

**CHAPTER-III**  
**CIVIL DEPARTMENTS**

**SECTION 'A'-REVIEWS**

**EDUCATION DEPARTMENT**

**Non-Formal Education Scheme**

*The Non-Formal Education Scheme, a Centrally Sponsored Scheme, was launched in the state during 1980-81. A review of the scheme through test-check of records revealed that enrollment of children of 6-14 age group at upper primary level was not made. Mainly dropout children of 8-11 age group from formal education stream were enrolled in deviation of norms. The funds released by the Government of India were diverted and not used optimally. The state government did not make adequate budget provision as per prescribed norms for successful implementation of the programme in the state. Further the state government did not even release the state share fully. The Supervisors and Instructors were not adequately trained. The number of children who had completed the courses were very low. Physical targets and achievements were not compiled by the department and the scheme was not monitored and evaluated at all levels.*

**Highlights**

-- Of the total budget allocation of Rs.48.82 crore under State Sector, there was an overall savings of Rs.28.60 crore (59 per cent) during 1995-96 to 2000-2001.

-- The Government of India did not release fund of Rs.8.06 crore out of the total fund sanctioned for Rs.50.48 crore during 1995-96 to 2000-2001 under State Sector. Similarly, the Government of India did not release fund of Rs.0.24 crore (20 per cent) against total fund sanctioned for Rs.1.21 crore in respect of 6 NGOS test-checked.

-- Of the total fund of Rs.42.42 crore released by Government of India, the state government did not release a sum of Rs.19.02 crore (45 per cent).

-- Of the total state share of Rs.22.42 crore, the Government did not release Rs.11.88 crore (53 per cent).

-- Against the actual requirement of Supervisors, the engagement fell short by 40 per cent and 26 per cent during 1995-96 to 1997-98 and 1998-99 to 2000-2001 respectively.

-- Enrollment of children for NFE programme was made mainly for dropout children of 8-11 age group instead of children of 6-14 age group in deviation of norms.

-- Only 176496 children (31 per cent) during the years 1995-96 to 2000-2001 were made eligible to enter the formal education stream.

-- Against the actual requirement of teaching and learning material worth Rs.13.06 crore as per norms the department had purchased and distributed materials worth Rs.6.38 crore only.

-- An extra expenditure of Rs. 37.54 lakh was incurred towards salaries for maintenance of 12 excess project offices.

-- Monitoring and evaluation of the scheme were not done either at State level or at Directorate level.

### ***Introduction***

**3.1** The National Policy of Education 1986 envisaged a large and systematic programme of Non-Formal Education (NFE) as an integral component of the strategy to achieve the universalisation of elementary education. It was geared to cater to the children who remained outside the formal system of education due to various socio-economic constraints. The scheme was conceived in 1979-80, scaled up in 1987 and was revised in 1993 with emphasis on organisation, flexibility, relevance of curriculum and diversity in learning activity to suit the needs of learners through decentralised management.

**3.2** The aim of the NFE scheme is to provide elementary education comparable to the quality of formal education to all children of 6-14 age group who remained out of formal education under state sector. Voluntary agencies were to be effectively involved in the implementation of the scheme. The children were to be provided education through a condensed course of about 2 years duration for primary level (class I to V) and 3 years for upper primary level (class VI to VIII). NFE centres having 20-25 children in each centre were to be opened. The scheme was to have decentralised management i.e., state sector (NFE department) and voluntary sector (Non-Government Organisations). Specially designed teaching and learning material were to be supplied free of cost. The scheme was launched in the state in 1980-81.

### ***Organisational set up***

**3.3** Responsibility for implementation of the scheme is vested with the Education (Elementary) department. Since May 1991, with the creation of separate Directorate for NFE, the Director of NFE and Adult Education (NFE&AE), Assam is in overall charge of Non-Formal Education. The Director, NFE&AE was assisted by 31 Deputy Inspector of Schools upto March 1999 and thereafter assistance to the Director was augmented by 16 Assistant Directors of NFE at District level and 121 Project Officers at project level under state sector.

**(i)** In case of voluntary sector, the non-government organisations (NGOs) are assisted by the Assistant Project Officers.

**(ii)** In both the State and the Voluntary sectors, Village Education Committees (VEC) were required to be constituted to select suitable location for centres, identify instructors, persuade parents to send their children to the centres and to ensure effective functioning of the centres.

### ***Audit coverage***

**3.4** Records of Director, NFE&AE, Assam, five Assistant Directors, seven Deputy Inspectors of Schools and six NGOs of 7 districts out of 23 NGOs functioning in 9 districts out of 23 districts of Assam, covering the period from 1995-96 to 2000-2001 were test-checked between December 2000 and March 2001. Thirty one per cent (Rs.7.14 crore) of the total expenditure of Rs.23.15 crore was test-checked in the review.

### ***Funding pattern***

**3.5** The programme is implemented by the state government as well as voluntary organisations (NGOs). The share of central assistance to the state was in the ratio of 60:40 for co-education centres and 90:10 exclusively for girls' centres under state sector. Cent per cent central assistance was provided to the NGOs for implementation of the scheme.

Financial assistance provided by the Government of India to the state and the voluntary sectors was based on the number of NFE centres at an annual rate of Rs.9,925.00 for primary and Rs.15,350.00 for upper primary level per NFE centre.

### ***Finance-Budget provision and expenditure***

**3.6** The overall budget provision and expenditure for the period 1995-96 to 2000-2001 for Non-Formal Education under State Sector (Plan) were as under:

(Rupees in crore)					
Year	Category	Total Number of Centre	Budget allotment (Final grant)	Expenditure	Saving (-) Excess (+)
1995-96	State General (P)		2.50	-	(-)2.50
	CSS	13508	7.06	3.36	(-) 3.70
	<b>Total</b>		<b>9.56</b>	<b>3.36</b>	<b>(-) 6.20</b>
1996-97	SCCP (State)		0.15	0.09	(-)0.06
	CSS	13508	0.22	1.23	(+) 1.01
	<b>Total</b>		<b>0.37</b>	<b>1.32</b>	<b>(+) 0.95</b>
1997-98	General (State)		1.15	0.79	(-)0.36
	CSS	13508	6.97	1.64	(-) 5.33
	<b>Total</b>		<b>8.12</b>	<b>2.43</b>	<b>(-) 5.69</b>
1998-99	General (State)		1.30	1.30	NIL
	CSS	10890	8.45	5.85	(-) 2.60
	<b>Total</b>		<b>9.75</b>	<b>7.15</b>	<b>(-) 2.60</b>
1999-2000	SCCP (State)		1.50	NIL	(-) 1.50
	CSS	10890	8.25	2.98	(-) 5.27
	<b>Total</b>		<b>9.75</b>	<b>2.98</b>	<b>(-) 6.77</b>
2000-2001	General (State)		1.50	0.23	(-) 1.27
	CSS	10890	9.77	2.75	(-) 7.02
	<b>Total</b>		<b>11.27</b>	<b>2.98</b>	<b>(-) 8.29</b>
<b>Grand Total</b>			<b>48.82</b>	<b>20.22</b>	<b>(-) 28.60</b>
					<b>59 per cent</b>

Source: Appropriation Accounts of the state government.

From the above table following observations emerge:

(i) During the period from 1995-96 to 2000-2001 against total budget allocation of Rs.48.82 crore an expenditure of only Rs.20.22 crore was incurred with total savings of Rs.28.60 crore (59 per cent). Huge savings reflected partial implementation of the scheme.

(ii) During 1996-97, excess expenditure of Rs.1 crore was incurred against budget allocation for Rs.22.50 lakh only under III-CSS (Central Share), which reflected inaccurate preparation of budget.

(iii) Against the provision made for state share, there was no indication of provision made separately for co-education (40 per cent) and girls' centre (10 per cent).

(iv) Director, NFE&AE, Assam stated (June 2001) that the budget provision was not made by the state government based on actual needs of the programme to fulfill the centre-state financing ratio i.e., 60:40 and 90:10 for co-education and girls' education respectively but lump sum provision was made.

### ***Irregularities in management and control of scheme funds***

3.7 The position of fund released by the Government of India and Government of Assam and utilisation thereof under state sector and voluntary sector are shown in the in the Appendix-X and XI. The irregularities noticed in fund management are discussed in succeeding paragraphs.

***State Sector***

(i) During the years from 1995-96 to 2000-2001 against the total fund of Rs.50.48 crore under 60:40 and 90:10 ratio of the scheme, sanctioned by the Government of India, an amount of only Rs.42.42 crore was released. Thus, Government of India did not release Rs.8.06 crore (16 per cent).

(ii) Against total fund of Rs.42.42 crore released by the Government of India during 1995-96 to 2000-2001, the state government sanctioned and released only Rs.23.40 crore and the balance of Rs.19.02 crore (45 per cent) was not released by Government of Assam, which indicated huge diversion of central fund.

(iii) Out of the total amount of Rs.33.94 crore (central share:Rs.23.40 crore and state share: Rs.10.54 crore) drawn by the department during 1995-96 to 2000-2001 a sum of Rs. 1.03 crore out of central fund was kept in the Revenue Deposit from 1995-96 till March 2001. Further, prior to 1995-96 an amount of Rs.1.48 crore was also retained in the Revenue Deposit till March 2001 out of the central fund released earlier. Non-utilisation of fund meant for the scheme and kept in Revenue Deposit indicated persistent diversion of fund.

(iv) Further, a sum of Rs.8.48 lakh drawn in 1994-95 for the scheme remained unutilised (March 2001) and was kept in the form of Deposit-at-Call Receipts. The Director stated (May 2001) that this was so, in absence of full particulars of the programme for which the fund was to be utilised.

(v) During the years 1995-96 to 2000-2001, against total fund of Rs.72.91 crore approved for the scheme under 60:40 and 90:10 ratio, the state's share was Rs.22.42 crore, (Rs.20.17 crore under 60:40 and Rs.2.25 crore under 90:10). But the state government released Rs.10.54 crore only leaving a balance of Rs.11.88 crore (53 per cent) to be released.

***Voluntary Sector***

(vi) During the year 1995-96 to 2000-2001, against the total fund of Rs.1.21 crore sanctioned as cent per cent central assistance in respect of 6 NGOs test-checked, a sum of Rs.0.97 crore was received by the NGOs as per their annual accounts. The balance of Rs.0.24 crore (20 per cent) was not released by the Government of India.

Details of grants received/utilised etc., by 23 NGOs implementing the scheme was not furnished either by the state government or by the Director, NFE&AE, Assam.

***Non-reconciliation of expenditure and non-submission of utilisation certificates***

***State Sector***

**3.8** During the years 1995-96 to 1999-2000, the total expenditure as per Appropriation Accounts was Rs.17.25 crore but the records of the Department exhibited the expenditure of Rs.28.04 crore, (state share: Rs.9.05 crore and central share: Rs.18.99 crore). The difference of Rs.10.79 crore was not reconciled by the department with the Accountant General (A&E), Assam till March 2001.

(i) The department did not maintain year-wise records relating to expenditure incurred centre-wise, project-wise and district-wise as required under the scheme.

(ii) The department did neither furnish any utilization certificates nor progress reports on the activities of the scheme.

(iii) Further, it was also seen that out of a total amount of Rs.14.01 lakh paid to 3 District Institutes of Educational Training (DIET) and 7 Basic Training Centres (BTCs) between August 1996 and July 1997 for imparting training to Supervisors/Instructors, utilization reports for Rs.9.11 lakh were not received from 6 institutions.

***Shortfall in achievements of targets***

**3.9** There are 121 projects under Non-Formal Education in Assam. Year-wise targets for enrollment of children, engagement of Supervisors and number of Supervisors and Instructors to be trained under NFE were not fixed by the state government. As such, there was no definite time schedule for achieving the objectives under this programme. This indicated lack of seriousness in implementing the scheme. However, on the basis of provisions of the scheme, targets and achievements of the above components of the scheme are indicated below:

***Enrollment of children***

<b>Years Session</b>	<b>No. of Centres</b>	<b>No. of children to be enrolled as per norms</b>	<b>Actual enrollment (only drop out)</b>	<b>Shortfall</b>	<b>Percentage of shortfall in enrollment</b>
1995-96 to 1997-98	13,508	3,37,700	3,38,186	NIL	NIL
1998-99 to 2000-2001	10,890	2,72,250	2,32,083	40,167	15

**Engagement of Supervisors**

Years	No. of Projects	No. of centres	No. of supervisors required as per norms for drop out (1 for 12 centres)	Supervisors engaged	Shortfall	Percentage of shortfall
1995-96 to 1997-98	121	13,508	1126	675	451	40
1998-99 to 2000-2001	121	10,890	908	675	233	26

**Training of Supervisors/Instructors**

Years	No. of centres	To be trained		Training imparted		Shortfall		Percentage of shortfall	
		Supervisor	Instructor	Supervisor	Instructor	Supervisor	Instructor	Supervisor	Instructor
1995-96 to 1997-98	13,508	675	13508	332	2053	343	11,455	51	85
1998-99 to 2000-2001	10,890	675	10,890	NIL	90	675	10,800	100	99

Source: Data furnished by the Director, NFE&AE, Assam.

With reference to the above the following audit observations are made:

(i) Significant shortfall in enrollment of children during 1998-99 to 2000-2001 indicated poor achievement of target. In fact the achievement level has sharply declined compared to the previous period of 1995-96 to 1997-98.

(ii) The huge shortfall in engaging Supervisors signified poor supervision and control of centres and thereby of the scheme.

(iii) Imparting of training for Supervisors and Instructors under state sector was not at all satisfactory. Shortfall in engagement of trained Instructors in particular indicated failure on the part of the department in providing quality education to the learners.

**Implementation**

**3.10** The main objective of the scheme was to provide education comparable in quality with formal education to all children of 6-14 age group, who remained out of the ambit of formal education.

Irregularities/deficiencies noticed in implementation of the scheme are discussed in the succeeding paragraphs.

**State Sector and Voluntary Sector-Academic**

**Deviation in enrollment of children in primary level centres, non-opening of upper level centres and low pass percentage in examination**

**3.11** Against the provision of the scheme for enrollment of children of 6-14 age-group in primary level, the department enrolled children of 8-11 age-group in all NFE centres on the ground that enrollment of children was made mainly for dropout children of 8-11 age group of formal education as stated (May 2001) by the Director. Evidently, in Assam excepting dropout

children no other children were brought under the scheme. This defeated the very objective of the scheme.

(i) During 1995-96 to 2000-2001 under state sector 13508 NFE centres (co-education: 8100 and girls: 5408) for the first session from 1995-96 to 1997-98 and 10890 centres (co-education: 6534 and girls: 4356) for the second session from 1998-99 to 2000-2001, were in operation at the primary level on the strength of the sanctions accorded by the Government of India. The Director, NFE&AE stated that no upper primary level centres were opened due to non-preparation of surveys although the scheme envisaged opening of such centres. Similarly, 6 NGOs test-checked did not also open any NFE centre for upper primary level as no fund therefor was sanctioned by the Government of India.

(ii) During 1995-96 to 2000-2001, number of students enrolled, and those who appeared and passed the examinations in two sessions to enter into mainstream of formal education are shown below:

Period of session (2 years duration)	Total nos. of NFE centres	Total nos. of students enrolled	Total nos. of students who appeared in examination	Total nos. of students passed the examination and issued certificates	Percentage of passing against enrollment	Percentage of passing against those who appeared in examination
December 1995 to November 1997	13508	3,38,186	1,98,375 (59 per cent)	1,05,303	31	53
June 1998 to May 2000 extended upto March-2001	10890	2,32,083	1,59,794 (69 per cent)	71,193	31	45
<b>Total</b>	<b>24398</b>	<b>570269</b>	<b>358169</b>	<b>176496</b>	<b>31</b>	<b>49</b>

Source: Data furnished by the Director, NFE&AE, Assam.

(iii) During both the sessions the average percentage of passed children was 49, which was not encouraging. Thus, less than one third of children enrolled were made eligible to enter the formal education stream. This indicated the dismal performance of the department in realising the objective of the scheme.

(iv) Approval of the Government of India for extension of the 2nd session upto March 2001 could not be shown to audit. The Director, NFE&AE could not furnish any information regarding the numbers of passed children entering into the main stream of formal education (June 2001).

### ***Mismanagement of purchases and distribution of teaching and learning materials***

**3.12** In Assam there were only 24398 NFE centres for primary level and according to scheme guidelines Rs.3475 (TLM for learners: Rs.1875; materials like maps, charts, books and games: Rs.850 and equipment: Rs.750) was admissible per centre for first year and Rs.1875 only per centre in second year. For maintaining 24,398 centres (1st session: 13,508; 2nd session:



10,890) the department required teaching learning materials worth Rs.13.06\* crore for the period from 1995-96 to 2000-2001. Scrutiny of records revealed that the Director had purchased specially designed materials like exercise books, clay pencils, wooden pencils etc., for Rs.6.38 crore only for learners. This indicated shortfall of Rs.6.68 crore (Rs.13.06 crore minus Rs.6.38 crore) in purchase of teaching and learning material. Short purchase of teaching and learning material adversely affected implementation of the scheme in as much as the learners could not receive quality education without adequate and appropriate materials.

(i) Further, test-check of records of NFE centres revealed that the centres did not maintain any stock accounts to show the receipt and issue thereof to the learners. Similarly, against purchase of learning material worth Rs.7.74 lakh by 4 NGOs out of 6 NGOs test checked and distribution thereof to the centres, the stock accounts were not maintained by the NFE centres. Non-maintenance of stock accounts of the materials indicated mismanagement of even the meagre resources.

#### ***Excess entertainment of Project Offices***

**3.13** As per norms one Project Officer along with 2 group 'C' and 1 group 'D' staff members were to be appointed for every 100 centres. Scrutiny of records revealed that altogether 10,890 centres were in operation during June 1998 to March 2001. Against the permissible limit of 109 project offices ( $10,890 \div 100$ ), the department had maintained 121 project offices alongwith staff members. Thus, entertainment of 12 project offices together with staff members (12 POs, 24 Group 'C' and 12 Group 'D') in excess of permissible limit had resulted in extra expenditure of Rs.37.54 lakh towards salary @ Rs.1,10,400 per annum per project office as per norms.

#### ***Other points of interest***

**3.14** Against admissible expenditure of Rs.8.78 lakh @ Rs.1,46,400 per annum towards administrative support (salaries) at the state level as per norms# of the scheme, the department incurred expenditure of Rs.72.41 lakh during the year from 1995-96 to 2000-2001 resulting in excess expenditure of Rs.63.63 lakh. The reason attributed by the Director (June 2001) for excess expenditure was grant of regular time scale of pay to the Joint Director and staff instead of payment of fixed pay as per norms.

(i) Similarly, according to norms a sum of Rs.2.13 crore was admissible for salaries of officers and staff of four districts (Kamrup, Cachar, Goalpara and

---

\* First session 1995-96 to 1997-98 =  $13508 \times (\text{Rs.}3475 + \text{Rs.}1875) = \text{Rs.}7.23 \text{ crore}$   
Second session 1998-99 to 2000-2001 =  $10890 \times (\text{Rs.}3475 + \text{Rs.}1875) = \text{Rs.}5.83 \text{ crore}$   
Total = Rs.13.06 crore

# Joint Director @ Rs.6000 per monthx12= Rs.72000  
Assistant Director @Rs.2500 per monthx12= Rs.30000  
Personnel Assistant @ Rs.2500 per monthx12= Rs.30000  
Peon/Messenger @ Rs.1200 per monthx12= Rs.14400  
Total Rs.146400

---

North Lakhimpur) for the period from 1995-96 to 2000-2001 both for district level offices and project offices. But test-check of records of above mentioned districts disclosed that an amount of Rs.3.21 crore was incurred towards salaries during the above mentioned periods, which resulted in excess expenditure of Rs.1.08 crore. Reason for excess expenditure was mainly for allowing regular time scale instead of fixed pay as per norms.

(ii) Director, NFE&AE, Assam employed 3 (three) drivers not provided in the scheme during 1995-96 to 1999-2000 (July 2000), by incurring unauthorised expenditure of Rs.7.84 lakh towards pay and allowances out of the scheme fund.

(iii) 1,40,000 books\*\* for NFE programme, valued at Rs.9.24 lakh purchased between June 1996 and March 1997 remained to be distributed and have been lying in Assam State Warehousing Corporation godown till date, resulting in locking up of government money.

(iv) Further, in the District office, North Lakhimpur, it was seen that of 31,000 copies of a test book “Patiganit” received during March 1997 and July 1997, 21,075 books valued at Rs.0.97 lakh remained to be distributed as of February 2001.

***Monitoring, supervision and control were not in place***

**3.15** The programme of NFE provides for monitoring through quarterly progress reports and management information system at the central and state level. Periodical evaluations are to be made by Joint Evaluation Teams and by field visit of central and state officials.

Monitoring and evaluation were not carried out either at the state level or at directorate level. Moreover, the state government did not adopt any mechanism for evaluating the implementation of the scheme. Reports of Joint Evaluation Team consisting of central and state government functionaries and reports of any field visits could not be made available to audit. In reply to audit query the Director, NFE&AE stated (June 2001) that the Joint Evaluation Team did not function for want of fund. In absence of such monitoring reports, the actual activities of NFE centres could not be assessed.

**3.16** The foregoing observations were reported to the government in July 2001; their reply had not been received (October 2001).

---

\*\* Siku Aha: 1,05,000 copies, Patiganit–Part I: 35,000 copies.

**HEALTH AND FAMILY WELFARE DEPARTMENT**

**Programme for prevention and control of diseases**

**National Blindness Control Programme**

*National Blindness Control Programme (NBCP) a Centrally Sponsored Scheme was launched in Assam in 1978 to prevent and reduce the incidence of blindness amongst visually impaired and other vulnerable groups of population. A review of the programme through test-check of records indicated that funds were diverted for payment of salary and other purposes and had not been utilised for the earmarked programme activities. Low performance of cataract operations, lack of infrastructure in PHCs/CHCs/Hospitals, non-imparting of training, absence of motivation, counselling and spread of information, lack of proper planning and monitoring and poor financial discipline were the other main reasons for which the programme could not achieve any significant reduction of blindness.*

**Highlights**

-- Central grant of Rs.1.57 crore out of Rs.1.59 crore remained unutilised during 1996-97 to 2000-2001 besides non-utilisation of Rs.86.57 lakh out of the grants of Rs.1.57 crore released by Government of India during 1992-93 to 1995-96.

-- Funds provided during 1996-2001 by Government of India for development of district hospitals, PHCs, Mobile Ophthalmic Units and construction of eye wards (Rs.16 lakh), operation theatres (Rs.60 lakh) in the districts, IEC (Rs.19 lakh); Renovations and Furnishing (Rs.18 lakh) were not utilised for the purpose.

-- Records showing number of cases where vision was restored/not restored after surgery, screening of patients for refractive errors, provision for spectacles and rehabilitation of incurably blind were not maintained.

**Introduction**

3.17 The National Blindness Control Programme, (NBCP) a 100 per cent Centrally Sponsored Scheme was launched in Assam since 1978. The objective of the scheme was to reduce the incidence of blindness from 1.4 per cent to 0.3 per cent by the end of 2000 AD. The strategy of the programme was (a) establishing permanent infrastructure of community oriented eye health care;(b) augmentation of ophthalmic services in a manner that relief can be given to the community in the shortest possible time; and (c) dissemination of information about eye care through mass communication with particular emphasis on ocular health among children and other vulnerable groups.

**Organisational set up**

**3.18** The work of organising and monitoring the implementation of the programme is vested with the State Ophthalmic Cell under the direct supervision of Director of Health Services (DHS). He is assisted by Joint Director of Health Services (Jt. DHS), Ophthalmology as Programme Officer. The programme is implemented through 3 Medical Colleges\*, 2 Central Mobile Ophthalmic Units, 10 District Hospitals, 3 Districts Mobile Ophthalmic Units and 190 Primary Health Centres (PHCs) under the jurisdiction of Jt. DHS of districts. The programme is also implemented by 23 District Blindness Control Societies (DBCSs) established in 1994-95 under Societies Registration Act XXI of 1860, of which Deputy Commissioner and Jt. DHS of the districts were Chairman and Vice-Chairman respectively. District Project Manager (DPM) of the DBCS functions as Member Secretary of the Society.

**Audit coverage**

**3.19** The records of DHS (State Ophthalmic Cell), Regional Institute of Ophthalmology (RIO) attached to Guwahati Medical College, Jt. DHS and DBCSs of Kamrup, Barpeta, Nagaon, Cachar, Karbi-Anglong and Golaghat districts for the period from 1996-97 to 2000-2001 were test-checked during January 2001 to June 2001. The review covered 67 per cent of the total Programme expenditure.

**Financial arrangement**

**3.20** As per information furnished to audit by DHS and verification of the records of Jt. DHS (Ophthalmology) position of funds and expenditure during 1996-97 to 2000-2001 was as indicated below:

Year	Final grants/ Appropriations			Funds released by GOI to GOA	Expenditure						Unutilised central grant
	State	Central	Total		As per Appropriation Accounts			Figures furnished by Department			
					Plan	Non- Plan	Total	Out of central grant	Out of State plan/ Non-plan	Total	
1996-97	1.02	--	1.02	0.02	0.29	--	0.29	0.02*	0.14	0.16	--
1997-98	0.90	0.90	1.80	0.05	0.57	0.96	1.53	--	0.65	0.65	0.05
1998-99	0.90	0.90	1.80	0.42	0.22	1.12	1.34	--	0.80	0.80	0.42
1999-2000	1.44	1.42	2.86	0.31	2.15	0.69	2.84	--	0.37	0.37	0.31
2000-2001	1.54	--	1.54	0.79	1.58	--	1.58	--	1.27	1.27	0.79
<b>Total</b>	<b>5.80</b>	<b>3.22</b>	<b>9.02</b>	<b>1.59</b>	<b>4.81</b>	<b>2.77</b>	<b>7.58</b>	<b>0.02</b>	<b>3.23</b>	<b>3.25</b>	<b>1.57</b>

(Rupees in crore)

Source: Records and statements furnished by DHS and Finance Department and Finance and Appropriation Accounts.

\* 1. Guwahati Medical College, 2. Assam Medical College, Dibrugarh, 3. Silchar Medical College.

\* Exclude expenditure of Rs.10.49 lakh met out of the unspent central grant of Rs.97.06 lakh upto 1995-96.

**Poor financial management and diversion of funds**

**3.21** Discrepancies between Appropriation Accounts and departmental figures of expenditure were due to non-reconciliation by the department during 1996-97 to 1998-99. Although the expenditure figures during 1999-2000 and 2000-2001 were reconciled by the department the discrepancies were due to non-reconciliation of corresponding district-wise figures furnished to audit by the DHS.

(i) The unutilised central grant of Rs.1.57 crore during 1996-2001 included an amount of Rs.76 lakh for development of district hospitals/PHCs/Mobile Ophthalmic Units during 1998-99 (Rs.16 lakh) and for construction of 10 bedded eye wards and operation theatres in each of the 23 districts during 2000-2001 (Rs.60 lakh). Apparently the amount was diverted for other purposes. Similar position for the year 1999-2000 was however, not ascertainable in audit as the component-wise allocation of Rs.30.50 lakh released by Government of India during that year was neither on record nor furnished to audit. The remaining Rs.50 lakh related to other items such as Health Education, Salary etc.

(ii) In 1998-99, the Jt. DHS (Ophthalmology) had reported (July 1999) to Government of Assam salary expenditure of Rs.1.43crore \* under State Plan. The DHS had however, furnished to audit total salary expenditure of Rs.0.80 crore under State Plan during 1998-99. The reason for discrepancy of Rs.0.63 crore between the two reports and the institution-wise number of staff for which salary expenditure of Rs.1.43 crore was reported to Government of Assam by Jt. DHS could not be furnished to audit.

(iii) A sum of Rs.0.87 crore out of central grant of Rs.1.57 crore released during 1992-96 remained unspent. Further, the central grant of Rs.1.57 crore out of Rs.1.59 crore released during 1996-2001 also remained unspent. Thus, a total sum of Rs.2.44 crore (77 per cent) out of Rs.3.16 crore remained unspent during the period. Although the Government of Assam had obtained (March 1997 and May 1998) proposals from DHS for taking up with GOI for revalidation of sanction for funds lying unutilised till 1995-96, further development in the matter was awaited (June 2001). The department had neither taken any action to utilise Rs.1.57 crore during 1996-97 to 2000-2001 nor stated the reason for its non-utilisation. In view of adverse financial position of the state government the entire unutilised fund of Rs.2.44 crore appears to have been diverted for other purposes.

---

\*

Name of unit	Salary expenditure (Rupees in crore)
State Ophthalmic Cell	0.05
Regional Institute of Ophthalmology	0.13
Upgraded Medical colleges	0.17
Upgraded District Hospitals/PHCs	1.08
<b>Total:</b>	<b>1.43</b>

(iv) The DHS could not furnish any information on central grants directly received by the DBCSs and expenditure incurred thereagainst by the societies during 1996-97 to 2000-2001.

(v) Total grants released by the Government of India directly to 23 DBCSs, grants received by 6 DBCSs and expenditure incurred thereagainst during 1996-97 to 2000-2001 were as follows:

(Rupees in lakh)				
Year	Total Grants-in-aid released to DBCS	Grants received by 6 DBCS	Expenditure reported by 6 DBCS	Excess (+) Savings (-)
1996-97	12.00	7.50	11.51	(+) 4.01
1997-98	86.50	26.10	20.83	(-) 5.27
1998-99	54.50	19.90	20.94	(+) 1.04
1999-2000	59.00	23.13	26.17	(+) 3.04
2000-2001	NA	25.60	22.78	(-) 2.82
<b>Total</b>	<b>212.00</b>	<b>102.23</b>	<b>102.23</b>	<b>Nil</b>

Source: The information furnished by the District Blindness Control Societies.

### *Inadequate planning*

**3.22** According to the instruction of Government of India a DBCS was required to prepare the Annual Action Plan and send it to the State Programme Officer (SPO) for obtaining concurrence of the state government. If reply from the SPO was not received before March-end the Society could implement it as approved plan of action. Once the plan is approved by the Society and concurred with by the state government the cost mentioned therein became approved budget for the DBCS.

Of the 6 DBCSs, only the Annual Action Plan of DBCS, Nagaon was approved by the Society without any concurrence of state government. Remaining 5 DBCSs stated (May- June 2001) that they were not aware of any instructions about preparation and approval of Annual Action Plan. Thus the works in these societies were carried out without any approval of the state government.

### *Non-accountal of receipt of eye equipment and their non-maintenance*

**3.23** Although Government of India had allocated Rs.28.20 lakh as assistance in kind during 1996-97 (Rs.8.50 lakh) and 1997-98 (Rs.19.70 lakh), the DHS stated (June 2001) that assistance in kind had not been received from Government of India during 1996-97 to 1999-2000. The DHS had received the following eye equipment from Government of India for distribution to Jt. DHS and Principals/superintendents of medical colleges and government hospitals in the districts during 2000-2001.

Items	Quantity	Value
(i) Operating Microscope	21 nos	NA
(ii) Kerotometre	21 nos	NA
(iii) Streak Retinoscope	25 nos	NA
(iv) Ophthalmoscopes	25 nos	NA
(v) Intra Ocular Lenses	12000 nos	NA
(vi) Ophthalmic Sutures	875 dozen	NA

Source: Information furnished by Director of Health Services.

(i) The DHS stated (June 2001) that these were distributed to district level units. However, the stock books produced to audit did not contain any account of receipt and distribution of these eye equipment to district units.

(ii) The Government of Assam did not release any fund for maintenance of ophthalmic equipment against release of Rs.1 lakh by the Government of India during 1998-99 to 2000-2001. Due to non-release of funds by the state government, the visually impaired persons were denied better quality eye care services.

**Shortfall in cataract surgery/non-performance of screening for refractive errors and non-provision of spectacles and rehabilitation of the blind**

3.24 Cataract operations were to be carried out in permanent hospitals equipped with eye ward and operation theatre (OT) facilities, permanent or temporary camps, PHCs/CHCs and by private ophthalmic surgeons.

(i) The DHS had furnished the year-wise achievements on cataract surgery against the target set by Government of India for the period from 1996-97 to 2000-2001 as indicated below:

Year	Number of DBCS	No. of cataract surgery proposed/targeted in the year	No. of cataract surgery actually performed in the year	Percentage of shortfall
1996-97	23	50000	17813	64
1997-98	23	36000	26366	27
1998-99	23	36000	19588	46
1999-2000	23	42000	17701	58
2000-2001	23	42000	15819	62

Reasons for fixing a fluctuating target and shortfall in achievement of cataract surgery, varying between 27 per cent and 64 per cent during 1996-2001, were not stated. In the absence of records exhibiting the number of cases where vision was restored/ not restored after surgery the percentage of success could not be assessed.

(ii) Information in respect of the 7 units\* collected through DHS/Jt. DHS indicated that out of the total 0.97 lakh cataract operations done by 23 DBCSs the coverage of cases by 6 DBCSs was 0.33 lakh (nearly 34 per cent) during 1996-97 to 2000-2001. Thus, performance of cataract operation done by remaining 17 DBCSs aggregated nearly 66 per cent which was very low. Additional Director General (Ophthalmology) in his report (January 2000) had also commented upon very low performance of cataract operations in the state. The department had not analysed the reason for such low performance of cataract operations by these DBCSs nor any remedial measures taken to improve their performance.

(iii) Director, RIO Guwahati stated (May 2001) that eye wards, beds, OT machinery and equipment were inadequate and not upgraded. It was also

\* Kamrup, Nagaon, Barpeta, Cachar, Golaghat, Karbi Anglong, Regional Institute of Ophthalmology, Guwahati

stated that no screening of refractive errors and prescription for spectacles were made due to non-provision of dark room and short duration of camps. DBCSs Kamrup, Barpeta and Golaghat stated (April–June 2001) that OT and eye wards in district hospitals were in bad shape due to which implementation of programme suffered. DBCSs Kamrup, Barpeta and Nagaon had also stated that screening of refractive error could not be done due to non-availability of dark room facilities and equipment in PHCs/CHCs.

(iv) The DHS stated (June 2001) that required information on camps organised, screening for refractive errors, provision for spectacles and rehabilitation of incurably blind could not be furnished due to non-receipt of information from districts/DBCSs. This indicated failure of reporting system at periphery level and continued lack of initiative at the state level to enforce regular submission of reports and returns for compilation centrally.

**3.25** From the foregoing, it is evident that cataract surgery, screening for refractive errors, provision of spectacles and rehabilitation of the blind had not made any significant impact in the state as of May 2001.

***Non-utilisation of funds for Information, Education and Communication (IEC)***

**3.26** Between 1996-97 and 2000-2001 Government of India had allotted Rs.19 lakh\* for IEC activities. However, the records of DHS did not indicate actual receipt and utilisation of this amount. Although Government of Assam had sanctioned (February 2000) Rs.5 lakh for IEC activities, the DHS could not utilise the fund due to non-release of ceiling of funds by Government of Assam. Thus, due to lackadaisical approach of the department, not only the available central grant of Rs.19 lakh remained unutilised but also the guidance, counselling and spread of information for bringing about attitudinal changes as envisaged in the programme had not been taken care of during 1996-97 to 2000-2001.

***Funds for renovation, furnishing of operation theatres and eye wards remained unutilised***

**3.27** The Government of India provided funds to Government of Assam for renovation and furnishing of operation theatres and eye wards for improvement of quality of service in medical colleges and district hospitals.

(i) Although Government of Assam had received central fund allocation of Rs.18 lakh during 1998-99 (Rs.8 lakh) and 2000-2001 (Rs.10 lakh) for furnishing and renovations, the DHS stated (June 2001) that no activities had been taken up for reasons not on record nor clarified.

(ii) Lack of interest of the department resulted in non-assessment of actual need for renovation and furnishings besides non-execution of identified renovation works at DBCS Kamrup, Barpeta, Golaghat and RIO, Guwahati.

---

\* 1996-97: Rs 1 lakh; 1997-98 Rs.5 lakh; 1998-99:Rs.5 lakh; 2000-2001:Rs.8 lakh.



***Training activities remained subdued***

**3.28** The Government of India had allocated Rs.6.50 lakh for training under NBCP to medical officers and para medical staff during 1998-99 (Rs.2.50 lakh) and 2000-2001 (Rs. 4 lakh). Government of Assam had not released the funds, which remained unutilised and apparently diverted for other purposes.

(i) Director, RIO, Guwahti stated (May 2001) that only 2 faculty members were imparted training for 2 weeks during 1996-97.

(ii) Thus, the training activities under NBCP continued to remain subdued and objective of providing trained personnel for high quality eye care services had not been realised.

***Non-monitoring and evaluation***

**3.29** The state programme management cell/programme implementation committee under the chairmanship of Secretary, Health and Family Welfare Department with Director of Health Services as member was required to monitor the implementation of the programme. The DHS had stated (June 2001) that there was no state level society/committee for implementation of NBCP. The DHS had sent (February 2001) a proposal to Government of Assam for constitution of State Blindness Control Society. Further development was awaited as of May 2001. DHS had also stated that information on number of meetings held, number of field inspections undertaken by officers/committees/experts, position of quarterly review meetings and progress reports from districts were not available for the purpose of monitoring of the programme. The department had not also evaluated the programme to assess the extent to which the incidence of blindness was reduced to achieve the target of 0.03 per cent by 2000 AD.

***Recommendations***

**3.30** In the light of the foregoing analysis in the review following recommendations are made:

(i) Funds meant for the programme must be utilized for the programme.

(ii) For providing improved and quality services, infrastructure facilities like eye wards and operation theatres in district hospitals/medical colleges need to be established/developed.

(iii) The implementation of the programme is to be closely monitored at the State level.

### National Tuberculosis Control Programme

*Tuberculosis (TB), a debilitating disease, continues to remain one of the leading infectious killer diseases and a most pressing health problem in the country. To prevent and control the disease the National Tuberculosis Control Programme (NTCP) was launched in Assam in 1962. Although Government of India introduced (1992) a revised strategy for National Tuberculosis Control Programme (RNTCP) to achieve a cure rate of over 85 per cent by implementing the Directly Observed Treatment (DOT) of Short Course Chemotherapy (SCC) in a phased manner throughout the country, the RNTCP was launched (November 1998) only in one district (Dibrugarh) of Assam. Review of the Programme revealed that there were dismal achievement in detection of new TB cases, low cure rate, inadequate or non-availability of infrastructure facilities, irregular supply of drugs, insignificant training activities and lack of proper monitoring. Annual Action Plans were not formulated nor any survey was undertaken to identify TB patients. Funds provided by the Government of India were either not released or there was delay in release/utilisation of funds.*

#### Highlights

-- Out of Rs.2.54 crore provided by Government of India in cash during 1997-98 to 2000-2001 the department had not released Rs.0.70 crore indicating that funds were diverted for other purposes instead of utilisation on the programme.

-- The department spent Rs.0.13 crore in excess of ceiling of funds for purchase of anti TB drugs during 2000-2001.

-- Targets and achievements for setting up TB units, TB dispensaries/chest clinics and microscopy centres during 1996-97 to 2000-2001 were not on record.

-- In 17 District Tuberculosis Centres 8 posts of Medical Officers and 52 posts of paramedical staff were lying vacant. Besides, there was no record of utilisation of 656 TB beds in government hospitals between 1996-97 and 2000-2001.

-- Contrary to Government of India orders (January 1999) the DHS had purchased Rifampicine Capsules and Pyrazinamide tablets valued at Rs.0.54 crore during January 1999 to October 2000 out of the grants received from Government of India. In DTC Karbi-Anglong out of 3 lakh Rifampicine capsules received in October 1995 against indents placed by DGHS, shelf life of 1.07 lakh capsules valued at Rs.6.42 lakh expired in October 1996 due to their supply in excess of requirement.

-- **Though the cure rate under NTCP was between 17 and 29 per cent during 1996-97 to 2000-2001 against the cure rate of over 85 per cent envisaged under RNTCP, in 22 out of 23 districts the Programme has not been proposed for switch over to RNTCP in these districts. The percentage of defaulters in continued treatment steadily increased from 15 per cent in 1997-98 to 29 per cent in 2000-2001. The department had not analysed the reason for dismal cure rate and increasing trend of defaulters nor had taken any remedial measures to improve the position.**

### ***Introduction***

**3.31** The National Tuberculosis Control Programme (NTCP) was launched in Assam in 1962 as a centrally sponsored scheme with matching share between central and state government. The objective of NTCP were:

(a) to detect as large a number of patients suffering from tuberculosis as possible;

(b) to prevent and control the disease by effective treatment; and

(c) to provide the treatment to TB patients as near to their homes as possible through the District Tuberculosis Centres (DTCs), TB hospitals, TB clinics and peripheral health institutions.

(d) Following a review (1992) of NTCP by a Committee of Experts, the Government of India pilot-tested (1993-94) Revised National Tuberculosis Control Programme (RNTCP) as an externally aided project with emphasis on achieving cure rate of over 85 per cent of TB infection cases through administration of directly observed Short Course Chemotherapy (SCC) and to augment case finding activities to detect 75 per cent of estimated TB cases after achieving a desired cure rate. In Assam, the RNTCP, a 100 per cent centrally sponsored scheme, was launched (November 1998) in Dibrugarh district only. The RNTCP had not been extended in phases to other districts as of March 2001.

### ***Organisational set up***

**3.32** Implementation of the programme is entrusted to a Joint Director of Health Services (TB) (Jt. DHS(TB) to function as State TB officer under the overall control and supervision of Director of Health Services (DHS). State TB officer is assisted by 23 Jt. DHS of the districts who implement the programme through the Sub-divisional Medical Officer/Medical Officer incharge of 17 District Tuberculosis Centres (DTCs)<sup>\*</sup>, 3 TB hospitals<sup>0</sup> and 3 chest clinics<sup>+</sup>. TB control societies with Commissioner and Secretary, Health

---

<sup>\*</sup> 11 DTCS fully functioning covering 16 districts: Barpeta, Dhubri, Jorhat (including Golaghat & Dhemaji) Kamrup, Karbi Anglong, Nagaon (including Morigaon), Dibrugarh (including Tinsukia), Cachar (including Hailakandi), N.C. Hills, Lakhimpur and Sonitpur.

<sup>0</sup> 6 DTCS partially functioning covering 7 districts Darrang, Goalpara, Karimganj, Kokrajhar (including Bongaigaon) Nalbari and Sibsagar.

<sup>+</sup> TB Hospitals: Kamrup (Guwahati); Dhubri, Sonitpur (Tezpur).

<sup>+</sup> Chest clinics: Kamrup (Rangia) Morigaon, Golaghat.

and Family Welfare as chairman and Jt. DHS (TB) as member secretary at state level and Deputy Commissioner/Principal Secretary Hills Autonomous Councils and Sub-divisional Medical and Health Officer in-charge DTC at district level were also involved in implementation of RNTCP in the state.

### *Audit coverage*

**3.33** Records of the Jt. DHS(TB), the Joint DHS and DTCs/Chest Hospitals of Kamrup, Barpeta, Nagaon, Karbi-Anglong, Cachar and Golaghat districts, out of the 23 districts of the State, for the period from 1996-97 to 2000-2001 were test-checked during January 2001 to June 2001. Thirty two per cent of expenditure incurred was covered in the review.

### *Financial arrangement*

**3.34** Budget allocation, release of funds and expenditure under NTCP during 1996-97 to 2000-2001 were as indicated below:

Year	Budget provision			Final grants/ appropriation			Funds released		Expenditure						Excess(-) Savings(+) (column 9 -column 15)
	Central	State	Total	Plan	Non Plan	Total	By GOI	By GOA	As per Appropriation Accounts			Data furnished by department			
									Plan	Non Plan	Total	Plan	Non Plan	Total	
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.	16.
1996-97	1.33	0.52	1.85	--	0.35	0.35	--	0.52	0.03	0.36	0.39	--	0.52	0.52	--
1997-98	0.44	0.57	1.01	0.33	--	0.33	0.85 <sup>@</sup>	0.55	0.01	--	0.01	--	0.54	0.54	(+) 0.01
1998-99	0.51	0.43	0.94	0.33	--	0.33	0.51	0.44	--	--	--	--	0.44	0.44	--
1999-2000	1.14	0.64	1.78	--	0.51	0.51	0.73	0.87 <sup>**</sup>	--	0.87	0.87	0.44	0.43	0.87	--
2000-2001	1.59	0.85	2.44	--	0.74	0.74	0.86	2.24 <sup>**</sup>	--	0.55	0.55	1.40	0.83	2.23	(+) 0.01
<b>Total</b>	<b>5.01</b>	<b>3.01</b>	<b>8.02</b>	<b>0.66</b>	<b>1.60</b>	<b>2.26</b>	<b>2.95</b>	<b>4.62</b>	<b>0.04</b>	<b>1.78</b>	<b>1.82</b>	<b>1.84</b>	<b>2.76</b>	<b>4.60</b>	<b>(+) 0.02</b>

Source: Data furnished by the department, Finance department and Finance and Appropriation Accounts.

### *Poor financial management and diversion of funds*

**3.35** Discrepancies between Appropriation and departmental figures of expenditure were due to non-reconciliation by the department during 1996-97 and 1998-99. Although the expenditure figures during 1999-2000 and 2000-2001 were reconciled by the department the discrepancies arose due to non-reconciliation of corresponding district-wise figures furnished by DHS to audit.

(a) Against the cash grant of Rs.2.54 crore released by Government of India for purchase of anti TB drugs and reagents during 1997-98 to 2000-2001, Government of Assam released Rs.1.84 crore under plan during 1999-2000 and 2000-2001. Reason for non-release of Rs.0.70 crore was not stated. The government had diverted the funds for other purposes.

(b) The department had furnished the expenditure figure of Rs.1.40 crore against ceiling for funds of Rs.1.40 crore released by Government of Assam

<sup>@</sup> Includes Rs.0.44 crore in cash and Rs.0.41 crore in kind.

<sup>\*\*</sup> Includes plan funds of Rs.0.44 crore during 1999-2000 and Rs.1.40 crore during 2000-2001.

out of plan funds during 2000-2001. However, scrutiny of details of purchases of anti TB drugs for which the fund was provided revealed that DHS had purchased drugs and reagents valued at Rs.1.56 crore during 2000-2001, of which expenditure of Rs.0.96 lakh was under non-plan and a bill for purchases valued at Rs.2.41 lakh had not been paid for paucity of funds. Thus, expenditure worked out to Rs.1.53 crore during 2000-2001 under plan head.

(c) Excess expenditure of Rs.0.13 crore during 2000-2001 was due to purchase of anti TB drugs in excess of ceiling for funds released by Government of Assam in violation of Government orders.

(d) Utilisation certificate for grants received from Government of India was not submitted (May 2001).

Thus proper financial management and control for implementation of the programme were not exercised.

### ***Inadequate infrastructure***

**3.36** A TB Unit (TU) at the sub-district level was to be created for a population of about 5 lakh. The functioning of the TUs was to be entrusted to a Senior TB Laboratory Supervisor (STLS) and a Senior Treatment Supervisor (STS) under the overall supervision of a Medical Officer. Similarly, a Microscopy Centre, one each for a maximum population of one lakh, was to be set up at Community Health Centre (CHC) or Primary Health Centre (PHC) besides TB dispensaries or chest clinics in city areas. The State TB Officer did not furnish the target and achievement in respect of setting up of TUs, TB dispensaries/Chest Clinics and Microscopy Centres during 1996-97 to 2000-2001 except stating that three Chest Clinics were presently functioning in the state.

(a) Of the six DTCs, only the Sub-divisional Medical and Health Officer (SDM&HO), DTC, Nagaon, stated (May 2001) that 12 Microscopy Centres set up prior to 1996 at PHC level could not function properly for want of supervision, mobility and financial constraints.

(b) Thus, the department failed to assess and create the infrastructure facilities under the programme and even existing facilities were poorly managed.

(c) According to the information furnished by state TB officer in 17 DTCs (including one in RNTCP district at Dibrugarh) functioning in the state as of March 2001, the requirement of Medical Officers and paramedical staff was 34 and 226 respectively against which 26 MOs and 174 paramedical staff members were in position. Thus, key posts of 8 MOs and 52 paramedical staff remained vacant at the end of March 2001.

(d) Five of the 11 X-Ray machines with Odelca cameras and 7 of the 11 vehicles of the DTCs were out of order as of May 2001. Jt. DHS (TB) could not furnish the period from which the X-Ray machines and vehicles was out of order. Measures had not been taken to restore their services.

(e) Of the bed strength of 656 in TB wards of 15 government hospitals (282 beds), and 3 government chest/TB hospitals (374 beds) bed occupancy for treatment of TB patients during 1996-97 to 2000-2001 was not on record. Actual utilisation of bed strength for treatment of TB in-patients was, therefore, not ascertainable in audit.

***Irregular purchase of anti-TB drugs***

**3.37** Purchase of anti TB drugs and reagents was to be made by State TB Officer after assessing requirement of DTCs taking into account the stock position of DTCs for avoiding excess or unnecessary procurement. According to Government of India orders (January 1999), government of Assam was to purchase only sputum negative anti TB drugs. Short Course Chemotherapy (SCC) drugs (sputum positive drugs) like Rifampicine and Pyrazinamide were not to be purchased out of the cash assistance provided by the Government of India and to be got supplied through DGHS, New Delhi.

(i) Test-check revealed that for distribution to DTCs, the State TB Officer, with the approval of DHS had procured (between January 1999 and October 2000) 7.48 lakh capsules of Rifampicine 450 mg/150 mg (value Rs.36.55 lakh) and 9.38 lakh tablets of Pyrazinamide 500 mg (value Rs.17.69 lakh) in violation of Government of India orders. Of this, 1.02 lakh capsules of Rifampicine valued at Rs.5.04 lakh and 0.29 lakh tablets of Pyrazinamide 500 mg valued at Rs.0.55 lakh have been lying in stock since February 2001.

(ii) Out of 1.58 lakh capsules of Rifampicine 450 mg supplied till March 2001 to the 3 of the 6 districts test-checked, 1.05 lakh capsules valued at Rs 5.65 lakh remained unutilized in their stock for periods ranging from 2 months to over 24 months as of June 2001.

(iii) In justification of the procurement of sputum positive anti TB drugs, State TB Officer had informed (October 2000) the DHS that demands for the drugs were increasing day by day. Also referring to Government of India indents (September 2000) placed with Government Medical Store Depot (GMSD) it was inferred that the required quantity of drugs were not likely to be supplied by Government of India to 10 of the 23 districts. The contention of State TB officer was not tenable as Government of India placed indents for drugs after assessment of stock returns and requirements received from DTCs. The increasing trend of demand for anti TB drugs and assessment of their requirement, based on stock position of DTCs, were also not on records of State TB Officer.

(iv) Further, DTC, Karbi-Anglong had received (October 1995) 3 lakh capsules Rifampicine 450 mg from GMSD, Calcutta against indents placed by DGHS. Of this only 1.93 lakh capsules could be utilised and shelf life of 1.07 capsules (value: Rs.6.42 lakh) had expired in October 1996. The SDM&HO, DTC Karbi-Anglong stated (May 2001) that the medicines were supplied in excess of requirement and with short expiry date.

(v) Thus, curative and supportive measures to be employed for treatment and relief of the identified patients lacked proper planning and co-ordination.

**Shortfall in achievement of sputum smear examination and low cure rate**

**3.38** The State TB officer had not prepared annual plan of action for TB control activities. Thus, the identification of TB patients was continued to be done by X-Ray and sputum examination in the DTCs and hospitals without undertaking any survey for the purpose. House visits by TB Health Visitors for motivating TB patients, delivery of services at their doorsteps and treatment of TB patients at a more convenient location for Direct Observation Treatment (DOT) under RNTCP was introduced in only one district and no proposals were sent to Government of India for the remaining 22 districts.

(a) Records showing number of patients referred to by private practitioners and result of treatment of such patients were not maintained either at state level or in the DTCs test-checked.

(b) The targets and achievements in detection of new TB cases and conducting of sputum examination by the DTCs/PHCs during 1996-97 to 2000-2001 were as under:

Year	Number of cases of Sputum Smear examination			Number of new cases detected	Percentage of detection of new cases with reference to col (3)
	Targets	Achievements	Percentage of achievements		
1.	2.	3.	4.	5.	6.
1996-97	78720	29227	37	19983	68
1997-98	78720	21167	27	19474	92
1998-99	78720	22181	28	17676	80
1999-2000	130614	21088	16	16239	77
2000-2001	130614	20793	16	16722	80

Source: Data furnished by the department.

(c) The State TB Officer had not furnished reasons for shortfall in sputum smear examination which varied from 63 to 84 per cent during 1996-97 to 2000-2001. An analysis by audit and information furnished by the DTCs test-checked revealed that short fall in achievements was due to the following reasons:

(1) Non-availability of X-Ray facilities and microscopy centres in all the DTCs/PHCs, requiring the patients to cover long distances in getting treatment;

(2) Specialised equipment like Odelca cameras provided to the DTCs were lying out of order;

(3) Inadequate supply of essential materials like sputum slides, reagents, X-Ray films, fixers and developers;

(d) State TB officer had not furnished information on number of TB positive cases converted to TB negative by treatment nor were they available on records.

(e) In the absence of annual action plan, survey for identification of TB patients, non-provision of treatment facilities at the reach of the patients and non-assessment of benefits actually provided to the patients by the implementing agencies/institutions, the impact of the programme remained unassessed.

(f) TB patients brought under treatment, discharged after completion of treatment and defaulters during 1996-97 to 2000-2001 were as indicated below:

Year	Number of patients brought under treatment			Number of patients discharged after completion of treatment	Percentage of cure rate	Defaulters*	
	Old cases registered	New cases during the year	Total			Number	Percentage
1996-97	8662	19983	28645	5118	18	5233	18
1997-98	5742	19474	25216	6841	27	3842	15
1998-99	5574	17676	23250	6785	29	3690	16
1999-2000	6950	16239	23189	6126	26	6216	27
2000-2001	6342	16722	23064	3845	17	6605	29

Though the cure rate was too low as compared to the expected cure rate of over 85 per cent under RNTCP, the state government had not initiated any action to introduce RNTCP in 22 out of 23 districts.

(g) Percentage of defaulters as compared to the total number of patients brought under treatment steadily rose from 15 during 1997-98 to 29 during 2000-2001. The department had neither analysed the reason for TB patients becoming defaulters nor any remedial measure were taken to prevent or reduce the increasing trend.

#### **Poor training activities**

**3.39** State and district level medical officers working under NTCP/RNTCP were to be trained at National TB Institute Bangalore, TRC Chennai and LRS Institute Delhi. Other categories of Medical and Paramedical staff were to be imparted training within the state. Annual requirement or proposal for training of State/district level officers and other categories of staff were not on record.

(i) The State TB officer stated (April 2001) that for training of State and district level officers during 1996-97 to 2000-2001, 25 training programmes were proposed under RNTCP (15 during 1996-97 and 1997-98) and NTCP (10

\* TB patients who had discontinued treatment.



during 1998-99 and 1999-2000). Of this, 2 training programmes were held under RNTCP during 1996-98 and 2 under NTCP during 1998-2000. Number of officers actually trained were not furnished.

**(ii)** During the entire period of five years ending 2000-2001, 3 medical staff members out of 11 proposed and 6 para-medical staff members out of 12 proposed were trained. Information regarding number of DTCs running without trained officers/staff was not available with the department. Reason for poor performance in training was neither on record nor stated to audit.

**(iii)** Thus, the training activities under the programme were insignificant and retarded implementation.

### ***Non-monitoring of the programme***

**3.40** The department had not put in place any mechanism to ensure or monitor the regularity in submission of quarterly reports on programme data and case detection, sputum examination and sputum positive cases by DTCs to National TB Institute (NTI), Bangalore and Central TB Division. State TB officer stated (April 2001) that reports on analysis of the programme data by NTI and feed back by Central TB Division were not received. State TB officer stated (July 2001) that no evaluation of the programme was carried out by the Ministry of Health and Family Welfare, GOI and Planning Commission. Except holding one meeting of State TB Society under RNTCP in September 2000 the department had not organised any meeting of State TB officers to review the progress of activities under NTCP/RNTCP.

**3.41** The foregoing observations were reported to government in August 2001; their reply had not been received (October 2001).

### ***Recommendations***

**3.42** In view of the irregularities and shortcomings noticed, the following recommendations are made to prevent and control the debilitating disease more effectively:

**(i)** Fund meant for the programme must be utilised and not retained in any form or diverted.

**(ii)** Improvement of infrastructure namely, establishment of TB units, microscopy centres, diagnosis by increased use of microscope and adequate supply of medicine and essential materials need to be ensured;

**(iii)** House visits by TB health visitors and adoption of Direct Observation Treatment facilities has to be ensured.

**(iv)** Public awareness of the programme has to be built up and the programme needs to be properly supervised and monitored.

**PLANNING AND DEVELOPMENT DEPARTMENT**

**MLA's Area Development Scheme**

*The Government of Assam introduced MLA's Area Development Scheme (MLAADS) in March 1994 in order to provide for small developmental works of capital nature based on the local needs of the people. A review of the implementation of the scheme/programme revealed that huge funds remained unutilised. Programme funds were diverted, inadmissible works were taken up and many works remained incomplete. Lack of effective supervision and monitoring at various levels adversely affected the implementation of the schemes/works. Some significant audit findings are given below:*

**Highlights**

-- The Deputy Commissioners, Cachar and Dibrugarh retained unspent money in savings bank accounts and accrued interest thereon amounting to Rs.26.90 lakh remained unaccounted for.

The Deputy Commissioners, Karimganj and Nagaon drew Rs.6.42 crore in Abstract Contingency (AC) bills between December 1995 and September 2000 but did not submit Detailed Countersigned Contingency (DCC) bills even after lapse of periods ranging from 6 months to 6 years violating normal financial procedure.

-- Out of 9406 works worth Rs.41.69 crore taken up during 1994-95 to 1999-2000 for execution in 7 test-checked districts, 3960 works worth Rs.10.34 crore remained incomplete (March 2001).

-- In 6 of the seven test-checked districts 150 works for Rs.1.03 crore recommended by MLAs were not sanctioned till March 2001.

-- During 1994-95 to 1999-2000, Rs.4.32 crore were spent on 1677 works in 7 test-checked districts which were not covered under the Scheme.

-- Executing agencies under Deputy Commissioners, Nagaon and Dibrugarh did not record measurement of 443 works worth Rs.1.63 crore in Measurement Books or any other records.

-- Two bridges on Lakhipur-Jaleswar PWD Road constructed/repared by DRDA out of MLAADS fund collapsed within 2 to 5 months of construction/repair due to execution of works not according to specifications.

-- **Executive agencies did not submit Utilisation Certificates in respect of 2629 ongoing works worth Rs.7.50 crore.**

-- **Unauthorised payment of Rs.16.25 lakh by cheque as loan to private parties/government offices remained out of Government account for 1 to 3 months.**

-- **In Dhubri district 3208 hand tubewells worth Rs.76.45 lakh and 424 shallow tubewells worth Rs.57.44 lakh were installed in the interest of particular individuals.**

-- **In Dhubri district 142 diesel pump sets (5 HP) with accessories worth Rs.19.13 lakh procured in June 1999 and July 2000 were kept idle due to non-selection of beneficiaries by the MLAs/Deputy Commissioner.**

-- **Monitoring system for implementation of the scheme did not exist either at State level or District level.**

### ***Introduction***

**3.43** In March 1994, the Government of Assam launched the “MLA’s Area Development Scheme” with the intention of undertaking small developmental works recommended by MLAs, catering to the local needs of people with emphasis on creation of durable assets. Certain works like village roads, bridges, schools, common shelters for the old or handicapped, irrigation canal/bund, public health care buildings and veterinary aid centres etc., that did not form a part of any other scheme implemented in the district, were to be taken up under the scheme. The implementation of the scheme commenced from the year 1994-95.

### ***Organisational set up***

**3.44** The Planning and Development Department and the Deputy Commissioners (DCs) are responsible for proper implementation of the schemes recommended by MLAs. The Planning and Development Department of the State Government is the nodal department for implementation and monitoring of the scheme. The Deputy Commissioners (DCs) of districts scrutinise and implement the scheme through government agencies and construction committees. The government agencies are mainly Public Works Divisions (PWD), Public Health Engineering Divisions (PHE), Irrigation Divisions, District Rural Development Agencies (DRDA), Municipal Boards and Assam State Electricity Board etc.

**Audit coverage**

**3.45** Test-check of records maintained by the Planning and Development Department and District Administration in 7 districts out of 23 districts covering 51\* Assembly Constituencies (out of 126 Assembly Constituencies) for the period from 1994-95 to 1999-2000 was carried out during December 2000 to March 2001. The selection was based on geographical position covering 5 sectors.

**Financial outlay and expenditure****Delay in utilisation of funds and resultant slow implementation of scheme**

**3.46** The funds allotted by the government to each Assembly Constituency increased from Rs.5 lakh in 1994-95 to Rs.10 lakh in 1995-96 and Rs.20 lakh from 1997-98 onwards.

(a) Department of Planning and Development sanctions and releases funds twice in a year directly to the concerned Deputy Commissioners for the works recommended by the MLAs. Guidelines provide that an individual work should not cost more than Rs.2 lakh. The DCs in turn release the funds to the executing agencies in installments with reference to actual progress achieved in expenditure and execution of works.

(b) The nodal department could not furnish year-wise position of funds released and expenditure incurred for the State as a whole for 1994-95 to 1999-2000. However, as per the information furnished by 16 DCs (out of 23 districts), the financial outlay and expenditure incurred between 1994-95 and 1999-2000 in respect of 16 districts were as under:

(Rupees in crore)

	1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000
Opening Balance	Nil	3.23	7.71	10.41	18.53	20.39
Fund drawn from treasury during the year	4.26	8.55	8.60	17.11	17.29	17.11
<b>Total :</b>	<b>4.26</b>	<b>11.78</b>	<b>16.31</b>	<b>27.52</b>	<b>35.82</b>	<b>37.50</b>
Expenditure during the year	1.03	4.07	5.90	8.99	15.43	16.32
<b>Closing Balance</b>	<b>3.23</b>	<b>7.71</b>	<b>10.41</b>	<b>18.53</b>	<b>20.39</b>	<b>21.18</b>
Percentage of accumulation of unspent balance	76	65	64	67	57	56

Source: Data furnished by Deputy Commissioners.

\* Dibrugarh: 7 nos; Nagaon: 11 nos; Karimganj: 5 nos; Cachar: 7 nos; Dhubri: 7 nos; Goalpara: 4 nos and Kamrup: 10 nos of Assembly Constituencies.

(c) The above position shows that in 16 districts substantial amounts ranging between Rs.3.23 crore and Rs.21.18 crore remained unutilized (which constituted 76 per cent to 56 per cent of total accumulated fund during 1994-95 to 1999-2000) which is indicative of slow implementation of the schemes that retarded the progress of developmental works under MLAADS.

**Retention of unspent money in Civil Deposit/bank**

3.47 Mention was made in Para 1.9.4 of Audit Report of the Comptroller and Auditor General for the year ended 31 March 1999 (Civil) Government of Assam, regarding incurring liability towards payment of interest ranging from Rs.6.27 crore to Rs.20.11 crore to RBI on overdrafts and Ways and Means Advances between 1994-95 and 1998-1999. Records of 7 test-checked districts revealed that a huge amount of Rs.42.25 crore had been kept in Civil Deposit/Deposit-at-Call Receipts and current account in banks between 1994-95 and 1999-2000 beyond the scope of normal financial procedure. Retention of unspent balance in Civil Deposit and bank by the concerned DCs not only led to locking up of scheme funds but also denied the Government a minimum interest of Rs.2.11 crore\*\* on saving account which would have reduced the burden of interest liability of the Government to that extent.

**Non-accountal of MLAADS fund**

3.48 The DC, Cachar and Dibrugarh had kept substantial amounts of funds in savings bank accounts on different occasions (Cachar: between January 1997 and January 2001, Dibrugarh: between February 1998 and October 2000) by opening six savings accounts each. Accrued interest of Rs.26.90 lakh (Cachar: Rs.23.21 lakh, Dibrugarh : Rs.3.69 lakh) was however, not shown in their accounts by the concerned DCs towards funds available under MLAAD scheme as on the date of audit. Thus, Rs.26.90 lakh being accrued interest remained outside the Government Account. Moreover, none of the DCs had carried out reconciliation of savings bank accounts with the banks till March 2001.

(i) The Project Director, District Rural Development Agency (DRDA), Karimganj is the drawing and disbursing officer of the Agency and the Executive Engineer of DRDA is not delegated with the power to deal with financial matters and maintain a separate cash book. DC, Karimganj had released a total amount of Rs.33.75 lakh to the Executive Engineer, DRDA, Karimganj, instead of Project Director, by DCRs/cheques between March 1999 and August 2000 for execution of 28 works under the scheme.

(ii) Neither the Project Director nor the Executive Engineer, DRDA, Karimganj, had accounted for the same in the cash book till January 2001. Executive Engineer, DRDA, Karimganj, could not produce any record in

\*\*

(Rupees in crore)

Years	DCR	Current Account	Civil Deposit	Total	Interest @5 per cent
1994-95 to 1999-2000	23.96	5.44	12.85	42.25	2.11

support of receipt and utilisation of the amounts inspite of repeated requisitions. As such, the veracity of actual utilisation of the funds could not be vouchsafed in Audit.

### ***Submission of DCC bills awaited***

**3.49** Treasury Rules 308 and 309 provide for drawal of Abstract Contingency (AC) bill subject to submission of Detailed Countersigned Contingency (DCC) bill within one month from the date of drawal and no further AC bill should be preferred unless and until the DCC bill in respect of the previous drawal is submitted to the Accountant General (A&E) after countersignature of the Controlling Officer.

(i) Scrutiny of records of test-checked (7 districts) revealed that an amount of Rs.6.42 crore was drawn in AC bills by the DCs of Karimganj and Nagaon between December 1995 to September 2000 (Karimganj: Rs.4.22 crore in 10 bills; Nagaon: Rs.2.20 crore in 1 bill). Till March 2001 Rs.3.02 crore and Rs.2.20 crore were released by the DCs, Karimganj and Nagaon respectively to the executing agencies for execution of works. DC, Karimganj retained a balance of Rs.1.20 crore in hand. Due to non-receipt of adjustment vouchers from the executing agencies both the DCs could not prepare and submit DCC bills. As such expenditure of Rs.6.42 crore could not be vouchsafed in audit.

### ***Physical achievement did not commensurate with financial performance***

**3.50** The State Planning and Development department, being the nodal department for implementation and monitoring of MLAADS, could not furnish year-wise physical targets and achievements for the state as a whole (23 districts). As of April 2001, only 16 out of 23 DCs had furnished full particulars to audit in respect of physical target and achievement as shown below:

(Rupees in crore)

Sl. No.	Name of District	Financial progress			Physical progress								Percentage of works completed to works taken up for execution
					Works sanctioned by the DCs during 1994-95 to 1999-2000		Works taken up for execution		Works completed		Incomplete Works		
		Fund received	Expdit-ure	Per-centage of expdit-ure to fund received	No. of works	Value	No. of works	Value	No. of works	Value	No. of works	Value	
1.	Nagaon	5.89	4.38	74	2038	8.70	2038	8.70	1078	4.82	960	3.87	53
2.	Karimganj	9.30	6.44	69	729	3.90	729	3.90	550	3.25	178	0.64	76
3.	Kamrup	4.25	3.02	71	3146	8.50	3146	8.50	1199	6.91	1947	1.59	38
4.	Cachar	8.50	7.00	82	1152	5.68	1152	5.68	639	3.27	513	2.41	55
5.	Dibrugarh	5.95	3.39	57	1228	5.47	1228	5.47	1129	4.62	99	0.85	92
6.	Dhubri	6.10	4.34	71	747	6.13	747	6.13	539	5.61	208	0.52	72
7.	Goalpara	3.40	2.02	59	366	3.31	366	3.31	311	2.84	55	0.46	85
	<b>Total:</b>	<b>43.39</b>	<b>30.59</b>	<b>71</b>	<b>9406</b>	<b>41.69</b>	<b>9406</b>	<b>41.69</b>	<b>5445</b>	<b>31.32</b>	<b>3960</b>	<b>10.34</b>	<b>-</b>

Source: Data furnished by Deputy Commissioners.

(i) The financial achievement during 1994-95 to 1999-2000 as per reports of the DCs of 7 test-checked districts ranged between 59 to 82 per cent of the total fund received against which physical achievement of completed works ranged between 38 to 92 per cent of works taken up for execution. According to the scheme the works were to be completed within 2 working seasons. It was observed that out of 9406 works valued at Rs.41.69 crore, 3960 works worth Rs.10.34 crore, though taken up for completion between 1994-95 and 1999-2000, remained incomplete till the date of audit (March 2001) resulting in denial of benefits of durable assets to that extent to the people of LAC areas.

***Non-execution of works proposed by MLAs***

**3.51** MLAADS guidelines provide that the DCs, after scrutinizing the works suggested by the MLAs, should list out works for implementation. If the DC is unable to ensure the consideration and taking up of any work in the list of works as suggested by the MLAs in the manner prescribed under the guidelines, he should send a comprehensive report on the reasons, requirements, etc., to the Planning and Development Department for examination and suitable action.

**3.52** It was noticed in 6 of the 7 districts test-checked that 150 works (estimated cost: Rs.1.03 crore) recommended by the MLAs between 1996-97 and 1999-2000 had not been sanctioned by the DCs till March 2001 as detailed below:

<b>(Rupees in crore)</b>			
<b>Sl. No.</b>	<b>Name of the district</b>	<b>Nos. of works not sanctioned</b>	<b>Estimated value</b>
1.	Dibrugarh	06	0.07
2.	Nagaon	17	0.25
3.	Karimganj	32	0.33
4.	Cachar	76	0.27
5.	Dhubri	11	0.03
6.	Goalpara	08	0.08
<b>Total:</b>		<b>150</b>	<b>1.03</b>

Source: Information furnished by the Deputy Commissioners.

**3.53** Reasons for non-sanction and non-execution of 150 works as recommended by MLAs between 1996-97 and 1999-2000 could not be stated by the concerned DCs.

***Execution of works in contravention of the provisions of guidelines***

**3.54** MLAADS had envisaged taking up of works that primarily lead to the creation of durable assets of specific categories. Further the guidelines prohibit execution of works like construction of office buildings, residential buildings, repair and maintenance of any type, purchase of inventory and stock of any

type, assets for individual benefit, execution of works at places for religious worship etc. Records of 7 test-checked districts revealed that between 1994-95 and 1999-2000 the DCs had carried out 1677 various construction works worth Rs.4.32 crore (estimated cost Rs.4.69 crore) in contravention of the above provision.

(i) Again, DCs, Dhubri and Karimganj had accorded administrative approval and expenditure sanction of Rs.5.00 lakh out of MLAADS fund for 1997-98 and 1998-99 for renovation, repair etc., of office buildings of DCs, community health centres and doctors residential buildings. The amounts were released to executing agencies between October 1997 and January 2001. Of this, Rs.3.99 lakh was utilised till January 2001 and the balance amount of Rs.1.01 lakh has been lying with Executive Engineer, PWD Building Division, Karimganj.

(ii) The Joint Director, Health Services, being executing agency of Deputy Commissioner, Dhubri had purchased between August 1996 and September 1998 three ambulances for Public Health Centres at a cost of Rs.5.55 lakh released by the D.C. between March 1996 and September 1998 out of MLAADS fund for 1995-96 and 1997-98 in violation of the provision of the scheme. Approval of the Commissioner and Secretary, Health and Family Welfare Department for acquiring such assets and justification thereof were not on record.

#### ***Execution of works without recording measurements in Measurement Books***

**3.55** Assam Financial Rule 293 stipulates maintenance of Measurement Book wherein all works susceptible to measurement are to be measured and recorded. Further, Assam Financial Rule 291 provides for maintenance of Muster Roll for recording the daily attendance of labourers in Part-I and volume of works executed in Part-III of the Muster Roll.

The executing agencies like Headmasters of schools/secretaries of different clubs etc., engaged by the DCs, Nagaon and Dibrugarh did not maintain Measurement Books in respect of 443 works\* worth Rs.1.63 crore between 1994-95 and 1999-2000. Test-check of Muster Rolls of the executing agencies revealed that Part-III of Muster Rolls was not filled in and the Muster Roll did not bear any reference of Measurement Book. In absence of such vital records, execution and completion of works as per specification could not be ascertained in audit. The concerned DCs have accepted the audit observation and stated (February 2001, March 2001) that the executing agencies would be directed to maintain such records.

---

\* Nagaon : 307 works worth Rs.1 crore  
 Dibrugarh : 136 works worth Rs.0.63 crore  
 Total 443 works Rs.1.63 crore



***Execution of sub-standard works resulting in collapse of bridges within two months of construction/repair***

**3.56** The Deputy Commissioner, Goalpara had released Rs.14.45 lakh (Rs.11.05 lakh in June 1999 and Rs.3.40 lakh in March 2000) to the Project Director, District Rural Development Agency (DRDA), Goalpara for construction/repair of Sal Pile Timber bridges No.5/1 and 2/1 respectively on Lakhipur-Jaleswar PWD Road without obtaining the required permission from the Chief Engineer, PWD (Roads). However, technical sanction and administrative approval were accorded by the Executive Engineer, DRDA and DC, Goalpara respectively. Construction of the bridge 5/1 upto joist level was completed in May 2000 at a cost of Rs.11.05 lakh. Bridge 2/1 was repaired between December 1999 and February 2000 at a cost of Rs.3.40 lakh. The Executive Engineer, PWD (Road) Division, Goalpara and the Assistant Executive Engineer, PWD (Road), Sub-division, after physical verification of the bridges, had opined (May 2000) that the execution of works was not carried out as per specification and hence suggested rectification. Rectification was not carried out by DRDA and the said bridges collapsed during the floods in July 2000. Records showing retrieval of bridge materials after collapse of the bridges also could not be produced to audit.

***Non-submission of Utilisation Certificates (UCs) by executing agencies***

**3.57** Funds under the scheme are released by the DCs to the Executing Agencies in two to three installments for execution of works. In order to ensure proper utilisation of funds and execution of works, the DCs had introduced the system of submission of Utilisation Certificates (UCs) prior to release of subsequent installments. Records of 7 districts test-checked revealed that altogether Rs.7.50 crore for 2629 works were released to the Executing Agencies between 1994-95 and 1999-2000. It also disclosed that the DCs did not release subsequent installments of funds for want of UCs from the executing agencies for the aforesaid amount. Reasons for non-submission of UCs by the executing agencies were not on record.

***Diversion of funds***

**3.58** Guidelines envisaged that expenditure is to be incurred for creation of durable assets of developmental nature. But scrutiny of records revealed that contrary to the provision of guidelines the DC, Goalpara had sanctioned and disbursed Rs.8.00 lakh (July 1999: Rs.2.00 lakh; July 2000: Rs.6.00 lakh) to STATFED by diverting MLAADS fund towards purchase of flood relief materials viz. Sari, Lungi and Mosquito Net for flood victims. Materials worth Rs.6.00 lakh were received by the Additional DC, Goalpara in July 2000. But records relating to procurement of materials for Rs.2.00 lakh meant for Lakhipur circle were not on record. Moreover, relevant records such as list of beneficiaries and actual acknowledgement receipts of relief materials for Rs.8.00 lakh could not be made available to audit.

***Unauthorised payment from MLAADS funds***

**3.59** Test-check of cash book and cheque register in respect of MLAADS 1997-98 of the DC, Dibrugarh, disclosed that 7 cheques amounting to Rs.16.25 lakh were issued out of MLAADS fund as loan to private individuals/bank/Government Offices between December 1997 and February 1998. The amount was, however, received back in March 1998. Reasons for such unusual payments and subsequent recoupement after expiry of 1 to 3 months could not be stated to audit.

***Creation of assets in the interest of individuals***

**3.60** Guidelines of the scheme do not contain any provision for construction/creation of any asset, the benefit of which could be derived by an individual only.

**(a)** Scrutiny of records revealed that the DC, Dhubri, on recommendation of MLAs, had installed 3208 hand tube wells at a cost of Rs.76.45 lakh between 1994-95 and 1999-2000 by engagement of different executing agencies on private individual lands covering 7 nos. of LAC areas without acquiring lands from the individuals by registered deeds. No evidence was on record as to the installation of hand tube wells on government lands at public places for use of common people of the respective locality. Thus, the concept of supplying drinking water to common people of the respective localities has been defeated as the common people may be deprived of using the same by the owners of the land.

**(b)** Similarly, 424 shallow tube wells costing Rs.57.44 lakh were installed in Dhubri district between 1994-95 and 1999-2000 on private lands for providing irrigation facility to the farmers. The list of beneficiaries indicated extension of such benefit to certain individuals and not to the community. The purpose of community irrigation project was, thus, defeated.

***Procurement of diesel pump sets with accessories without selection of beneficiaries***

**3.61** Block Development Officer, Gouripur had procured 70 (5 HP Diesel Engine) pump sets with 32 pumps mounted on two-wheeled trollies worth Rs.9.43 lakh in June 1999 out of MLAADS fund for 1998-99 for distribution to the farmers. The list of beneficiaries, acknowledgement by the beneficiaries or any proof of distribution of pump sets could not be made available to audit.

**3.62** Block Development Officer, Gouripur had also procured 72 (5 HP diesel engine) pump sets along with accessories in July 2000 worth Rs.9.70 lakh for distribution to the farmers. The pump sets could not be distributed till January 2001 due to non-receipt of beneficiary lists from the DC, Dhubri. Thus, non-selection of beneficiaries prior to procurement of pump sets resulted in locking up of fund of Rs.19.13 lakh (Rs.9.43 lakh+Rs.9.70 lakh).

***Doubtful raising of Mulberry plantations on individual lands and survival of plants***

**3.63** In contravention of the provisions of guidelines of the scheme, DC, Goalpara, on recommendation of the MLA (38–Goalpara West LAC) had sanctioned and released Rs.1.00 lakh out of MLAADS fund in December 1998 and Rs.2.50 lakh in May 2000 to the Assistant Director, Sericulture Department, Goalpara for disbursement as economic assistance to 41 individual Mulberry farmers living below poverty line in rural areas for raising Mulberry plantations on their individual lands. Although plantations were stated to have been raised between 1997-98 and 1999-2000, no plantation journal, showing plantation, weeding and survival of plants was maintained. In absence of such record authenticity of plantation and survival of plants could not be ascertained in audit.

***Non-creation of durable assets***

**3.64** Para 2.2 of the guidelines of MLAADS provides that the type of works should be such as can be completed in one or two working seasons and lead to the creation of durable assets but the District Agriculture Officer and Sub-divisional Agriculture Officer, Dhubri, being the agents of the Deputy Commissioners had installed 920 sets of Dheki Pump sets between 1994-95 and 1999-2000 for irrigation purpose. The pump sets valued at Rs.6.93 lakh were mainly made of non-durable materials viz. Jati-Bamboos and perforated nylon cloth. The expenditure of Rs.6.93 lakh incurred on above was irregular as durable assets were not created.

***Monitoring and evaluation was markedly absent***

**3.65** The guidelines provide that the DC of the respective district would be responsible for co-ordination and overall supervision of the works under the scheme. Scrutiny of records revealed that no periodical progress reports/returns regarding financial and physical achievement were submitted by the executing agencies to the DCs for their appraisal. Similarly, no format was prescribed by the Planning and Development Department seeking information/data regarding physical and financial achievements from the DCs for monitoring the execution of works under the scheme. Neither the guidelines of the scheme nor the Planning and Development Department prescribed the percentage of works to be checked through field inspection by the DCs. No system exists for obtaining completion reports of the works from the executing agencies. No inspection reports in support of performance of field visit as conducted by DCs could be made available to audit. Ineffective monitoring resulted in abnormal delay in execution of works and financial achievements apart from irregularities and lop-sided achievements between districts. The schemes had not been evaluated to ascertain their impact.

**3.66** The foregoing observations were reported to government in June 2001; their reply had not been received (October 2001).

***Recommendation***

**3.67** Monitoring by the State Planning and Development Department is to be strengthened. Time schedule for completion of works needs to be strictly followed. It should be ensured that schemes which are allowed by the guidelines only are taken up and the assets are beneficial for the community and not the individual(s) only. The maintenance of durable assets created under the scheme has to be assured.

**SECTION 'B'-PARAGRAPH**

**AGRICULTURE DEPARTMENT**

**Avoidable expenditure on a programme for installation of Shallow Tubewells**

**Procurement of pump sets at higher rate resulted in avoidable expenditure of Rs.24.83 crore doubtful installation of pump sets worth Rs.39.92 crore besides unauthorised payment of Rs.0.29 crore.**

**3.68** In order to bring an additional area of 2 lakh hectares under assured irrigation Government of Assam, Department of Agriculture decided to install one lakh Shallow Tube Wells (STWs) during 1999-2000. The project was estimated to cost Rs.230 crore including Rs.76.67 crore from farmers. The project was financed by NABARD and Government of Assam. The project was to be completed in 125 working days.

**3.69** Government of Assam issued Administrative approval in December 1999 for installing 30,000 STWs at a cost of Rs.69 crore. Administrative approval was amended in September 2000 for installation of 1 lakh tube well at a cost of Rs.230 crore including Rs.76.67 crore from farmers. The Director Agriculture was nodal agency for implementation of the project with the help of Field Management Committees\* (FMCs). For the purpose of installation of one STW materials such as one 5 H.P centrifugal engine (pump sets) pipes & strainers etc. were required. The engines were to be supplied by Government of Assam and other materials were to be procured by FMCs.

**3.70** Accordingly, the Chief Engineer, Agriculture invited quotations for supply of 1 lakh engines. The terms and conditions forming part of notice inter-alia provided supply of 5000 pumps per month by the select firms.

**3.71** Based on the quotations received the Chief Engineer, Agriculture placed orders on eight firms between November 1999 and March 2000 @ Rs.12,200.00 per pump.

**3.72** The records of Director, Agriculture Assam revealed that out of one lakh pump sets ordered only 93206 were supplied between November 1999 and June 2001. Out of the total pump sets supplied 63484 were with dated receipt and 28722 without dated receipt. No action was taken for delay in supplies.

---

\* Field Management Committee—a registered Private Committee recommended by the District Agricultural Officer.

(1) The Government stated (June 2001) that 99285 pump sets had already been installed and till date a total sum of Rs.107.67\*\* crore has already been spent and balance Rs. 30.45 crore is yet to be paid as per supply orders placed with different firms. However, the implementing agency (Agriculture Department) also stated (10 July 2001) that out of 99285 pump sets, 6079 pump sets are either lying with the field Engineers (consignee) or with concerned supplier and that supply of remaining 715 pump sets (1,00,000-99285) is yet to be made. Evidently, 6794 pump sets (6079 plus 715) worth Rs.8.29 crore are yet to be supplied and installed.

(2) The reporting of inflated figures of supply and installation by both the implementing agency and the government as well as significant inconsistencies between the reports of the agency and the government not only indicate lack of coordination between the two but also raises serious doubts about the number of pump sets actually supplied and installed.

(3) No records relating to Reports on specific numbers of STWs installed including purchase records of components of installation like pipes, strainers etc., either from the FMCs, sub-divisional, district level officers or from the Directorate could be made available to Audit. As such actual status of installation could not be ascertained in audit.

(4) It was further seen that the Director of Agriculture had procured 14812 numbers of 5 HP. diesel pump sets with identical specifications between February and July 2000 at the rate of Rs. 9699.00\* per pump set from a Gujarat-based firm under Assam Rural Infrastructure and Agricultural Service Project (ARIASP), a World Bank-aided Project.

(5) Thus, procurement of pump sets under the NABARD Programme was made at a much higher rate than that of the ARIASP scheme (Rs.12,200-Rs.9,699=Rs.2501.00 per set) and for which the department had incurred excess expenditure of Rs.24.83 crore (Rs.2501x 99285 nos). Besides, there was unauthorised expenditure of Rs.0.29 crore towards Letter of Credit charges paid to bank as the same was not covered under the terms and conditions of the tender. Government stated (June 2001) that as per the terms and conditions of the tender, payment to the manufacturers of the pump sets was to be made through Letter of Credit and that permission was duly sought and granted by the Finance Department for making payment through Letter of Credit. This reply is not acceptable since the Tender Notice did not stipulate any such payment clause and hence there was no need to pay through LC and incur this extra expenditure.

---

** Cost of pump sets –	Rs. 97.49 crore
L/C charge	Rs. 0.29 crore
A.G.S.T	Rs. 2.66 crore
Disbursed to field officer of 10 Districts	Rs. 7.23 crore
	Rs.107.67 crore

* Ex-factory price	: Rs. 8494
packing and forwarding	Rs. 200
insurance	:Rs. 900
transportation/incidental service	Rs. 30
spare parts:	Rs. 75

---

**(6)** The Chief Engineer, Agriculture inter-alia stated (May 2001) that (a) pump sets under the NABARD-assisted programme should possess Bureau of Indian Standard (BIS) specification. This conditional specification cannot hold good in International Competitive Bidding (ICB) procurement under the ARIASP (World Bank assisted project) scheme. The said specification does not allow bidders from member countries to participate which the World Bank never allows; (b) in addition, 100 per cent payment was ensured through LC in case of ARIASP procurement in undeniable terms and conditions and within a period of 30 days from the date of receipt of pump sets by the consignee; (c) delivery period for completion of supply of pump sets started only from the date of opening of the LC in case of ARIASP; (d) the ARIASP procurement was a prestigious order which invited availability of special impressed license on easy terms at a concessional rate, refund of terminal excise duty in future foreign trade and qualification to obtain global contract; (e) moreover, the date of receipt of acceptance of bid evaluation report under ARIASP from World Bank was 16 December 1999, whereas by this time, the first phase of supply of pump sets (30,000) under NABARD was completed. The reply is not tenable since the department was aware of the rates of the pump sets of the same brand, specification and conditions of ICB and terms of payment etc., offered by the Gujarat based firm (5 October 1999) in respect of ARIASP bid before invitation of tender. Further, the payment procedures and other conditions as applied in the case of ARIASP could have been judiciously adopted in the procurement of pump sets under NABARD Programme.

**(7)** The records also revealed the following inconsistencies, deficiencies and irregularities:

**(a)** Orders for supply of STW pump sets (November 1999 and March 2000) were placed before according administrative approval (December 1999 and September 2000).

**(b)** No comparative statement duly authenticated by the members of the Tender Committee could be made available to audit.

**(c)** Against mention of 12 tenderers in the minutes, the statement of assessment of rates of different firms as produced to audit, included only names of 11 firms/manufacturers. Rates of one tenderer based at Kolhapur, was not at all taken into consideration and also could not be made available to audit.

**(d)** In the statement of assessment of rates, the lowest rate was Rs.12,100.00 quoted by a Agra-based firm but his tender was rejected (30 October'99) on the ground of non submission of security deposit only. In this context it is interesting to note that though a number of other tenderers had also not abided by certain stipulations of the Notice Inviting Tender, their tenders were not rejected in a like manner.

**(e)** Surprisingly, the minutes of discussion with 5 representatives (out of the 12 firms) of the firms held on 27 October 1999 it was clearly stated that in no case they would be able to supply the pump sets below the lowest quoted rate

for the NABARD Scheme. One firm even stated (28 October) that it would not be able to supply pumpsets under NABARD at a rate below Rs.12,200.00 whereas the rate of Rs. 12.200/- as the lowest rate was accepted by the Tender Committee only on 30 October 1999.

**(f)** Non-inclusion of any penal clause in the Tender Notice and non-observance of time schedule for completion of supply and installation process had resulted in allowing a open ended supply schedule to the suppliers. Consequently, there was inordinate delay in the supply process ranging from 1 month to 20 months as of July 2001.

**(g)** Inexplicably, supply orders were placed on three firms far in excess of the monthly capacity of the firms and despite the firms expressing their inability to supply beyond that capacity. This indicated extension of undue benefit to the firms and ensured eventual inordinate delay in the supply and installation process. Besides, none of the manufacturers/firms were in a position to supply the whole quantity within the prescribed time limit.

**(h)** Despite two firms declining to make any commitment about the monthly quantity/capacity to be supplied, supply orders were placed with the two firms, resulting in delay in the supply and installation process.

**(i)** As per information furnished to Audit by the Directorate of Agriculture in July 2001 out of 18 districts covered under the programme, installation cost of Rs.7.23 crore only was released till 16 February 2001 for 10 districts and no installation cost for 8 (eight) remaining districts were released where the target for installation of STWs was 32720 pump sets. It is not clear as to how, in view of non-release of installation costs by government even the above 32,720 pump sets worth Rs. 39.92 crore could have been actually installed.

**3.73** The matter was reported to government in August 2001. The government in October 2001 stated that the Chief Vigilance Commissioner, Assam has been entrusted to conduct a thorough inquiry into procurement and other related matters of the NABARD assisted one lakh Shallow tubewells programme and as such the government expressed their inability to comment on the matter.



**ANIMAL HUSBANDRY AND VETERINARY  
DEPARTMENT**

**Infructuous expenditure**

**Failure of the department to utilise gainfully the services of staff of a poultry farm resulted in infructuous expenditure of Rs.22.76 lakh.**

**3.74** The District Poultry Farm, Bagchung, Jorhat was set up with the objective of imparting training and demonstrations to unemployed youth on the rearing of poultry. For this purpose, infrastructure was built up for rearing 820 layers, 1510 growers and 3000 chicks through six poultry sheds.

**3.75** Test-check (September 2000) of records of the Manager, District Poultry Farm, Jorhat revealed that the farm had remained non-functional since March 1994 as it did not have birds. Attempt was also not made to procure birds. The farm, however, continued to incur expenditure on pay and allowances of 6 staff members for the period from March 1994 to March 2001. The department did not initiate any action either to restore the activities of the farm or gainfully utilise the services of the staff elsewhere.

**3.76** Expenditure of Rs.22.76 lakh on pay and allowances of idle staff, thus, proved to be infructuous.

**3.77** The matter was reported to government in June 2001; their reply had not been received (October 2001).

**CO-OPERATION DEPARTMENT**

**Suspected misappropriation**

**Poor cash management by head of the office resulted in suspected misappropriation of Rs.9.60 lakh.**

**3.78** Scrutiny (November 1999) of records of the Zonal Joint Registrar of Co-operative Societies, Kokrajhar, revealed that during October 1995, the Accountant General (A&E) Assam, had reported to him a case of withdrawal of Rs.7000.00 from the General Provident Fund (GPF) Account during February 1995 in favour of an employee under his control by quoting incorrect GPF account number. The Zonal Joint Registrar, in turn, reported (November 1995) the same to the Treasury Officer, Kokrajhar and deputed an employee of his office to verify the records of that Treasury. On verification by them it was found that 4 fictitious bills (GPF advance, LTC advance, Gratuity payment etc.) amounting to Rs.1.19 lakh had been drawn from the treasury by the Zonal Joint Registrar of Co-operative Societies. The Zonal Joint Registrar

of Co-operative Societies, Kokrajhar intimated (November 1995) the case to the Deputy Commissioner, Kokrajhar for necessary action. Action taken by the Deputy Commissioner in this regard however, could not be made available to Audit.

**3.79** Apprehending more fictitious and irregular drawals, a detailed verification of records of the Zonal Joint Registrar of Co-operative Societies and Treasury Officer, Kokrajhar was made by Audit and fraudulent drawal of Rs.8.41 lakh from the same treasury against various kinds of bills pertaining to the period from June 1989 to October 1999 was detected. It was seen in audit that these drawals and payments were not reflected in the Cash Book. The DDO had neither carried out daily verification of the Cash Book nor any periodical check as required under financial rules in this regard. Evidently, the DDO had allowed fraudulent drawals to continue despite being forewarned by Accountant General (A&E).

**3.80** Thus, failure on the part of the drawing and disbursing officer/ head of office to exercise his statutory duties led to misappropriation of Government money to the tune of Rs.9.60 lakh.

**3.81** The fact was also brought to the notice of the Finance Department (December 2000) for necessary action; reply to which was still awaited (May 2001).

**3.82** The matter was reported to government in June 2001; their reply had not been received (October 2001).

## EDUCATION DEPARTMENT

### Excess payment

**Rupees 36.80 lakh was paid to three service Agencies without obtaining the benefit of practical training to teachers of 16 Higher Secondary Schools.**

**3.83** The Government of Assam, Education Department entered into (January 1995) agreement with 3 agencies\* for implementation of the Centrally Sponsored Scheme “ Computer Literacy and Studies in School (CLASS)” in 93 selected Higher Secondary Schools (HSS). According to the agreement the State Government would provide (i) infrastructure such as pukka room with electricity and other fittings, (ii) sufficient number of computer hardware in working conditions to conduct the CLASS programme and (iii) fee of Rs.80,000 per year per school to each agency. The implementing agency would provide (i) one full time instructor, (ii) maintenance of hardware (iii)

\* 1.Informatics Computer System, New Delhi, 2.S.M. Computer Consultant, Guwahati  
3.Computer System and Services, New Delhi

educational software, consumable stationery and text books to students, and (iv) teacher training for teachers from each school. The payments were to be made in three installments and the last installment was to be made after satisfactory evaluation report from the Deputy Director of Secondary Education.

**3.84** Scrutiny (March 2000) of records of the Director Secondary Education, Assam, revealed that Rs.2.22 crore\* were paid (during August 1995 to December 1999) to 3 agencies for three years under CLASS programme (January 1995 to December 1997) and Rs.1.60 lakh was kept in hand. Records, however, revealed that though 16 out of 93 schools, covered under the project, were not provided with any computer, the agencies were paid @ Rs.80,000 per school for the three years. In the absence of computer, no practical training in computer was conducted.

**3.85** The Director stated (March 2000) that the matter of providing/supply of the requisite number of computers to each selected school was taken up with the agencies but they failed to supply and payments were made accordingly as per agreement. The reply of the department is not tenable as they did not fulfill the conditions of the agreement for payment including the condition of payment of third installment of payment after satisfactory evaluation report from the Deputy Director (Secondary Education). Evidently, due to non-supply of computers to 16 selected HSS, the department had incurred an excess payment of Rs.36.80 lakh.#

**3.86** The matter was reported to government in February 2001; their reply had not been received (October 2001).

### Unproductive expenditure

**Hostel building and staff quarters constructed at a total cost of Rs.92.74 lakh remained unutilised.**

**3.87** Scrutiny (August 2000) of records of the Principal, Bangaigoan Polytechnic\*, Bongaigoan revealed that one girls' hostel building with a capacity of 60 students including Matron's quarter, Warden's quarter and boundary wall were constructed at a total cost of Rs.92.74 lakh under the "World Bank Project" by the Executive Engineer, PWD, Building Division, Goalpara in July 1999 based on the proposal of Director of Technical

\* (Rupees in crore)

Year	No. of Schools	Amount paid
1995-96	93	0.74
1996-97	93	0.74
1997-98	93	0.74
	<b>Total</b>	<b>2.22</b>

# Rs.80,000x16x3=Rs.38.40 lakh-Rs.1.60 lakh=Rs.36.80 lakh.

\* Established in November 1986.

Education, Assam. The said building and quarters were handed over to the Principal in September 1999. The Hostel building and quarters could not, however, be put to use for want of sufficient number of girl students and non-appointment of hostel staff, as stated by the Principal of the Institute. Records also revealed that enrollment of girl students in the Institute during the period from 1990-91 to 2000-2001 was only seven. The injudicious decision of the department thus, led to unproductive expenditure of Rs.92.74 lakh, with the cost of capital being Rs.20.48 lakh, calculated at the average rate of 11 per cent of market borrowing by the state government over the last two years.

**3.88** The matter was reported to government in February 2001; their reply had not yet been received (October 2001).

**Infructuous expenditure on pay and allowances for idle staff in District Adult Education Office, Dhubri**

**Non-utilisation of the services of five cinema operators resulted in an unfruitful expenditure of Rs.18.53 lakh.**

**3.89** Test-check (August-September 2000) of records of the District Adult Education Officer, Dhubri revealed that Director of Education, Assam procured a cinema projector and power generator sets for use by the District Adult Education Officer, Dhubri. These were meant for audio visual programme aimed at motivating people on adult education. It was noticed that these have been lying out of order since 31 January 1994. Steps were neither taken to gainfully utilise the services of the 5 idle cinema operators in some other activities nor the matter was brought to the notice of the controlling authority for transferring their services to needy offices.

**3.90** The District Adult Education Officer stated (September 2000) that the Cinema Projector and Power Generator sets could not be repaired for want of funds. Records pertaining to preparation of estimates for repair and obtaining funds could not be produced to audit. The pay and allowances of Rs.18.53 lakh paid to 5 operating staff from February 1994 to March 2001 thus proved infructuous.

**3.91** The matter was reported to government in March 2001; their reply had not been received (October 2001).

**Avoidable expenditure on Project Offices under Adult Education Programme**

**Inordinate delay in shifting project offices from rented houses to the District Adult Education Offices resulted in avoidable expenditure of Rs.26.10 lakh.**

**3.92** For implementation of the Adult Education Programme the Director of Adult Education had 60 project offices located in different districts. These were functioning in rented houses. With the introduction of Total Literacy Campaign (TLC) during 1992 in the State, the staff of the Adult Education Programme deployed in the project offices were engaged in TLC programme under the supervision and establishment of the Deputy Commissioners (DCs) of each district.

**3.93** Scrutiny (September 2000) of records of the Director, Non-Formal and Adult Education (NFAE), Assam revealed that although the project offices under Adult Education Programme had become redundant these were allowed to continue to occupy offices in rented houses even after introduction of TLC. The department also continued to pay rent to the owners of the buildings. The Director (NFAE) had issued (August 1999) order to all District Adult Education Officers to shift the project offices from the rented houses to their respective offices within 15 August 1999 to avoid payment of house rent. Records revealed that against 60 project offices, 28 project offices had been shifted to the respective District Adult Education Offices during August 1999 to November 1999 but 26 project offices continued in the rented houses till the date of audit (September 2000) for which the liability on rent amounted to Rs.26.10 lakh. The Director had already paid Rs.8.74 lakh as house rent to clear part of the liability and Rs.17.36 lakh remained unpaid (September 2000). Information regarding remaining 6 project offices was not made available to audit.

**3.94** The matter was reported to government in June 2001; their reply had not been received (October 2001).

**FOREST DEPARTMENT**

**Wasteful expenditure on plantations**

**Plywood/matchwood plantations created in 1255 hectare of forest land at a cost of Rs.42.51 lakh were destroyed due to non-deployment of protection forces.**

**3.95** The Divisional Forest Officer (DFO) Sonitpur East Division, Biswanath Chariali incurred a total expenditure of Rs.42.51 lakh (including Rs.5.94 lakh on watch and ward) during 1991-92 to 1996-97 for creation of plywood/matchwood plantations covering 1255 hectare at three ranges

(Pabhoi: 510 hectare, Diplonga: 305 hectare and Borgang: 440 hectare). Between June and August 1999 the Range Officers reported to the DFO that the plantations in the above ranges were completely destroyed by encroachers in 1997.

**3.96** The DFO in reply, stated (May 2000) that due to paucity of fund, eviction operations could not be taken up frequently and successfully. The reply of the DFO is not tenable as the Forest department maintains Forest (Protection) Force under Assam Forest (Protection) Force Act, 1986 to protect the forest produce and areas under forest from poachers, encroachers and smugglers.

**3.97** Thus, failure of the department to ensure adequate protection measures in preventing encroachments rendered the entire expenditure of Rs.42.51 lakh nugatory.

**3.98** The matter was reported to government in May 2001; their reply had not been received (October 2001).

## FINANCE DEPARTMENT

### Failure of senior officials to enforce accountability and protect the interests of Government

**3.99** Accountant General (AG) (Audit) arranges to conduct periodical inspection of Government Departments to test-check the transactions and verify the maintenance of important accounting and other records as per prescribed rules and procedures. When important irregularities, etc., detected during inspection are not settled on the spot, Inspection Reports (IRs) are issued to the Heads of Offices inspected with a copy to the next higher authorities. The Orders of State Government (March 1986) provide for prompt response by the executive to the IRs issued by the AG to ensure rectificatory action in compliance of the prescribed rules and procedures and accountability for the deficiencies, lapses, etc., noticed during his inspection. The Heads of Offices and next higher authorities are required to comply with the observations contained in the IRs and rectify the defects and omissions promptly and report their compliance to the AG. Serious irregularities are also brought to the notice of the Head of the department by the office of the Accountant General (Audit). A half-yearly report of pending IRs is sent to the Secretaries of the departments to facilitate monitoring of the audit observations in the pending IRs.

**3.100** Inspection Reports issued upto December 2000 pertaining to Civil Departments/Public Health Engineering Department/Public Works Department/Flood Control Department/Irrigation and Inland Water Transport Department disclosed that 34270 paragraphs relating to 7783 IRs remained outstanding at the end of June 2001. Of these 2529 IRs containing 7852 paragraphs had not been replied to/settled for more than 10 years. Year-wise

position of the outstanding IRs and paragraphs are detailed in the Appendix-XII. Even the initial replies, which were required to be received from the Heads of Offices within six weeks from the date of issue, were not received in respect of 44 departments for 2236 IRs issued between 1979-80 and 2000-2001. As a result, the following serious irregularities, commented upon in 2472 paragraphs involving Rs.359.38 crore, had not been settled as of May 2001.

(Rupees in crore)			
Sl. No.	Nature of irregularities	Number of paragraphs	Amount
(1)	(2)	(3)	(4)
1.	Non-observance of rules relating to custody and handling of cash, maintenance of cash book and muster rolls, etc.	385	37.51
2.	Securities from persons holding cash and stores not obtained.	11	0.05
3.	Stores not maintained properly, etc.	122	4.41
4.	Improper maintenance of log book of departmental vehicles.	43	1.26
5.	Local purchase of stationery etc., in excess of authorised limit and expenditure incurred without proper sanction.	226	7.52
6.	Delay in recovery of receipts, advances and other charges.	721	55.56
7.	Payment of grants in excess of actual requirement	70	2.27
8.	Want of sanction to write off, loan, losses, etc.	64	1.65
9.	Over-payments of amount disallowed in Audit not recovered.	255	6.40
10.	Wanting utilisation certificates and audited accounts in respect of grants-in-aid.	302	201.67
11.	Actual payee's receipts wanting	273	41.08
<b>Total</b>		<b>2472</b>	<b>359.38</b>

**3.101** A review of the IRs which were pending due to non receipt of replies, in respect of 55 departments, revealed that the Heads of the Offices, whose records were inspected by AG, and the Heads of the Departments (Directors/Executive Engineers) failed to discharge due responsibility as they did not send any reply to a large number of IRs indicating their failure to initiate action in regard to the defects, omissions and irregularities pointed out

in the IRs of the AG. The Commissioners and Secretaries of the concerned departments, who were informed of the position through half yearly reports, also failed to ensure that the concerned officers of the department took prompt and timely action.

**3.102** The above also indicated inaction against the defaulting officers and thereby facilitating the continuation of serious financial irregularities and loss to the government though these were pointed out in Audit.

**3.103** In view of large number of outstanding Inspection Reports and Paragraphs, the Government has constituted Audit Objection Committee at State level for consideration and settlement of outstanding audit objections. During July 2000 to April 2001, thirty-six meetings of the Committee were held in which 1782 IRs and 4638 Paragraphs were discussed and 379 IRs and 1921 Paragraphs settled.

**3.104** It is recommended that government should look into this matter again and ensure that procedure exists for (a) action against the officials who failed to send replies to IRs / Paras as per the prescribed time schedule, (b) action to recover loss/outstanding advances/overpayments in a time bound manner and (c) revamping the system of proper response to the audit observations in the department.

**3.105** In the meeting of the Apex Committee held in August 2001, chaired by the Chief Secretary and attended by all heads of government departments, the Chief Secretary directed all heads of administrative departments to take appropriate follow up action to streamline the process of submission of replies on inspection reports and paragraphs.

**3.106** The matter was reported to the government in June 2001; their reply had not been received (October 2001).

## GENERAL ADMINISTRATION DEPARTMENT

### Drawal of money in advance of requirement

#### Withdrawal of money in violation of Financial Rules led to locking up of Rs.35.46 lakh.

**3.107** According to the relevant rules, no money should be drawn from the treasury unless it is required for immediate disbursement or to avoid lapse of budget grant.

**3.108** Test-check (December 1999) of records of the Deputy Commissioner, Bongaigaon revealed that out of Rs.141.18 lakh\* drawn during 1997-98 to

\* 1997-98 : Rs.38.47 lakh; 1998-99 : Rs.47.68 lakh and 1999-2000 : Rs.55.03 lakh.



1999-2000 for various purposes viz., purchase of POL, requisition of vehicles, flood damage repairing and natural calamities etc., Rs.105.72 lakh were spent leaving an accumulated unspent balance of Rs.35.46 lakh\*\* in hand in the form of bank drafts/ cash as on the date of audit. Of the unspent balance, Rs.22.96 lakh was drawn between June 1998 and October 1999 and remained entirely unspent for 1 to 2 years from the date of their drawal.

**3.109** Thus, drawal of money in advance of actual requirement, contrary to rules resulted in locking up of Government fund amounting to Rs.35.46 lakh. Besides, retention of Rs.22.96 lakh in hand without utilisation even after 1 to 2 years of drawal as of March 2000 was highly irregular and unauthorised. The cost of retention of these funds, calculated at the average rate of 11 per cent of market borrowing by the state government over the last 2 to 4 years, amounted to Rs.9.17 lakh.

**3.110** The matter was reported to government in March 2001; their reply had not been received (October 2001).

#### **Unauthorised diversion of funds**

**Expenditure of Rs.71.24 lakh on miscellaneous works not related to natural calamities was sanctioned by the Government as debitable to relief works on account of natural calamities. Further the expenditure could not be vouchsafed due to non-submission of DCC bills.**

**3.111** The Assam Relief Manual provides that the major head of account 2245-Relief on account of natural calamities can be operated to accommodate the expenditure on restoration of damages caused by flood or any other natural calamities.

**3.112** A test-check (August-September 2000) of the records of Deputy Commissioner (DC) Kamrup revealed that between September 1999 and July 2000, the Government of Assam, Revenue (General) Department sanctioned Rs.71.24 lakh to the DC, Kamrup for repair and improvement of botanical garden, improvement of water supply scheme, improvement of roads, repair and restoration of markets belonging to Guwahati Municipal Corporation (GMC)/Gauhati University (GU) and directed that the expenditure be debited to the major head of account 2245-Relief on account of natural calamities.

**3.113** There was nothing on record to show that the works for which the amount was sanctioned were in the nature of restoration/repair of damages caused by flood or any other natural calamity. The debiting of expenditure to Relief on natural calamities was thus in violation of the provision of Assam Relief Manual and possibility of willful diversion could not be ruled out.

---

\*\* 1997-98 : Rs.1.23 lakh; 1998-99 : Rs.10.02 lakh and 1999-2000 : Rs.24.21 lakh.

**3.114** Further, the DC drew the entire amount in AC bill between December 1999 and July 2000 and disbursed Rs.54.04 lakh to the above institutions (GMC: Rs.40.54 lakh and GU: Rs.13.50 lakh) during January 2000 and August 2000 leaving Rs.17.20 lakh as undisbursed in hand as of March 2001. The cost of such retention calculated at the average rate of 11 per cent of the market borrowing by the state government over 1 to 2 years, amounted to Rs.2.61 lakh. The DC has not submitted the DCC bill in support thereof (April 2001) even after one year. This also indicated lack of financial discipline. The expenditure could not be vouchsafed in Audit.

**3.115** The matter was reported to government in June 2001; their reply had not been received (October 2001).

#### **Fictitious drawal of funds**

#### **Negligence in discharge of statutory duties on the part of Treasury Officer, Sivasagar led to fictitious drawal of Rs.1.57 crore.**

**3.116** During compilation of monthly accounts for the month of April 2000 the Treasury Officer, Sivasagar, who took charge on 7 April 2000 noticed (June 2000) that suspicious withdrawal of Rs.18.03 lakh\* had been made from the treasury in April 2000 in three bills pertaining to refund of compensation on account of land acquisition. The Treasury Officer immediately took up the matter (June 2000) with the Deputy Commissioner (DC), Sivasagar to ascertain drawals of such refund bills who, however, had confirmed that no such refund bills were submitted to the treasury in April 2000 and accordingly, ordered (June 2000) an enquiry into the matter. According to the enquiry report (June 2000), Rs.1.44 crore were withdrawn from the treasury between April 1998 and April 2000 by presenting 22 fictitious refund bills and the amounts were credited into 22 fictitious bank accounts opened in the State Bank of India (SBI), Sivasagar branch and subsequently withdrawn from the bank accounts. The DC, while reporting (June 2000) the case to the Commissioner and Secretary to the Government of Assam, Revenue Department had opined that defective system in transacting and accounting system had facilitated the fraudulent drawals. A FIR was lodged with the Police by the DC (June 2000) and subsequently the case has been handed over to CID\* (February 2001). The investigation in the matter is still in progress (July 2001).

**3.117** Subsequent audit scrutiny further revealed that an additional amount of Rs.13.19 lakh in 26 bills was drawn from above treasury during March 1997 to August 1999 on refund bills on account of land compensation. It was seen in audit that non-observance of the provisions of the relevant financial rules stipulating monthly reconciliation of the drawals by the DDO with the treasury facilitated the fictitious drawal of Rs.1.57 crore.

\* Rs.18.03 lakh included in Rs.1.44 crore.

\* Criminal Investigation Department.

**3.118** The matter was reported to government in August 2001; their reply has not been received (October 2001).

## **HOME (POLICE) DEPARTMENT**

### **Drawal of fund in advance of requirement**

#### **Rupees 0.32 crore drawn between January 1998 and November 1999 remained unspent for more than 3 years in violation of Treasury Rules.**

According to subsidiary order 50 read with Rule 16 of Assam Treasury Rules, no money should be drawn from the treasury unless it is required for immediate disbursement or to avoid lapse of budget grant.

**3.119** Scrutiny (July-August 2000) of records of the Director General of Police (DGP) Assam revealed that during January 1998 to November 1999 Rs.1.73 crore was drawn for purchase of machinery and equipment, vehicles etc. Out of this only Rs.1.41 crore could be utilised as of March 2001. The balance amount of Rs.0.32 crore as detailed in Appendix-XIII was retained in the form of deposit-at-call receipts\* (DCR). It was further observed that of Rs.0.32 crore, the entire amount of Rs.0.15 crore drawn in March 1998 was retained in DCR for more than 3 years.

**3.120** Evidently, funds (Rs.0.32 crore) were drawn far in advance of requirement which resulted in locking up of Government funds apart from undue aid to the bank. The cost of such retention calculated at the average rate of 11 per cent of the market borrowing by the state government over 15 to 36 months, amounted to Rs.10.63 lakh.

**3.121** The matter was reported to government in April 2001; their reply had not been received (October 2001).

#### **Inordinate delay in delivery of vehicles by fabricator led to locking up of Rs.23.99 lakh besides loss of Rs.6.12 lakh to Government due to non-realisation of compensation from the fabricator.**

**3.122** Scrutiny (January-February 2000) of records of the Director, State Fire Service Organisation (SFSO), Assam revealed that the Government of Assam had sanctioned (March 1996) Rs.1.03 crore\* for purchase of 17 truck chassis from the manufacturers and fabrication of the same by another firm. The Director, SFSO, drew the above amount in AC bill and kept the same in Revenue Deposit (RD) account in March 1996. Of this, Rs.93.75 lakh was

---

\* Deposit-at-call receipt is an instrument issued by the Bank which does not earn interest and can be encashed at any time.

\* Cost of 17 chassis: Rs.0.63 crore and Fabrication charges: Rs.0.40 crore.

withdrawn from RD and paid to the manufacturers and fabricator (manufacturers: Rs.63.29 lakh in April 1996 and fabricator: Rs.30.46 lakh between July 1998 and November 1998) and the balance of Rs.9.23 lakh was retained in RD as of May 2001.

**3.123** The manufacturers however, delivered all the 17 chassis to the fabricator between June 1996 and December 1998. The fabricator delivered 9 vehicles between May 1998 and January 1999 and 4 vehicles in December 2000 after delays of 63 to 99 weeks from the dates of delivery of the chassis by one of the manufacturers. The remaining 4 vehicles were yet to be delivered (October 2001).

**3.124** As per agreement, if the fabricator failed to deliver the vehicles duly fabricated and complete with all required fittings and fixtures etc., within the stipulated time of 60 days from the date of delivery of chassis the fabricator was liable to pay compensation for the delay to the department @ Rs.500.00 per week or part thereof per unit upto 80 days and thereafter @ Rs.1000.00 per week or part thereof upto 210 days.

**3.125** The department however, did not invoke the penal clause of the agreement against the fabricator for realisation of compensation for delays of 63 to 99 weeks, which resulted in a loss of Rs.6.12 lakh. Reasons for non-invoking of penal clause against the fabricator were not on record.

**3.126** Thus, delay in delivery of vehicles by the fabricator resulted in locking up of Rs.23.99 lakh\*\* with the fabricator and in RD for two and half-years to over 5 years besides loss of Rs.6.12 lakh as mentioned above. The cost of unproductive retention of Rs.14.76 lakh was Rs.9.07 lakh calculated at the average rate of 11 per cent of market borrowing by the state government during the period. The department was also deprived of modern fire-fighting equipment for an inordinately long time.

**3.127** The matter was reported to government in June 2001; their reply had not been received (October 2001).

#### Poor utilisation of loans

**Rupees 4.22 crore obtained from GIC as loan for purchase of fire fighting equipment/appliances remained unutilised for 2 years and benefit of balance Rs.2.22 crore was not derived despite regular payment of interest.**

**3.128** With the consent of Government of India under article 293(3) of the Constitution, Government of Assam, Home (Police) Department obtained a loan of Rs.4.22 crore from General Insurance Corporation (GIC), Mumbai in

** Cost of 4 un-delivered chassis vehicles	Rs.14.76 lakh
Amount kept in Revenue Deposit Account	Rs. 9.23 lakh
Total	Rs.23.99 lakh

March 1998 for the purpose of purchasing specified capital fire fighting equipment/appliances and construction of fire station buildings. The loan carried an interest of 13 per cent per annum repayable in 15 equal six monthly installments alongwith interest after one year from the date of availment of loan.

**3.129** The Government of Assam received Rs.4.20 crore instead of Rs.4.22 crore through a cheque from the GIC, Mumbai in March 1998 and deposited the same into Government account in April 1998. The terms and conditions stipulated that the loan was to be utilised within six months of its drawal. The DSFSO had submitted (March 1998) a proposal to the Home (Police) Department for purchase of (i) fire fighting equipment/appliances\*: Rs.2.50 crore and (ii) construction of 7 fire stations: Rs. 1.72 crore. The Home (Police) Department moved (May 1998) the Finance Department, Government of Assam, to release the above amount after making budgetary provision during 1998-99. The Government of Assam released Rs.2 crore to the Director, State Fire Service Organisation (DSFSO) during February and March 2000 i.e., two years after receipt of the loan and the DSFSO spent the released amount on purchase of fire fighting equipment and appliances during February and March 2000. The department has repaid Rs.1.89 crore (Principal: Rs.0.56 crore and Interest: Rs.1.33 crore) to the GIC upto September 2000.

**3.130** Scrutiny (January–February 2000) and subsequent examination of records of the DSFSO, revealed the following irregularities:

(i) The DSFSO, could utilise only 48 per cent of the loan during 1999-2000. The balance amount of Rs.2.20 crore remained unutilised in government account since the date of its drawal. In the context of the state government's reliance on ways and means advances and overdrafts the balance loan of Rs.2.20 crore was evidently diverted to meet other expenditure of the state government.

(ii) Delay in utilisation of the entire loan (Rs.4.20 crore) resulted in unproductive expenditure of Rs.1.08 crore as interest on unutilised loan\*.

(iii) The difference of Rs.0.02 crore between the loan sanctioned and the amount received from the GIC could not be explained to audit.

(iv) The Government of Assam approved (July 1998) purchase of nine fire fighting equipment/appliances# covering the loan amount of Rs. 4.20 core without making any provision for construction of fire stations, violating the terms and conditions of the loans.

---

\* 1. Hydraulic Platform 2. Water Tender Pump 3. Other essential fire fighting equipment.

• Rs.4.22 crore upto March 2000 and Rs.2.22 crore as of September 2000.

# 1.Water Tender Pump; 2.Mini Water Tender pumps; 3.Foam Tenders; 4.Cresh Tender; 5.Emergency Tender with full rescue equipment; 6.Recovery Vans 7.Portable Pumps; 8.Hydraulic Platform and 9.Delivery Hose etc.

**3.131** The matter was reported to government in June 2001; their reply had not been received (October 2001)

### HEALTH AND FAMILY WELFARE DEPARTMENT

#### Short-realisation of operation charges

**Due to non-adherence to Government directives on realisation of operation charges, the department sustained revenue loss of Rs.15.86 lakh.**

**3.132** Government Notification (June 1994) envisaged that operation charges at the rate of Rs.500 each for major and Rs.100 each for minor operation are to be realised in Medical College Hospitals with effect from 20 June 1994.

**3.133** Test-check (January-February 2000) of records of the Superintendent, Silchar Medical College Hospital (SMCH) revealed that the SMCH had undertaken 7176 operations during the period from January to December 1999. Against the realisable amount Rs.16.59 lakh<sup>+</sup> as operation charges, the Superintendent, SMCH had realised only Rs.0.73 lakh resulting in a short realisation of Rs.15.86 lakh.

**3.134** Reasons for short realisation of Rs.15.86 lakh for 7021 cases was neither on record nor stated to audit.

**3.135** The matter was reported to government in June 2001; their reply had not been received (October 2001).

#### Delay in release of central assistance under National Cancer Control Programme

**Central assistance of Rs.45 lakh released by the state government after delay of 30 months resulted in denial of benefit to the cancer patients.**

**3.136** In connection with the implementation of National Cancer Control Programme, Government of India had sanctioned and released Rs.45 lakh as central assistance to the state government in March 1998.

+

Category of operation	Amount realisable			Amount realised			
	No. of cases	Rate Rs.	Total Amount	No. of case	Rate Rs.	Total Amount	Amount of short realisation
Major	2353	500	11.77	144	500	0.72	11.05
Minor	4823	100	4.82	11	100	0.01	4.81
<b>Total</b>	<b>7176</b>		<b>16.59</b>	<b>155</b>		<b>0.73</b>	<b>15.86</b>

(Rupees in lakh)

**3.137** The state government retained the amount for 30 months and released the same only in August 2000 to the Director of Health Services (DHS). The amount was drawn in September 2000 by the DHS. Of which, Rs.38.70 lakh was utilised for treatment of cancer patients and balance of Rs.6.30 lakh remained unutilised till September 2001. Out of Rs.45 lakh, Rs.6 lakh meant for training was drawn in Abstract Contingent bill, for which no detail of expenditure and Detailed Countersigned Contingent bill could be produced to audit.

**3.138** Delay in release of funds by the state government thus, resulted in denial of facilities to the patients for 30 months, grossly violating the aims and objectives of the programme. The cost of retention of this money, calculated at the average rate of 11 per cent of market borrowing by the state government worked out to Rs.12.38 lakh.

**3.139** The matter was reported to government in June 2001; their reply had not been received (October 2001).

## **POWER, MINES AND MINERALS DEPARTMENT**

### **Unproductive investment**

#### **Ground water equipment worth Rs.14.45 lakh remained unutilised for the last 3 to 5 years.**

**3.140** Scrutiny (June 2000) of records of the Director, Geology and Mining, Assam revealed that the Director had procured ground water equipment viz., steel derricks and 150 mm dia 300 metre G.I. pipes valued at Rs.14.45 lakh during the period from March 1996 to March 1998. The equipment was not put to use (July 2001) since its procurement. The present condition of the equipment could not be ascertained in audit in the absence of last physical verification report conducted in June 1998.

**3.141** The Director stated (June 2000) that the equipment could not be utilised due to financial crunch but no records in support of demand made for fund to the government or from other departments for the works could be made available to audit. Thus, the entire expenditure of Rs.14.45 lakh on its procurement proved unproductive. The cost of such retention calculated at the average rate of 11 per cent of borrowing by the state government over the last 4 to 5 years amounted to Rs.6.63 lakh.

**3.142** The matter was reported to government in May 2001. In reply (September 2001) the government endorsed the response of the Director.

## SOCIAL WELFARE DEPARTMENT

### Injudicious and irregular cash management

#### Non-adherence to the provisions of the Treasury and Financial Rules by the head of the office resulted in retention of Rs.4.17 crore.

**3.143** As per relevant rules, no money should be drawn from the Treasury unless it is required for immediate disbursement or to avoid lapse of budget grant. Rules also provide that head of the office is personally responsible for proper accounting of all moneys received and disbursed and for the safe custody of cash. The closing cash balance should be physically verified at the end of every month and analysis of cash balance should be recorded in the Cash Book. The Government had also issued necessary instructions to departmental officers in February 1995 to discourage the practice of retention of heavy cash balance.

**3.144** Scrutiny (April-May 2000) of Cash Book and other relevant records of the Director of Social Welfare and Probation, Assam revealed that:

(i) The accumulated unspent balances of Rs.4.17 crore as on March 2000, meant for implementation of various social development schemes viz., Special Nutrition Programme, Integrated Child Development Services and purchase of material under those schemes etc., were kept in the form of Deposit-at Call Receipts/bank drafts (Rs.4.14 crore) and in cash (Rs.0.03 crore) and dated back to the years 1984 to 2000. Out of the above, Rs.8.07 lakh pertained to the period from March 1984 to April 1996. No details about the actual amount and date of drawal of the unspent balances could be made available to Audit. The cost of retention of Rs.4.09\* crore, calculated at the average rate of 11 per cent of market borrowing by the state government, amounted to Rs.2.21 crore.

(ii) No analysis and physical verification of the closing cash balances were carried out and certificate to that effect was found to have been recorded in the cash book.

(iii) Cash Book for the period from February 2000 to the date of audit were not closed by the Drawing and Disbursing Officer (DDO).

(iv) The Draft/DCR Registers, though maintained, were not authenticated by the DDO.

**3.145** The drawal of funds in advance of requirement and their retention in the form of DCR/bank draft/cash without periodical physical verification was violative of rules. Failure to conduct regular and periodic physical verification with cash balances is fraught with the risk of fraud or misappropriation of fund.

---

\* Rs.0.08 crore not taken into account being very old.



**3.146** The matter was reported to government in June 2001; their reply had not been received (October 2001).

## **TOWN AND COUNTRY PLANNING DEPARTMENT**

### **Locking up of Government money**

**Out of Rs.33 lakh drawn in March 1997, Rs.17 lakh (52 per cent) remained unutilised for the last four years.**

**3.147** The Government of Assam, Town and Country Planning (T&CP) Department sanctioned (March 1997) Rs.33 lakh as grants-in-aid for the year 1996-97 to seven Development Authorities\* for implementation of Master Plan. The Director, T&CP was asked to release the funds to the Development Authorities only after receipt of utilisation certificates for earlier grants.

**3.148** Scrutiny (July 2000) of records of the Director, T&CP revealed that the entire amount of Rs.33 lakh was drawn in March 1997 and retained in the form of Bank drafts. Of this, Rs.16 lakh was disbursed to four Development Authorities\*\* between August 1997 and February 2000 and the undisbursed amount of Rs.17 lakh kept in hand (July 2000). The reasons for non-disbursement of Rs.17 lakh to the remaining three Development Authorities were neither on record nor stated as of February 2001.

**3.149** The Government of Assam (Finance Department) had also directed (February 1999) all the Drawing and Disbursing Officers to refund all the unspent money into Government Account by February 1999. The Director, T&CP however, had not followed this direction.

**3.150** Thus, Rs.17 lakh was not only drawn by the department to avoid lapse of grant but was also not refunded as directed by Finance Department. This resulted in locking up of fund of Rs.17 lakh. The cost of this retention calculated at the average rate of 11 per cent of the market borrowing by the state government, amounted to Rs.7.48 lakh for four years. The desired objective of implementation of Master plan was also not achieved.

**3.151** The matter was reported to government in February 2001. In reply the government stated (March 2001) that grants-in-aid of Rs.5 lakh could not be released to Bongaigaon Development Authority in time due to revision of original scheme and delay in acquiring land but later on the same was released to the authority for implementation of the approved scheme and Rs.12 lakh drawn in respect of the Development Authorities, Tinsukia and Sivasagar were refunded to the Government account after retention of the same in hand for 4

---

\* Development Authorities, Tinsukia and Silchar @ Rs.7.00 lakh each; Dibrugarh, Sibsagar and Bongaigan @ Rs.5.00 lakh each; Jagiroad : Rs.3.00 lakh and Nazira : Rs.1.00 lakh.

\*\* Silchar Development Authority : Rs. 7 lakh; Dibrugarh Development Authority : Rs.5 lakh; Jagiroad Development Authority : Rs. 3 lakh and Nazira Development Authority : Rs. 1 lakh.

years as these authorities could not take up the scheme inspite of repeated instructions. Thus the drawal of amount not required for immediate payment and retention for 4 years was against financial rules.

### **Idle investment on purchase of ready built flats**

#### **Undue financial benefit of Rs.6.82 crore to HOUSEFED for purchase of 128 flats.**

**3.152** The Government of Assam had decided (September 1995) to purchase 128 flats by March 1996 at Natbama, Guwahati from the Assam State Co-operative Housing Finance Society Limited (HOUSEFED), Dispur for accommodating Secretariat staff. For this the government had sanctioned (January 1996) Rs.7.36 crore to the Director, Town and Country Planning (T&CP).

**3.153** The Director, T&CP had drawn Rs.7 crore and deposited (March 1996) into Revenue Deposit. The above amount was withdrawn and paid to HOUSEFED as advance (Rs.6 crore between October 1997 and September 1999 and Rs.1 crore in January 2001) without entering into any agreement.

**3.154** Against the admissible payment of Rs.6.82 crore for 128 flats, the department had paid Rs.7 crore to HOUSEFED. The excess payment Rs.0.18 crore was refunded in March 2001.

**3.155** The government of Assam stated (June and September 2001) that the advance payment was made to HOUSEFED considering their stringent financial condition for immediate completion of the required flats due to the emergent situation for shifting the Secretariat staff from their existing quarters. The reply is not tenable as the advance payment of Rs.6.82 crore made by the Director, T&CP to HOUSEFED for construction of staff quarters have remained unfruitful as no staff quarter has been readied for occupation. The state government made the payment out of revenue deposit of Rs.7 crore it credited by debit to the state account in 1996. The cost of the idle outlay is Rs.1.42 crore\*, calculated at 11 per cent, the average rate of market borrowing of the state government over the last 3 to 42 months.

---

\*1 crore from October 1997 to March 2001=42 months=Rs.38.50 lakh  
 1 crore from August 1998 to March 2001 =32 months=Rs.29.33 lakh  
 0.50 crore from July 1999 to March 2001 =21 months=Rs.9.63 lakh  
 0.50 crore from August 1999 to March 2001 =20 months=Rs.9.17 lakh  
 3 crore from September 1999 to March 2001=19 months=Rs.52.25 lakh  
 1 crore from January 2001 to March 2001 =3 months=Rs.2.75 lakh  
**Total Rs.141.63 lakh**

**BORDER AREAS DEVELOPMENT/PRINTING AND  
STATIONERY/HEALTH AND FAMILY  
WELFARE/ELECTION/RELIEF AND REHABILITATION  
DEPARTMENTS**

**Non-submission of Detailed Countersigned Contingent bills**

**Against the drawal of Rs.53.66 crore in Abstract Contingent bills by 5 departments, Detailed Countersigned Contingent bills for Rs.43.16 crore were not submitted in gross violation of financial rules.**

**3.156** Contingent charges may be drawn from the treasury by presenting Abstract bills, which require approval of the Controlling Authority before they can be admitted as legitimate expenditure. The Contingency Manual of the Government of Assam stipulates that detailed bills for the charges drawn in Abstract Contingent (AC) bills in a month should be submitted to the Controlling Officer by the 2<sup>nd</sup> of the following month. The Controlling Officer shall despatch all Detailed Countersigned Contingent (DCC) bills to the Accountant General (A&E) by 25<sup>th</sup> of the following month. The Treasury Officers should ensure that no payment is made after the 10<sup>th</sup> of a month on any AC bill unless it is certified by the drawing officer that all DCC bills for sums drawn on AC bills in the previous month have been forwarded to the Controlling Officer.

**3.157** The drawals in Abstract Contingent bills between 1998-99 and 2000-2001 by 5 (five) departments of the Government of Assam were test-checked in August-September 2001. The details of drawals in AC bills, their utilisation and submission of DCC bills are shown in Appendix-XIV, which, inter alia, presents an alarming picture of gross violation of financial discipline.

**3.158** Out of Rs.53.66 crore drawn in 280 AC bills between 1998-99 and 2000-2001, DCC bills had not been submitted (August 2001) for Rs.45.95 crore (86 per cent) to the Controlling Officers, which remained to be admitted as regular expenditure. DCC bills for Rs.7.71 crore (14 per cent) were only submitted to the Controlling Officers, who in turn sent the same to the office of the AG (A&E) as of August 2001.

**3.159** Out of the amounts drawn, Rs.44.39 crore were spent and Rs.2.00 crore were refunded to government account after retention for periods ranging from 2 to 22 months. The balance Rs.7.27\* crore remained unutilised as of August 2001. This indicated that funds were drawn without immediate requirement and only to avoid lapse of budget grants. The cost of retention of Rs.7.27 crore, calculated at the average rate of 11 per cent of market borrowing by the state government over last 7 to 44 months amounted to Rs.1.08 crore.

---

\* DCR: Rs.7.14 crore and Rs.0.13 crore in cash.

**3.160** The Drawing Officers, while drawing charges on AC bills in a month, blatantly certified that DCC bills for drawals of earlier months had been submitted by them when in fact they had not submitted DCC bills for earlier months. The Drawing Officers stated that the certificates were recorded as a matter of course. This indicated gross negligence of financial procedure by the Drawing Officers.

**3.161** Due to non-receipt of DCC bills, audit cannot provide any assurance about the correctness of actual utilisation of Rs.44.39 crore.

**3.162** The matter was reported to government in September 2001; their reply had not been received (October 2001).

## GENERAL

### Misappropriation, losses etc

**3.163** Two hundred and thirteen cases of misappropriation, losses etc., involving Government money amounting to Rs.3.62 crore reported to audit up to the end of March 2001 were pending finalisation at the end of July 2001. Department-wise details of the cases are given in Appendix-XV. Year-wise analysis of the outstanding cases is given below:

(Rupees in lakh)		
Year	Number of Cases	Amount
Up to 1989-90	186*	177.14
1990-91	4	5.45
1991-92	1	10.60
1992-93	7* *	7.78
1993-94	1	0.22
1994-95	3	0.93
1995-96	2	6.12
1996-97	5	8.04
1997-98	Nil	Nil
1998-99	1	0.05
1999-2000	1	0.37
2000-2001	2	145.65
<b>Total</b>	<b>213</b>	<b>362.35</b>

\* Money value involved in 8 cases not intimated by the department.

\* \* Money value involved in 2 cases not intimated by the department

Reasons for pendency are indicated below:

**(Rupees in lakh)**

	<b>No of Cases</b>	<b>Amount</b>
i) Awaiting departmental and criminal investigation	30	24.51
ii) Departmental criminal proceeding started but not yet finalised	96	207.72
iii) Criminal proceeding finalised but execution certificate / cases of recovery pending	13	3.14
iv) Pending in court of law	22	6.06
v) Awaiting orders for recovery/ write off	52	120.92
<b>Total</b>	<b>213</b>	<b>362.35</b>

**3.164** The above table indicates that 139 cases involving Rs.235.37 lakh in respect of serial numbers (i) to (iii) are pending due to delay in departmental action, investigation and recovery.