

## **OVERVIEW**

The Report contains 35 paragraphs (including four general paragraphs), two performance reviews and one long paragraph apart from comments on the Finance and Appropriation Accounts. There is also a separate chapter on Internal Control System in the Public Health Engineering Department. Copies of the draft paragraphs and draft performance review reports are sent to the Secretary to the State Government of the department concerned by the Principal Accountant General (Audit) with a request to furnish replies within six weeks. However, in respect of the performance reviews, long paragraph, review on Internal Control System and 16 paragraphs included in the Report no response was received from the Secretaries concerned. A synopsis of the important findings contained in the Report is presented in this overview.

### **1. Finances of the State Government**

- The revenue receipts of the State increased from Rs.5,638 crore in 2000-01 to Rs.9,937 crore in 2004-05 at an average trend rate of 14.33 *per cent*. While 38 *per cent* of the revenue receipts during 2004-05 have come from the State's own resources comprising of tax and non-tax revenue, central tax transfers and grants-in-aid together contributed 62 *per cent* of the total revenue.

**(Paragraph 1.5.2)**

- The total expenditure of the State increased from Rs.7,195 crore in 2000-01 to Rs.13,384 crore in 2004-05 at an average trend rate of 13.46 *per cent* per annum. The increase in total expenditure in 2004-05 was due to increase in non-plan revenue expenditure by Rs.1,187 crore and capital expenditure under Economic Sector by Rs.1,545 crore which were nearly 36 *per cent* and 46 *per cent* of net increase of total expenditure over the previous year.

**(Paragraph 1.6.1)**

- Overall fiscal liabilities of the State increased from Rs.10,262 crore in 2000-01 to Rs.17,855 crore in 2004-05 at an average rate of 15.21 *per cent*. Net availability of funds from the borrowings remained almost static from 9.72 *per cent* in 2000-01 to 9.76 *per cent* in 2004-05.

**(Paragraph 1.8.5)**

- Return from Government's investment (Rs.1,953 crore) in its statutory Corporations, Government companies, etc., was below 1 *per cent* in three out of five years, while average interest rate paid by Government on its borrowing was 9.46 *per cent*.

**(Paragraph 1.8.2)**

- Interest received by Government on the loans and advances given to corporations, companies and co-operatives during 2000-2005, was between 0.03 and 0.25 *per cent*. However, interest paid by Government on borrowing ranged from 8.47 to 9.97 *per cent*.

**(Paragraph 1.8.3)**

- While the revenue deficit decreased from Rs.685 crore in 2003-04 to Rs.292 crore in 2004-05, the fiscal deficit increased from Rs.1,395 crore in 2003-04 to Rs.2,058 crore.

**(Paragraph 1.9.1)**

- There were seven incomplete Major and Medium Irrigation projects as of March 2005 involving Rs.436.16 crore.

*(Paragraph 1.8.1)*

## **2. Allocative priorities and appropriation**

- Expenditure of Rs.20,796.89 crore was incurred against total grants and appropriations of Rs.30,794.51 crore. The net saving of Rs.9,997.62 crore was the result of overall saving of Rs.10,003.50 crore partly offset by excess of Rs.5.88 crore. The excess requires regularisation under Article 205 of the Constitution of India.

*(Paragraph 2.2 and 2.3.2(2))*

- Supplementary provision made during the year constituted 20.55 per cent of the original provision. In 39 cases supplementary provision of Rs.534.91 crore proved unnecessary in view of the aggregate final saving of Rs.6,829.30 crore.

*(Paragraph 2.3.3 and 2.3.4)*

- Anticipated savings exceeding Rupees One crore in each case aggregating to Rs.9,685.64 crore under 58 grants were not surrendered.

*(Paragraph 2.3.6)*

## **Performance review of schemes/department**

### **3. Implementation of the Acts and Rules relating to Consumer Protection**

*For providing simple, speedy and inexpensive redressal to consumer's grievances, Government of India enacted the Consumer Protection Act 1986. The Central Legislative mandate for protection of the interest of the consumers had largely not been achieved in the State. Whole time district fora were belatedly established only in eight out of 23 districts in the State. Uniform time frame for starting the fora, uniform staffing pattern, evolving consumer awareness programmes as envisaged in the Act were not undertaken. The performance of the State Consumer Protection Council formed to promote and protect the rights of the consumers was not upto the required level. Some significant findings are as under:*

- Constitution of consumer fora in the State was delayed by more than three years and fulltime district fora have not been established even after 18 years of enactment of the Consumer Protection Act 1986.
- The State Commission and three out of six test-checked district fora were functioning from rented premises without space for record room and library. The remaining three district fora were functioning from the chamber/library of the District and Session Judge.
- Out of Rs.2.80 crore received from the Government of India for infrastructure development during 1995-97, the State Government did not release Rs.1.92 crore even after eight years of receipt.

➤ Due to shortage of funds for procuring stationery, judgment of cases could not be delivered on two occasions in District Forum Kamrup from March 1999 to May 1999 and November 2002 to January 2003. District Forum Cachar also stopped work during February 1999 for want of sufficient funds.

(Paragraph 3.1)

#### **4. Status of Medical Equipment, Buildings, and vehicles in hospitals/health centres and their utilisation in Health care services**

*Promotion of health care services and strengthening of infrastructural facilities have been a priority item in the planning of social services by the Government of Assam. This was planned to be achieved by providing buildings for hospitals, community health centers, primary health centres, and dispensaries with well-equipped medical facilities in the districts/sub-divisions and in rural areas. Emphasis had been given during various plan periods for building of infrastructure and equipping the hospitals and health centres with modern machineries and equipment so that better health care services could be rendered. Vehicles being another vital component for transportation of patients and other allied activities were also considered an essential factor for rendering health care services. A performance review on the Status of medical equipment, buildings and vehicles in hospitals/health centres and their utilisation in Health Care Services revealed the following major deficiencies.*

- There were deficiencies in establishing health care institutes as per population norms. In six selected districts shortfall of 52 CHCs (60 *per cent*), 151 PHCs (44 *per cent*), and 394 SCs (19 *per cent*) indicated that there was inadequacy of infrastructure for rendering health care services to the people of the districts. Due to the shortage of CHCs and PHCs 45.30 lakh and 62.40 lakh people in these districts were deprived of health care facilities at their doorsteps and referral health care services.
- Out of 2,031 health care buildings in six selected districts, 1,093 (54 *per cent*; mainly sub-centres) were functioning from private accommodation. Only 938 health centres were in Government buildings of which 439 (47 *per cent*) were in dilapidated condition requiring major repair. In four districts (Kamrup, Nagaon, Cachar, Barpeta) out of 1,617 health care institutes, there was no provision for water supply in 404 institutes (25 *per cent*), there was no power supply in 499 institutes (31 *per cent*) and there was no functional toilet in 502 institutes (31 *per cent*).
- Out of 102 buildings constructed for up gradation of State Dispensaries to Public Health Centres, only 14 buildings were utilised as Public Health Centres and remaining 88 buildings constructed at a cost of Rs.5.05 crore were still continuing as State Dispensaries.

- According to a survey conducted by the Government, out of 18,743 existing equipment in the different health care institutes of the State 7,812 equipment (42 per cent) were unserviceable. Though the majority of the equipment was assessed as repairable at an approximate cost Rs.88.90 lakh, the Department had not taken steps for their repair/replacement.
- Out of the fleet of 602 vehicles under the Health Department, 103 vehicles remained off the road due to lack of repair/replacement, badly affecting the delivery of health care service. In 118 PHCs and 23 CHCs of five districts there were no vehicles for carrying high risk and other emergency patients to the nearest Government hospital.

**(Paragraph 3.2)**

#### **5. Pradhan Mantri Gram Sadak Yojana**

*Pradhan Mantri Gram Sadak Yojana was launched by Government of India in December 2000 as a cent per cent Centrally Sponsored Scheme with the primary objective of providing connectivity by way of constructing good all weather roads to all rural habitations with a population of more than 500 persons, and in respect of the two hill districts of North Cachar Hills and Karbi Anglong with a population of 250 persons and above, by the end of the Tenth Plan period (2007). Government of India had provided Rs.674.10 crore for implementation of the programme against which the Government of Assam had spent Rs.326.75 crore as of March 2005. Out of 2,324 km of roads approved for completion in four phases, 1,398 km of roads (60 per cent) were completed which provided connectivity to 2,222 out of 13,144 habitations with population of 250 persons and above.*

- Contrary to the programme guidelines the Director, Panchayat and Rural Development Department kept programme funds of Rs.80.47 crore (including Rs.75 crore for 2001-02) in current account instead of a savings bank account resulting in loss of interest of Rs.1.73 crore.
- Violating agreemental clauses, three divisions made overpayment for Rs.29.33 lakh on account of Assam General Sales Tax to contractors.
- Two Heads of Programme Implementation Units incurred unauthorised expenditure of Rs.41.38 lakh on works beyond the scope of programme guidelines.

**(Paragraph 3.3)**

## 6. ***Internal Control/Internal Audit System in the Public Health Engineering Department***

***Internal Control Mechanism in a Government Department is meant to ensure that its activities are carried out according to the prescribed rules and regulations and in an economical, efficient and effective manner. A built in Internal Control system and strict adherence to Statutes, Codes and Manuals minimise the risk of errors and irregularities, and help to protect resources against loss due to waste, abuse and mismanagement. An Audit review of the functioning of the Internal Control Mechanism during 2000-01 to 2004-05 in the Public Health Department of the Government of Assam revealed deficient budgetary and expenditure control, poor cash management and poor operational and supervisory controls in the Department as detailed below:***

- In the Department of Public Health Engineering there was deficient control in planning, budget formulation and resource management leading to obtaining of unnecessary supplementary provisions, non-surrender of savings, incurring expenditure in excess of provision or without any provision and excess over sanctioned estimates.
- There were no plans and programmes for imparting training to the officers and staff of the department. There was also no system of imparting training to engineers on accounting procedures.
- Internal audit, which is an integral part of the internal control system of a department, has not yet been introduced in the Public Health Engineering Department.
- For 88 schemes completed during 2003-04, the administratively approved cost of which amounted to Rs. 13.88 crore, payments made to the contractors till date (August 2005) was Rs.16.14 crore. Final bills against most of the works were not prepared and paid. By non-preparation/payment of final bills of completed schemes, the Department avoided audit scrutiny of those bills.

***(Paragraph-5.1)***

## ***Audit Paragraphs***

### 7. ***Infructuous / wasteful expenditure and overpayment***

(i) The Director of Health Services, Assam had to pay Rs.42.82 lakh against procurement of medicines worth Rs.4.78 lakh, due to non-payment of suppliers' bills in time, burdening the State exchequer with an extra expenditure of Rs.38.04 lakh.

***(Paragraph-4.1.1)***

(ii) The Health and Family Welfare Department incurred futile expenditure of Rs.43.16 lakh as hire charges of godown for storing bednets received from Government of India in April 2001 under the National Anti Malaria Programme.

***(Paragraph-4.1.2)***

(iii) Due to non-availability of training material/fund for training of blind persons, the expenditure of Rs.48.20 lakh incurred by District Social Welfare Officer, Nagaon on pay and allowances of idle trainers proved infructuous.

*(Paragraph-4.1.3)*

**8. *Avoidable/excess/unfruitful expenditure/undue favours to contractors***

(i) The Deputy Inspector of Schools, Nazira, in violation of Government directives, made excess payment of Rs.35.07 lakh to 115 stipendary teachers and also incurred extra expenditure of Rs.2.91 crore due to unauthorised grant of regular time scale to them before their passing Junior Basic Training.

*(Paragraph-4.2.2)*

(ii) The Executive Engineer, Guwahati Irrigation Division incurred extra expenditure of Rs.3.58 crore on interest, due to delayed payment of supplier's bills.

*(Paragraph-4.2.3)*

(iii) The Project Director, District Rural Development Agency, Cachar incurred unfruitful expenditure of Rs.60.49 lakh on construction of infrastructure without finalising beneficiaries/swarozgaries and also unauthorised expenditure of Rs.19.13 lakh on construction works not permissible under SGSY guidelines.

*(Paragraph-4.2.4)*

(iv) Arbitrary increase in tender value of the work by the Chief Engineer, Public Works Department (Roads) without any change in the scope of work led to avoidable extra expenditure of Rs.1.32 crore.

*(Paragraph-4.2.5)*

(v) Recording of fictitious measurement in the measurement book by the Executive Engineer, National Highway Division, Guwahati led to undue financial aid of Rs.76.70 lakh to a contractor in the form of secured advance.

*(Paragraph-4.2.8)*

(vi) The Director, Welfare of Plain Tribes and Backward Classes Department incurred extra avoidable expenditure of Rs.4.19 crore in procuring 3,35,221 bundles of cotton yarn under the scheme 'Development of Handloom'.

*(Paragraph-4.2.11)*

**9. *Idle investment/idle establishment/blocking up of funds***

(i) Launching of the scheme of Randhan Jyoti without proper survey led to partial implementation, which resulted in blocking up of Rs.3.72 crore and loss of interest of Rs.23.51 lakh.

*(Paragraph-4.3.1)*

(ii) Inspector General of Prisons and Director General of Police irregularly retained Rs.12.65 crore in deposit at call receipts of bank resulting in loss of interest of Rs.1.31 crore, besides violating codal provisions by not submitting Detailed Countersigned Contingent bills in time for the amount drawn on Abstract Contingent bills.

*(Paragraph-4.3.2)*

(iii) Funds of Rs.2.93 crore under Chief Minister's "Swa-Niyojan Yojana 2000-02" remained blocked in Deposit at Call Receipts/Current Account of six Deputy Commissioners for four years resulting in loss of interest to the tune of Rs.84.17 lakh.

*(Paragraph -4.3.3)*

#### **10. Diversion/misutilisation of funds**

The Government of Assam unauthorisedly diverted Additional Central Assistance of Rs.1.19 crore to a work not contemplated in the Government of India sanction besides violating codal provisions and financial norms in awarding the work to a contractor.

*(Paragraph-4.4.4)*

#### **11. Regularity issues and other points**

(i) The Executive Engineer, Public Health Engineering Guwahati Division No-II, in violation of Constitutional provision, incurred expenditure of Rs.1.05 crore out of departmental revenues.

*(Paragraph-4.5.3)*

(ii) Expenditure of Rs.2.97 crore was incurred by the Executive Engineer, PWD, City Division No-1 Guwahati on special repairs to 15 city roads by unauthorised diversion of funds provided under Calamity Relief Fund.

*(Paragraph-4.5.4)*

(iii) The Executive Engineer, Water Resources Division, Jorhat incurred unauthorised expenditure of Rs.28.95 lakh and also incurred excess expenditure of Rs.8.07 lakh.

*(Paragraph-4.5.6)*

#### **12. Stores and stock**

The Project Director, District Rural Development Agency, Dhubri procured 22 pond lining films without any requirement resulting in wasteful expenditure of Rs.45.64 lakh.

*(Paragraph-4.6.1)*