-19, resulting in total expenditures of ₹ 9.94 crore against the budget provision of ₹ 6.00 crore. The release of ₹ 9.94 crore by the Secretary of the Executive Committee to the MDCs revealed that while funds were distributed to 918 beneficiaries (under DG) and 834 beneficiaries (under GR) for various purposes, there was inconsistency in the amounts allocated to the MDCs. In respect of DG, the amount released to 30 MDCs ranged between ₹ 3.00 lakh and ₹ 32.00 lakh while it was ₹ 1.55 lakh to ₹ 31.00 lakh in case of GR. There was absence of supporting vouchers for payments related to school fees, books, medicines, and other expenses, along with lack of purchase documentation for CGI sheets, undermines the accountability of the funds disbursed to the MDCs.

The Civil Works Department (CWD) of the Council has incurred expenditures under Member of District Council Schemes (MDCs' schemes) and Normal Development Schemes from the Council's own fund. However, as of January 2022, the Council had not established rules for implementation of these schemes. During the year 2018-19, a total of ₹ 95.06 lakh was released by the Chief Engineer, CWD, JHADC to the MDCs, out of this amount, ₹ 45.54 lakh was expended on purchase of CGI sheets, plastic chairs,

agricultural sprayers, tarpaulin, *etc.*, to be distributed to the beneficiaries, ₹ 41.60 lakh was distributed as financial assistance to poor beneficiaries for improvement of houses, paddy fields, *etc.*, and ₹ 7.92 lakh was expended on construction of community hall, school buildings, *etc.* Audit observed that the expenditure of ₹ 45.54 lakh incurred by the MDCs were not supported by vouchers/Cash Memos. In the absence of such details the genuineness of the expenditure could not be vouched-safe in audit.

Despite receiving GoI grants amounting to ₹ 46.13 crore between the years 2015-16 to 2017-18, UCs for ₹ 6.91 crore were not submitted even after lapse of more than five years.

4.6 Summary of recommendations

The Council may consider the following recommendations:

- (i) *The Council must strictly adhere to Rule 42 of the JADF Rules, 1967 while making payments for expenditures incurred in day-to-day business of the Council.*
- (ii) *The Council should ensure consistent application of the new guidelines established in October 2022 in respect of Discretionary Grants and Gratuitous Relief by all members of the Council.*
- (iii) *The Council may strengthen the mechanism for implementation of schemes/projects in a time bound manner to avoid undue delays in submission of UCs and the risk of misutilisation of funds.*

Shillong
The

(JOHN K. SELLATE)
Principal Accountant General (Audit), Meghalaya

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New Delhi
The

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Comptroller and Auditor General of India



APPENDICES

APPENDIX – I

Statement showing the details of Discretionary Grant and Gratuitous Relief released during the year 2018-19.
(Reference: Paragraph 4.1.1)

(1) Discretionary Grant

Sl. No.	Name of the MDCs	No. of beneficiaries	Purpose	Amount paid	APRs of beneficiaries with date	Amount per Beneficiary
1	Arbor Hima Darnei	10	Paddy field, House repair	1000000	Yes	1.00 lakh each
2	Shemhok Garod	10	Football jersey, CGI sheets, Waiting shed, etc.	1000000	Yes	1.00 lakh each
3	Lamdibok Sumer	40	House repair	1000000	No	0.25 lakh each
4	Hoping Stone Bareh	19	House repair, CGI sheets, Shops, Medical checkup	1000000	Yes	0.20 lakh to 1.00 lakh
5	Desous Pohshna	10	Betel plantation, House repair, Paddy field	1000000	Yes	1.00 lakh each
6	A. Andrew Shullai	10	House renovation/ repair	1000000	Yes	1.00 lakh each
7	Bison Roy Iano	10	Study outside, School fees, Medical treatment, etc.	1000000	No	1.00 lakh each
8	Chanky Lyngdoh	10	House repair, Improvement of paddy field	1000000	No	1.00 lakh each
9	Holando Lamin	10	House repair, etc	1000000	No	1.00 lakh each
10	Sukhleng Shylla	20	Tea shop,	1000000	No	0.50 lakh each
11	Marki Mulieh	10	Business, House construction	1000000	No	1.00 lakh each
12	Winning Garland Sungoh	10	House repair	1000000	Yes	1.00 lakh each
13	Lasky Rymbai	12	Child care centre, Shop, Hospital bill	1000000	Yes	0.20 lakh to 1.00 lakh
14	Hermom Phawa	10	Shop, House repair, etc	1000000	Yes	1.00 lakh each
15	Phasmon Dkhar	10	Improvement of paddy field, House construction	1000000	No	1.00 lakh each
16	Skhembok Suchiang	20	Hospital bill, House construction, Paddy field	1000000	No	0.50 lakh each
17	Philips Tangliang	10	Improvement of paddy field	1000000	Yes	1.00 lakh each
18	Laitsing Shylla	40	House construction, House repair	1000000	No	0.25 lakh each
19	Moonlight Pariat	200	House repair	1000000	No	0.05 lakh each
Total:		471		19000000		
1	Madonbai Rymbai	6	Fencing house compound, House repair, etc	600000	No	1.00 lakh each
2	Lamdibok Sumer	3	House repair	300000	No	1.00 lakh each
3	Rudaioo Tang	6	Purchase of medicine	300000	Yes	0.50 lakh each
4	Joinriwell Pyrtuh	5	House repair/ construction, Betel nut plantation	300000	Yes	0.50 lakh each
5	Sevenborn Tang	3	Study	300000	No	1.00 lakh each
6	Holando Lamin	3	House repair	300000	Yes	1.00 lakh each

Sl. No.	Name of the MDCs	No. of beneficiaries	Purpose	Amount paid	APRs of beneficiaries with date	Amount per Beneficiary
7	Desous Pohshna	10	Purchase of pipes for water supply	300000	No	0.30 lakh each
8	A. Andrew Shullai	30	House repair/renovation, Behdiengkhlam festival	300000	Yes	0.10 lakh each
9	Rio Sten	3	House construction	300000	Yes	1.00 lakh each
10	Violet Lyngdoh	6	House repair	300000	Yes	0.50 lakh each
11	Skhembok Suchiang	3	House repair/ construction, Business	300000	Yes	1.00 lakh each
12	Hoping Stone Bareh	5	Fencing, Drain, School fees, CGI sheet	300000	No	0.50 lakh to 1.00 lakh
13	Winning Garland Sungoh	3	House repair, Improvement of paddy field	300000	No	1.00 lakh each
14	Het Pohthmi	3	House repair	300000	Yes	1.00 lakh each
15	Aibor Hima Damei	3	House construction	300000	Yes	1.00 lakh each
16	Kilometer Lytan	6	House repair, Improvement of paddy field, Pond	300000	No	0.50 lakh each
17	Thombor Shiwat	6	Medical checkup, College fees, Hospital bill	300000	Yes	0.50 lakh each
18	Hermion Phawa	10	Medicine, Hospital bills, etc	300000	No	0.30 lakh each
19	Phing Nonglein	3	House repair	300000	Yes	1.00 lakh each
20	Philips Tangliang	3	House repair	300000	No	1.00 lakh each
21	Lasky Rymbai	3	Hospital bill	300000	Yes	1.00 lakh each
22	Marki Mulieh	3	Fencing & Improvement of house	300000	Yes	1.00 lakh each
23	Phasmon Dkhar	10	House repair, CGI sheets, Paddy field	300000	No	0.03 lakh to 1.00 lakh
24	Laitising Shylla	30	House renovation	300000	Yes	0.10 lakh each
25	Richard Sing Lyngdoh	3	House repair	300000	Yes	1.00 lakh each
Total		169		7800000		
1	Sevenborn Tang	32	House repair, Paddy field, Hospital bill, Fees	3200000	No	1.00 lakh each
2	Madonbai Rymbai	15	House repair	1500000	Yes	1.00 lakh each
3	Lamdibok Sumer	12	House repair	1200000	No	1.00 lakh each
4	Phasmon Dkhar	10	Medicine and Sports materials	1000000	No	1.00 lakh each
5	Het Pohthmi	3	House repair	300000	No	1.00 lakh each
6	Holando Lamin	10	House repair	1000000	No	1.00 lakh each
7	Phing Nonglein	10	Improvement of paddy field	1000000	No	1.00 lakh each
8	Thombor Shiwat	8	Improvement of paddy field, House repair	800000	Yes	1.00 lakh each
9	Richard Sing Lyngdoh	15	Medicine, House repair	1500000	Yes	1.00 lakh each
10	Desous Pohshna	3	House construction	300000	Yes	1.00 lakh each
11	Lasky Rymbai	10	School fees, Hospital bill	1000000	No	1.00 lakh each

Sl. No.	Name of the MDCs	No. of beneficiaries	Purpose	Amount paid	APRs of beneficiaries with date	Amount per Beneficiary
12	Rudaioo Tang	5	House repair	500000	Yes	1.00 lakh each
13	Marki Mulieh	3	Medical checkup, Shop	300000	No	1.00 lakh each
14	A. Andrew Shullai	55	House renovation/ upgradation, Sports materials	1500000	Yes	0.12 lakh to 1.00 lakh
15	Sevenborn Tang	3	House repair, Improvement of paddy field	300000	No	1.00 lakh each
16	Arbor Hima Darnei	10	Books, Medicine, House repair, Land development	1000000	Yes	1.00 lakh each
17	Rio Sten	3	Paddy field, Personal work	300000	No	1.00 lakh each
18	Kilometer Lytan	10	House repair	1000000	No	1.00 lakh each
19	Violet Lyngdoh	8	House repair	800000	Yes	1.00 lakh each
20	Laitising Shylla	12	Personal work	300000	Yes	0.25 lakh each
21	Hermon Phawa	3	House construction/repair	300000	No	1.00 lakh each
22	Philips Tangliang	3	House repair	300000	Yes	1.00 lakh each
23	Skhembok Suchiang	10	House repair, School fees, Land development	1000000	Yes	1.00 lakh each
24	Shemhok Garod	3	House construction, Water supply, Footpath	300000	Yes	1.00 lakh each
25	Winning Garland Sungoh	3	Land development	300000	No	1.00 lakh each
26	Hoping Stone Barch	3	House construction, Fishery pond	300000	Yes	1.00 lakh each
27	Bison Roy Iano	3	Land development, Study outside, Medical	300000	No	1.00 lakh each
28	Phasmon Dkhar	5	House construction	500000	No	1.00 lakh each
29	Joinriwell Pyrtuh	8	Fishery pond, Betel nut plantation	400000	No	0.50 lakh each
Total		278		22500000		
Grand Total		918		4,93,00,000		

(2) Gratuitous Relief

Sl. No.	Name of the MDCs	No. of Beneficiaries	Purpose	Amount paid	APRs of beneficiaries with date	Amount per Beneficiary
1	Chanky Lyngdoh	10	Personal work	1000000	No	1.00 lakh each
2	Moonlight Pariat	4	House repair, Fishery pond, etc	200000	Yes	0.50 lakh each
3	Moonlight Pariat	18	House repair	845000	No	0.10 lakh to 1.00 lakh
4	Moonlight Pariat	35	House repair	155000	No	0.05 lakh each
5	Arbor Hima Darnei	10	Improvement of paddy field, Medicine, etc	1000000	Yes	1.00 lakh each
6	Holando Lamin	10	House repair	1000000	No	1.00 lakh each
7	Phasmon Dkhar	10	House repair and Admission fees	1000000	No	1.00 lakh each
8	Winning Garland Sungoh	10	Personal work, House repair, etc	1000000	Yes	1.00 lakh each
9	Philips Tangliang	26	House repair and Generator for village	1000000	Yes	0.25 lakh to 0.50 lakh
10	Desous Pohshna	10	Paddy field, Drinking well, Betel nut plant	1000000	Yes	1.00 lakh each
11	Hermion Phawa	10	Drainage, New house, Study	1000000	Yes	1.00 lakh each
12	Lasky Rymbai	18	House/ school building, Paddy field	1000000	Yes	0.10 lakh to 1.00 lakh
13	Sukhlang Shylla	20	Hospitalisation, Study	1000000	Yes	0.50 lakh each
14	Skhembok Suchiang	20	Hospitalisation, Study, etc	1000000	No	0.50 lakh each
15	Marki Mulieh	10	Improvement of paddy field	1000000	No	1.00 lakh each
16	Bison Roy Iano	10	Land development, Canal repairing	1000000	No	1.00 lakh each
17	Shemhok Garod	10	Football jersey, Housing, Paddy field, Medicine	200000	Yes	0.20 lakh each
18	Shemhok Garod	20	CGI sheets, Vehicle documents, etc	400000	Yes	0.20 lakh each
19	Shemhok Garod	20	CGI sheets, Vehicle documents, etc	400000	Yes	0.20 lakh each
20	Lamdibok Sumer	40	House damage by cyclone	1000000	No	0.25 lakh each
21	A. Andrew Shullai	10	House renovation/ repair	1000000	Yes	1.00 lakh each
22	Laitsing Shylla	40	House repair, New house construction	1000000	No	0.25 lakh each
23	Hoping Stone Bareh	25	Fishery pond, College fees, House repair, etc	1000000	Yes	0.10 lakh to 1.00 lakh
Total		396		19200000		
1	Madonbai Rymbai	5	House repair, Paddy field, New house	500000	No	1.00 lakh each
2	Rudaiioo Tang	6	House repair	300000	Yes	0.50 lakh each
3	Lamdibok Sumer	3	House damage by cyclone	300000	Yes	1.00 lakh each
4	Joinriwell Pyrtuh	6	School building, Betel nut plantation	300000	Yes	0.50 lakh each

Sl. No.	Name of the MDCs	No. of Beneficiaries	Purpose	Amount paid	APRs of beneficiaries with date	Amount per Beneficiary
5	Sevenborn Tang	3	Improvement of paddy field	300000	Yes	1.00 lakh each
6	Holando Lamin	3	House damage by cyclone, House repair	300000	Yes	1.00 lakh each
7	Desous Pohshna	10	House construction and repair	300000	Yes	0.30 lakh each
8	Arbor Hima Darnei	3	Medicine, House repair, Paddy	300000	Yes	1.00 lakh each
9	Kilometer Lytan	6	Fish pond, Paddy field,	300000	No	0.50 lakh each
10	Thombor Shiwat	6	Fish pond, Paddy field, Check dam collapse	300000	Yes	0.50 lakh each
11	Hermon Phawa	10	Medicine, House repair, Drinking well	300000	No	0.30 lakh each
12	Phing Nonglein	3	Improvement paddy field	300000	Yes	1.00 lakh each
13	Philips Tangliang	3	Improvement paddy field	300000	No	1.00 lakh each
14	Lasky Rymbai	3	Improvement paddy field, House repair	300000	Yes	1.00 lakh each
15	A. Andrew Shullai	20	House renovation	300000	Yes	0.15 lakh each
16	Rio Sten	3	Improvement paddy field	300000	No	1.00 lakh each
17	Skhembok Suchiang	6	School fees, Hospital fees, House repair	300000	Yes	0.50 lakh each
18	Violet Lyngdoh	6	House repair	300000	Yes	0.50 lakh each
19	Hoping Stone Bareh	9	Sports uniform, Medical, School fees, CGI sheet	300000	No	0.10 lakh to 0.50 lakh
20	Winning Garland Sungoh	3	Personal work	300000	No	1.00 lakh each
21	Het Pohthmi	3	House repair	300000	Yes	1.00 lakh each
22	Marki Mulieh	3	Improvement paddy field	300000	No	1.00 lakh each
23	Phasmon Dkhar	4	House repair, paddy field, New house	300000	No	0.50 lakh to 1.00 lakh
24	Laitsing Shylla	30	House renovation	300000	Yes	0.10 lakh each
25	Richard Sing Lyngdoh	3	Improvement paddy field	300000	Yes	1.00 lakh each
Total		160		7700000		
1.	Sevenborn Tang	31	Improvement of paddy field, House repair	3100000	No	1.00 lakh each
2.	Madonbai Rymbai	15	Improvement paddy field	1500000	Yes	1.00 lakh each
3.	Lamdibok Sumer	5	House repair	500000	No	1.00 lakh each
4.	Lamdibok Sumer	13	House repair	1300000	No	1.00 lakh each
5.	Phasmon Dkhar	10	Improvement of paddy field, House repair	1000000	No	1.00 lakh each
6.	Het Pohthmi	3	House repair	300000	Yes	1.00 lakh each
7.	Holando Lamin	10	Land development	1000000	No	1.00 lakh each
8.	Phing Nonglein	10	House construction	1000000	Yes	1.00 lakh each

Sl. No.	Name of the MDCs	No. of Beneficiaries	Purpose	Amount paid	APRs of beneficiaries with date	Amount per Beneficiary
9.	Thombor Shiwat	8	Improvement of paddy field, Drinking water	800000	Yes	1.00 lakh each
10.	Richard Sing Lyngdoh	15	Improvement of paddy field, House repair	1500000	No	1.00 lakh each
11.	Desous Pohshna	3	House repair	300000	Yes	1.00 lakh each
12.	Lasky Rymbai	8	House repair	800000	No	1.00 lakh each
13.	Rodaioo Tang	5	House repair	500000	Yes	1.00 lakh each
14.	Marki Mulieh	3	Improvement of paddy field	300000	No	1.00 lakh each
15.	A. Andrew Shullai	48	House renovation/ upgradation	1500000	Yes	0.10 lakh to 1.00 lakh
16.	Philips Tangliang	3	Improvement of paddy field	300000	No	1.00 lakh each
17.	Winning Garland Sungoh	3	Personal work	300000	No	1.00 lakh each
18.	Sevenborn Tang	3	Improvement of paddy field, House repair	300000	No	1.00 lakh each
19.	Arbor Hima Darnei	10	Medicine/ book purchase, House construction	1000000	Yes	1.00 lakh each
20.	Hoping Stone Bareh	3	Cattle shed, etc	300000	Yes	1.00 lakh each
21.	Rio Sten	3	House construction	300000	No	1.00 lakh each
22.	Kilometer Lytan	10	House repair	1000000	Yes	1.00 lakh each
23.	Violet Lyngdoh	7	House repair	700000	Yes	1.00 lakh each
24.	Laising Shylla	12	Personal work	300000	Yes	0.25 lakh each
25.	Hermon Phawa	3	Shop construction, Water supply	300000	No	1.00 lakh each
26.	Skhembok Suchiang	10	Paddy field, House/ shop construction	1000000	Yes	1.00 lakh each
27.	Skhembok Suchiang	3	Paddy field, House construction, Medicine	300000	Yes	1.00 lakh each
28.	Bison Roy Iano	3	School admission, House construction/ repair	300000	No	1.00 lakh each
29.	Phasmon Dkhar	5	Pond, House, Water supply, Musical instrument	500000	No	1.00 lakh each
30.	Joinriwell Pyrtuh	8	Medical treatment, Road/ house repair	400000	No	0.50 lakh each
31.	Shemhok Garod	5	Road/ house repair, Paddy field	500000	Yes	1.00 lakh each
Total		278		23200000		
Grand Total		834		50100000		

APPENDIX - II

Statement showing expenditure incurred on purchase of CGI Sheets, plastic chairs, agricultural sprayers, tarpaulin, etc., distributed to beneficiaries during 2018-19.

(Reference: Paragraph 4.1.2)

(Amount in ₹)

Sl. No.	Bill No. and Date	Particulars	Bill Amount
1.	MDC-Sch/309/2018-2019/2-F dated 30.01.2019	Purchase of CGI sheet for distribution to the poor families within 20-Muthlong Sohkympkor Constituency	1,96,000.00
2.	MDC-Sch/314/2018-19/3-H dated 29.01.2019	Purchase of plastic chairs vide cash	98,000.00
3.	MDC-Sch/304/2019/1-H dated 14.05.2019	Bill for CGI Sheet within Saipung Constituency	1,96,000.00
4.	MDC-Sch/316/2018-19/1-A dated 30.01.2019	Purchase of CGI sheet for distribution to the poor families within War West Constituency	1,96,000.00
5.	MDC-Sch/317/2019/2-A dated 30.01.2019	Supply of CGI sheet to the poor family within I-War East Constituency	1,96,000.00
6.	MDC-Sch/305/2019/3-G dated 30.01.2019	Financial assistance to Dong Pepsver local committee for purchase of CGI sheets to be distributed amongst people of the locality within Musniang Rngad Constituency	1,96,000.00
7.	MDC-Sch/302/2019/2-G dated 30.01.2019	Purchase of CGI sheet for distribution to the poor people within 23 Rymbai Khliehriat Constituency	1,96,000.00
8.	MDC-Sch/310/2018-2019/3-F dated 30.01.2019	Purchase of CGI sheet to be distributed to the poor families within 16 Shangpung North Constituency	1,96,000.00
9.	MDC-Sch/326/2018-19/1-B dated 29.01.2019	Purchase of sprayer and tarpaulin within 6 Ummulong Moodymmai	1,96,000.00
10.	MDC-Sch/328/2019/4-B dated 13.03.2019	Purchase of CGI sheet to be distributed to the poor people within 12 Barato Mukhroh Constituency	1,96,000.00
11.	MDC-Sch/325/2019/2-B dated 30.01.2019	Purchase of CGI sheet to be distributed to the poor people within 29 Bataw Lakadong Constituency	1,96,000.00
12.	MDC-Sch/303/2019/1-G dated 30.01.2019	Purchase of CGI sheet for distribution within 8 Nartiang – Umladoong Constituency	1,96,000.00
13.	COF-Sch/338/2019/2-A dated 31.01.2019	JKGP Sheet	1,00,000.00
14.	COF-Sch/339/2018-19/1-A dated 30.01.2019	Supplying of CGI Sheet to the poor family within 1-War East Constituency	2,00,000.00
15.	COF/307/2019/1-G dated 30.01.2019	Financial assistance to Dong Pepsver local committee for purchase of CGI sheets to be distributed amongst people of the locality within Musniang Rngad Constituency	2,00,000.00
16.	COF-Sch/306/2019/1-H dated 14.05.2019	Providing CGI sheet to beneficiaries within 27 Saipung Constituency	6,00,000.00
17.	COF/333/2018-2019/1-H dated 30.01.2019	Purchase of CGI sheet to beneficiaries within 18 Jowai Central Constituency	6,00,000.00

Sl. No.	Bill No. and Date	Particulars	Bill Amount
18.	JHADC/CWD/332/ COF/2019/1-B dated 29.01.2019	Purchase of CGI sheet to be distributed to the poor family within 6 Ummulong Moodymmai Constituency	1,00,000.00
19.	COF/242/2018-2019/5-F Part I dated 03.06.2019	Purchase of plastic chairs for community hall at Mookyniang Khliehtyrshi	5,00,000.00
		Total:	45,54,000.00

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