

CHAPTER-VI
FINANCIAL ASSISTANCE TO LOCAL BODIES
AND OTHERS

General

6.1 Autonomous Bodies and Authorities are set up to discharge generally non-commercial functions of public utility services. These Bodies/Authorities by and large receive substantial financial assistance from Government. Government also provides substantial financial assistance to other Institutions such as those registered under the respective State Co-operative Societies Act, Companies Act, 1956, etc., to implement certain programmes of the state government. The grants were intended essentially for maintenance of Educational Institutions, Hospitals, Charitable Institutions, construction and maintenance of Schools and Hospital buildings, improvement of roads and other communication facilities under Municipalities and Local Bodies.

Financial assistance to local bodies and others

6.2 The financial assistance provided to autonomous bodies and other institutions during 1998-99 to 2000-2001 was as under:

(Rupees in crore)

Sl. No.	Category of Institution	Amount of assistance paid					
		1998-99		1999-2000		2000-2001	
		Loans	Grants	Loans	Grants	Loans	Grants
1.	Universities and educational institutions	-	1.30	-	120.60	-	253.54
2.	Municipal corporation/Urban Sewerage Board	-	1.00	10.43	2.00	1.70	14.89
3.	Cultural institutions	-	-	-	2.48	-	3.64
	Assam state Housing Board	-	-	-	-	0.38	0.41
	Animal Husbandry	-	-	-	-	-	0.47
	Assam State Electricity Board	-	-	-	-	89.80	-
	Assam livestock and Poultry Corporation Limited	-	-	-	-	2.19	-
4.	Other Institutions	-	0.75	-	2.65	5.30	8.94
5.	Autonomous Councils						
	(a) General area	-	22.31	-	19.31	-	1.65
	(b) Sixth Schedule area	-	0.49	-	25.61	0.02	12.98
	Total	-	25.85	10.43	172.65	99.39	313.52

Department-wise abstracts of performance of the autonomous bodies

6.3 The details of department-wise abstract of performance of the autonomous bodies in the state are given below:

Departments	Total number of Bodies	Did not render accounts/ year of accounts	Did not render accounts in prescribed format	Did not utilise 50 per cent grants given in a year/amount remaining	Which diverted/misutilised the funds (including grants released by (GOI)/amount diverted/unutilised	Which did not maintain Cash book/maintain irregularly	Any other interesting point noticed form audit of account
Agriculture	4	-	1	1	2	1	State share of Rs.43.40 was not released for All India Coordinated Research Project of AAU, Jorhat during 1999-2000.
Handloom and Textiles	1	-	-	-	1	-	There were discrepancies of balances between Cash and Banks during the years 1997-98 and 1998-99.
Health and Family Welfare	3	2	-	-	-	-	-
Town and Country Planning	1	-	-	-	-	-	-

Audit of financial assistance to local bodies and others

Audit under Sections 14 and 15

6.4 According to the provisions of Section 14 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 (as amended from time to time), receipts and expenditure of bodies and authorities substantially financed by grants and /or loans from the Consolidated Fund of the State are audited by the Comptroller and Auditor General of India (CAG).

6.5 In order to identify the institutions which attract audit under Section 14 and 15 of the Act *ibid*, government/heads of departments are required to furnish to Audit every year detailed information about the financial assistance given to various institutions, the purpose for which assistance was sanctioned and the total expenditure of the institutions.

6.6 Despite requests (May 2001), the Finance Department did not furnish complete list of the various bodies/authorities to whom financial assistance was provided during 2000-2001. As a result, neither the amount of assistance given to each body/authority during the year could be ascertained (October 2001) nor a complete list of bodies/authorities to be audited under Section 14 of the Act *ibid* could be drawn up in audit.

6.7 As per information collected by audit 41 bodies/authorities were audited under Section 14 of the Act *ibid*. The status of submission of accounts by these bodies and completion of their audit as of August 2001 are given in Appendix-XXVI.

6.8 According to provision in the Manual for Integrated Rural Development Programme (IRDP), the District Rural Development Agencies (DRDAs) are required to submit their certified accounts to audit by 30 September each year.

The DRDAs however, did not submit their accounts for 1999-2000 and 2000-2001 till August 2001. As such, the amount of financial assistance received by the 23 DRDAs from the state/central government during 1999-2000 and 2000-2001 and utilisation thereof could not be ascertained.

6.9 The modalities for audit of the accounts of the following bodies/authorities other than DRDAs to whom financial assistance of Rs.21.86 crore, Rs.23.05 crore and Rs.25.87 crore were given during 1998-99 to 2000-2001 had not yet been finalised (October 2001) by the government. The matter is under correspondence with the government.

(Rupees in crore)

No.	Name of body	Year of establishment	Assistance given by Government		
			1998-99	1999-2000	2000-2001
1.	Bodoland Autonomous Council	May 1993	18.50	14.20	14.97
2	Mishing Autonomous Council	October 1995	1.35	2.78	1.78
3	Rabha Hasang Autonomous Council	July 1995	1.24	1.23	1.28
4	Lalung (Tiwa) Autonomous Council	July 1995	0.77	1.10	0.65
5	Assam Urban Water Supply and Sewerage Board, Guwahati	January 1987	-	3.44	6.97
6	Board of Sports, Assam, Guwahati	May 1977	-	-	0.22
7	Assam Tea Employees Welfare Board, Guwahati	Since 1960	-	0.30	
Total:			21.86	23.05	25.87

Source: Detailed Appropriation Accounts of the state government.

Audit under Section 19 (3)

6.10 Audit of accounts of the following bodies/authorities had been entrusted to the CAG under Section 19(3) of the Act *ibid*. The status of submission of accounts by the bodies/authorities and submission of Audit Reports thereon to the State Legislature is given below:

Sl No.	Name of Body	Period of entrustment	Date of entrustment	Year upto which accounts were due	Year upto which accounts submitted (as of August 2001)	Year upto which Audit Reports issued	Year upto which Audit Report had been laid before the Legislature	Reasons for non-finalization of Audit Report
1	Assam Khadi and Village Industries Board, Guwahati	2000-01 to 2004-05	4-12-2000	2000-01	1997-98	1996-97	Information awaited	Delay in submission of accounts.
2	Assam Agricultural University, Jorhat	1997-98 to 2001-2002	20-2-1997	2000-01	1999-2000	1998-99	-do-	-- do --
3.	Guwahati Metropolitan Development Authority, Guwahati	1992-93 to 1996-97	10-8-1999	2000-01	1996-97	1996-97	--	-- do --

Audit under Section 20 (1)

6.11 The audit of accounts of the following bodies has been entrusted under Section 20(1) of CAG's DPC Act, 1971 for a period of 5 years as detailed below:

Sl. No.	Name of Body	Period of entrustment	Date of entrustment	Year up to which audit completed	Remarks
1	Assam Institute of Management, Guwahati	1987-88 to 1992-93	01.12.1995	1992-93	Entrustment for subsequent periods not received (October 2001).
2	Society for Implementation of Assam Area Project, IIP-IX, Guwahati (World Bank project)	Upto June 2001	29-01-2001	1999-2000	Accounts for 2000-01 not received (October 2001).
3.	Regional Engineering College, Silchar	1998-99 to 2002-03	02.09.98	1999-2000	Accounts for 2000-2001 not received (October 2001).
4.	Assam Rural Infrastructure and Agricultural Services Project.	1998-99 to 2002-03	25-01-2000	1999-2000	--

Audit of bodies under Proviso to Sixth Schedule of the Constitution

6.12 Besides, the accounts of two Autonomous Councils viz., North Cachar Hills Autonomous Council, Haflong and Karbi-Anglong Autonomous Council, Diphu set up in April 1952 and June 1952 respectively are audited by the CAG under proviso to Sixth Schedule of the Constitution of India. The Audit Report on the accounts of these councils are submitted separately to the Governor for causing them to be laid before the Councils.

FINANCE (TAXATION) DEPARTMENT

Non-submission of Utilisation Certificates by grantee institutions

Utilisation certificates in respect of grants-in-aid of Rs.4.51 crore were not furnished to the department by 179 grantee institutions even after the lapse of 2 to 6 years.

6.13 Rule 6 of the Assam State Lotteries (Distribution of Net Profits) Rules, 1973 as amended in August 1977 clearly laid down that institutions receiving grants from the fund through the Director of State Lotteries (DSL) shall furnish utilisation certificate within a period of six months or within such time as may be extended, to the DSL, Assam for countersignature and onward transmission to the Accountant General (A&E), Assam. Further, if any institution is found to have not utilised the grant or have utilised the grant for a purpose other than that for which it had been given, it shall be liable to refund the grant in full, besides facing other penal action as may be decided by the Government.

6.14 The Director of State Lotteries, Assam had drawn and disbursed an amount of Rs.6.54 crore* during the period from 1994-95 to 1998-99 as grants-in-aid to 298 institutions* duly selected by a High Power Committee and sanctioned by Finance (Taxation) Department for development activities.

6.15 Of these, 119 institutions had submitted the utilisation certificates for Rs.2.03 crore and 179 institutions had not submitted utilisation certificates supported by audited statements of expenditure for Rs.4.51 crore* even after lapse of 2 to 6 years. The utilisation certificates were required to be submitted within six months from the date of receipt of the grants. It was also noticed that not a single utilisation certificate could be obtained by the department from the 15 institutions who had been given Rs.0.18 crore as grants during 1998-99. The Director had neither taken any effective steps to get the unutilised grants refunded nor imposed any penal action on defaulting institutions as laid down in the Government Notification (August 1977) except issuing reminders to defaulting institutions for submission of utilisation certificates. It was further observed that an amount of Rs.10 lakh was given to a Government medical institute in 1996-97 though submission of utilisation certificate and audited accounts for earlier grants of Rs.1 crore disbursed during 1994-95 was pending.

6.16 The Director failed to ensure timely submission of utilisation certificates for the grants released during 1994-95 to 1998-99 and ascertain that the grants

* 1994-95: Rs.4.26 crore; 1995-96: Rs.0.67 crore; 1996-97: Rs.0.38 crore; 1997-98: Rs.1.05 crore and 1998-99: Rs.0.18 crore.

* Non-Government Organisations, Schools, Colleges, Sports Clubs etc.

* 1994-95: Rs.2.53 crore; 1995-96: Rs.0.55 crore; 1996-97: Rs.0.33 crore; 1997-98: Rs.0.92 crore and 1998-99: Rs.0.18 crore.

of Rs.4.51 crore were actually utilised as per terms and conditions stipulated in the sanctions. In absence of the submission of stipulated certificates it could not be ensured that the grants were utilised for the purpose for which these were sanctioned.

6.17 In reply the Director stated (June 2001) that he had sought approval from the Government in October 2000 for taking penal action against the defaulting institutions.

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

FINANCE /PANCHAYAT AND RURAL DEVELOPMENT DEPARTMENTS

Non-release of grants by the centre

Due to non-holding of Panchayat elections in Assam since April 1997, the state government was deprived of getting central assistance to the tune of Rs.91.68 crore.

6.19 With a view to supplementing the resources of the Panchayati Raj Institutions (PRIs) of the State of Assam, the Tenth Finance Commission (TFC) recommended ad-hoc grant totalling Rs.133.36 crore payable by the Government of India (GOI) at the rate of Rs.33.34 crore each year during four years period of 1996-2000, being an additionality over and above the amount flowing to the local bodies (Gaon Panchayats) from state government,.

6.20 Scrutiny of records (July 2001) of the Director, Panchayat and Rural Development (P&RD) department disclosed that the Government of India released the entire recommended amount of Rs.33.34 crore for the year 1996-97 (Rs.16.67 crore in November 1996 and Rs.16.67 crore in March 1997). Out of the recommended amount of Rs.33.34 crore for the next year i.e., 1997-98, the GOI however, released only Rs.8.34 crore (November 1997). The balance grants amounting to Rs.91.68 crore were not released by the GOI due to non-fulfillment of stipulated conditions of releasing the grants to the state, which were as under:

Non-holding of Panchayat election

6.21 Grants recommended by TFC were only to be released to the elected Gaon Panchayats (GPs), wherever election was mandatory. Elections to the GPs are mandatory under Article 6 of the Assam Panchayat Act 1994. The state government could not hold elections to the Panchayati Raj Institutions since their dissolution in April 1997 till July 2001. In absence of elected GPs the grants were so far released through the Secretaries of Mahakuma Parishads

for implementation by a Block Level Committee in contravention of guidelines.

Non-contribution of matching grants

6.22 The grants were to supplement the resources of the local bodies and matching contribution of the state. The State Finance Commission (SFC) recommended payment of Rs.1000 per GP for the year 1997-98 and Rs.500 per GP per year during four years 1998-2001 by the state, but no contribution was made either by local bodies or the state government.

Non-submission of Utilisation Certificates

6.23 The grants were to be released by the Government of India on receipt of a certificate from the state government that grants released by the centre more than six months ago had been fully released to the local bodies. The government was also to ensure the actual utilisation of funds by the local bodies within 15 months from the date of release of such funds. Due to delay in disbursement of grants, ranging between seven and eighteen months from the date of drawal there was consequent delay in implementation and submission of utilisation certificates by the implementing authorities to the government. Out of total disbursement of Rs.41.68 crore to 43 Mahkuma Parishads, details of expenditure in respect of 9 Mahkuma Parishads for Rs.4.22 crore and 11 Mahkuma Parishads for Rs.6.47 crore were submitted to government only in September 1999 and July 2000 respectively. Utilisation records of Rs.30.99 crore from 23 Mahkuma Parishads were awaited (October 2001). In reply the government stated (September 2001) that despite pursuance the required utilisation certificates could not be obtained from the Director, P&RD.

6.24 Due to non-compliance with the aforesaid stipulated conditions by the Government of Assam, the GOI conveyed (June 1998) its inability to release further grants till holding of panchayat elections by the state. As a result, the state was deprived of substantial financial assistance to the tune of Rs.91.68 crore. The department of Panchayat & Rural Development in their reply (August 2001) accepted the facts and contended that due to unavoidable circumstances Panchayat elections in the state could not be held. The matching contribution also could not be provided by the state due to financial crunch.

6.25 The government in reply (September 2001) concurred with the views of the department.

GUWAHATI DEVELOPMENT DEPARTMENT

Idle investment

Lackadaisical attitude of the Government towards construction of quarter complex resulted in idle expenditure of Rs.27.91 lakh apart from retention of Rs.13.14 lakh in bank account for last 5 years.

6.26 In order to provide accommodation to employees of State Secretariat, the government had decided (April 1995) to construct 3700 residential quarters at Hengrabari, Guwahati. The government had entrusted execution of the works to the Guwahati Metropolitan Development Authority (GMDA). Accordingly, an amount of Rs.5 crore was sanctioned to the Director, Town and Country Planning (T&CP) during 1994-95. Estimate for the above works was not prepared. The entire amount of Rs.5 crore was drawn by the Director, T&CP and kept in Revenue Deposit in March 1995. Of this, Rs.41.05 lakh was released (March 1996) to the Chief Executive Officer (CEO), GMDA for architectural and engineering consultancy service in respect of the proposed government housing complex. The GMDA had entered into an agreement with M/s Development Consultants Limited (DCL), Calcutta, in November 1995 for undertaking seven* items of works.

6.27 Test-check (June-July 2000) of records of GMDA, Guwahati revealed that M/s DCL had partially executed four items of works between December 1995 and April 1996, for which Rs.17.93 lakh was paid to the firm between January 1996 and December 1999. The GMDA, however, terminated (December 1999) the agreement with the DCL due to abandonment of the scheme. Reasons for abandonment of the scheme were not on record.

6.28 Further, the GMDA awarded (February 1996) the work "Construction of approach road to Government complex at Hengrabari" to a contractor at a tendered cost of Rs.23.70 lakh with the stipulation to complete the work by March 1996. The contractor had taken up the work on 11 March 1996 but left after execution of a portion of the work and did not resume work till abandonment of the scheme (December 1999) despite reminders by the GMDA. The GMDA had paid Rs.9.70 lakh (May-June 1996) to the contractor in two running account bills.

6.29 It was seen in audit that an excess payment of Rs.3.95 lakh was made to the above contractor due to wrong recording of measurement of earthwork in

* (1). Topographic survey; (2). Geo-technical investigation; (3). Investigation of underground water; (4). Master plan for 67 hectare complex; (5). Land filling and grading plan; (6). Boundary wall/fencing and (7). Detailed design and Engineering work for phase-I development.

the measurement book. The GMDA however, did not recover the excess payment (May 2001).

6.30 Thus, due to abandonment of the scheme by the GMDA, the expenditure of Rs.23.96* lakh incurred by the GMDA proved to be infructuous. Besides, there was excess payment of Rs.3.95 lakh to the contractor and retention of Rs.4.59 crore in the Revenue Deposit by the Director, T&CP and Rs.13.14 lakh in the bank account of the GMDA since 1996. The cost of such retention, calculated at the average rate of 11 per cent of market borrowing by the state government over the last 5 years, amounted to Rs.7.23 lakh.

6.31 The matter was reported to government in June 2001. In reply the government stated (September 2001) that as the area is low-lying, unit cost of construction of quarters as prepared by the PW Department appeared to be on the higher side and therefore decision in the matter is yet to be taken.

PANCHAYAT AND RURAL DEVELOPMENT DEPARTMENT

Excess administrative expenses

In four District Rural Development Agencies, JRY and IRDP funds of Rs. 2.04 crore were diverted for meeting administrative expenses in excess of prescribed ceiling.

6.32 According to Integrated Rural Development Programme manual, expenditure on administrative infrastructure is to be restricted to 10 per cent, 12.5 per cent and 15 per cent of the total allocation for District Rural Development Agencies (DRDAs) having 8 or more blocks, 5 to 7 blocks and 4 or fewer blocks respectively. Similarly, Jawahar Rojgar Yojana manual provides for only 2 per cent of the total allocation on administrative expenses.

6.33 Scrutiny (December 1999–March 2000) of records of Project Directors in respect of 4 DRDAs (Jorhat, Tinsukia, Bongaigaon, and Goalpara) revealed that during 1996-97 and 1997-98, the DRDAs had incurred a total administrative expenses of Rs.3.28 crore. Of this, Rs.2.04 crore (165 per cent) was incurred in excess of permissible limit of Rs.1.24 crore as shown in Appendix-XXVII. The reasons for excess administrative expenses, however, could not be explained to audit.

* Consultancy charge Rs.17.93 lakh+Approach road Rs.5.75 lakh+Misc. expenditure Rs.0.28 lakh.

6.34 Evidently, diversion of Rs.2.04 crore towards administrative expenses deprived the beneficiaries under the schemes belonging to the weaker sections of the community of intended benefits to that extent.

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

Avoidable extra expenditure

Four Project Directors purchased GCI sheets at rates higher than those fixed by the Technical Committee of the Assam State Purchase Board resulting in extra expenditure of Rs.39.33 lakh.

6.36 As per provision of Section 7(1)(b) of the Assam Preferential Stores Purchase (APSP) Act 1989, the items under Schedule 11 of the Act shall be purchased by the indenting departments from the firms registered under the Industries Department at the price fixed by the Technical Committee constituted by the Assam State Purchase Board. The Technical Committee had fixed (October 1996) the rates of GCI sheets, being items listed in schedule 11 of the aforesaid Act, at Rs.29,442 per tonne (0.63 mm thickness) and Rs.30,314 per tonne (0.50 mm thickness) and subsequently (December 1996) reduced the rates to Rs.26,746 per tonne (0.63 mm thickness) and Rs.27,403 per tonne (0.50 mm thickness).

6.37 Scrutiny (December 1999–March 2000) of records of the Project Directors in respect of 4 District Rural Development Agencies (DRDAs) of Goalpara, Dhemaji, Tinsukia, Bongaigaon) revealed that 998.27 tonne GCI sheets worth Rs.3.13* crore were purchased by the DRDAs from five private manufacturers/suppliers between January 1997 and June 1998 at rates higher than those approved by the Technical Committee. This resulted in extra expenditure of Rs.39.33 lakh as shown in Appendix-XXVIII.

6.38 Besides, the government of Assam, Industries Department had issued (April 1998) instruction to all Heads of Departments and Project Directors, DRDAs, to take appropriate action under law if higher rates were charged by the manufacturers /suppliers from the Government departments/organizations.

6.39 The records produced to audit indicated that neither the department nor Project Directors of DRDAs had taken any action to recover the excess amount of Rs.39.33 lakh from the above manufacturers/suppliers. Thus,

* 77.23 M.T. @ Rs.29442 per M.T. = Rs. 0.23 crore
165.72 MT @ Rs.36615 per M.T. = Rs. 0.61 crore
755.00 MT @ Rs.30314 per M.T. = Rs. 2.29 crore
998.27 Rs.3.13 crore

failure of the department in enforcing the rates fixed by the Technical Committee led to an avoidable extra expenditure of Rs.39.33 lakh.

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

Purchase of GCI sheets at rates higher than those fixed by the Technical Committee led to an extra expenditure of Rs.16.01 lakh.

6.41 Scrutiny (September 2000) of records of the Project Director, (PD) District Rural Development Agency (PD, DRDA), Sonitpur revealed that the PD had purchased 550 tonnes of GCI sheets valued at Rs.1.67 crore from a local supplier between February 1997 and March 1998 at Rs.30314 per tonne which was higher than the rates approved by the Technical Committee. This resulted in extra expenditure of Rs.16.01 lakh*.

6.42 The government of Assam, Industries Department, had issued (April 1998) instruction to all Heads of Departments and Project Directors, DRDAs, to take appropriate action under law if higher rates were charged by the manufacturers/suppliers from the government departments/organizations under their control.

6.43 The Project Director had asked (June 1998 and December 1998) the supplier to refund the excess payment already made. However, neither the department nor the PD had taken any further action to recover the excess amount of Rs.16.01 lakh from the above supplier. Thus, failure of the department in enforcing the revised rates fixed by the Technical Committee resulted in an extra expenditure of Rs.16.01 lakh.

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

Infructuous expenditure

Three pig breeding centres and two eco-hatcheries constructed at a cost of Rs.10.90 lakh remained unutilised for the last 4 years.

6.45 Scrutiny (May-June 2000) of records of the Project Director, District Rural Development Agency (PD, DRDA), Dhemaji revealed that 4 pig breeding centres and 3 eco-hatcheries* were constructed during November 1994 and December 1996 at a total cost of Rs.16.23 lakh out of JRY fund. Of

* 550 tonnes x Rs.2911 (Rs.30,314-Rs.27,403)=Rs. 16,01,050.

* A type of hatchery used in production of fingerlings.

these, 3 pig breeding centres (Rs.7.14 lakh) and 2 eco-hatcheries (Rs.3.76 lakh) have remained non-functional since their completion till October 2001. The reason for non-functioning was not on records except for one eco-hatchery which was damaged by flood.

6.46 Thus, the expenditure of Rs.10.90 lakh as shown in Appendix-XXIX incurred on non-functional pig breeding centres and eco-hatcheries proved to be infructuous. Further, the cost of capital on the unproductive capital of Rs.10.90 lakh, calculated at the average rate of 11 per cent of market borrowing by the state government over last 32 to 61 months amounted to Rs.4.19 lakh.

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

Irregular execution of works

An amount of Rs.91.65 lakh was incurred against construction of community halls in eight blocks in violation of guidelines of EAS.

6.48 The primary objective of the Employment Assurance Scheme (EAS) is to provide gainful employment during the lean agricultural season to all able-bodied adults in rural areas who are in need of work. The secondary objective is the creation of economic infrastructure and community assets for sustained employment and development. As per guidelines on EAS, priority should be given to the works under the scheme, viz. water conservation, land protection, aforestation, primary school buildings and buildings for Anganwadis etc. All EAS works should be labour intensive only, having wage and non-wage component ratio of not less than 60:40.

6.49 Test-check (March 2000) of the records of Project Director (PD), District Rural Development Agency (DRDA), Goalpara, revealed that the PD had spent Rs.91.65 lakh for construction of 54 community halls in colleges/religious places under eight blocks during 1996-97 to 1997-98 in violation of the prescribed norms of the scheme guidelines. Further, the ratio of expenditure between wage (Rs.38.47 lakh) and non-wage (Rs.53.18 lakh) component was 42:58 against the prescribed norms of 60:40.

6.50 Thus, expenditure of Rs.91.65 lakh incurred against the above works, which were not covered under EAS, was unauthorised. Besides, non-

maintenance of expenditure ratio between wage and non-wage components resulted in short creation of 46583 mandays*, employment.

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

Irregularities in implementation of scheme

Unplanned implementation of GKY scheme in a district resulted in unfruitful investment of Rs.36.71 lakh for 2 years.

6.52 Ganga Kalyan Yojana (GKY), a centrally sponsored scheme, was launched in February 1997 for providing irrigation facilities through exploitation of available ground water (bore wells and tube wells) to individuals and groups of farmers living below the poverty line (BPL). The scheme was to be implemented in areas after ascertaining the availability of ground water from Central Ground Water Board (CGWB) for uplifting socio-economic condition of the rural poor by increasing yield through irrigation.

6.53 The individuals/groups would be assisted through subsidy from government and term credit from financial institutions. In case of group schemes, subsidy would be 75 per cent for beneficiaries belonging to SC and ST and 50 per cent for others. In case of individual beneficiaries, subsidy would be at the rate of Rs.5000 per acre of land subject to a ceiling of Rs.12500 per beneficiary.

6.54 The Project Director, District Rural Development Agency (PD, DRDA), Hailakandi had procured 187 pump sets and accessories for Shallow Tube Wells (STW) at a total cost of Rs.36.71 lakh (Pump sets: Rs.27.06 lakh and PVC pipe etc.,: Rs.9.65 lakh) during 1998-99 out of Rs.37.10 lakh* received from Government of India and state government between 1996-97 and 1998-99 for implementation of the scheme. The pump sets and accessories were issued to 5 Blocks during January 1999 to August 1999(Lala-52 STWs, Hailakandi-46 STWs, Algapur-55 STWs, Katlichara-16 STWs, and South Hailakandi-18 STWs).

(Rupees in lakh)

Year	As per actual execution (Wage)	As per EAS norms expenditure on wage should have been	Short creation of mandays
1996-97	20.29 (43 per cent)	28.09 (60 per cent)	7.80/Rs.33 per day=23,636
1997-98	18.18 (41 per cent)	26.90 (60 per cent)	8.72/Rs.38 per day=22,947
Total	38.47	54.99	=46,583

* Government of India (1st installment): Rs.13 lakh in 1996-97 and Rs.14.85 lakh in 1997-98 and State Government: Rs.9.25 lakh in 1998-99.

6.55 Scrutiny (May-June 2000) of records of the PD, DRDA, Hailakandi revealed the following irregularities:

(i) The Government of India did not release the second installment of GKY in respect of Hailakandi district for the year 1997-98 as installation of STW was not found feasible by CGWB. Despite this finding, the Commissioner and Secretary to the Government of Assam Panchayat and Rural Development (P&RD) directed (June 1998) the PD to procure and distribute the pump sets and accessories under the scheme. The PD stated (July 2000) that the scheme was taken up after proper assessment regarding feasibility of ground water but no such assessment report, either from the CGWB or from any other authority, could be produced to audit.

(ii) Although 187 STWs were distributed to the beneficiaries through Block Development Officers (BDOs), only 3 out of the 5 concerned BDOs had confirmed the installation of 89 STWs by the beneficiaries (Katlichara-16 STWs, South Hailakandi-18 STWs and Algapur-55 STWs) while BDO, Hailakandi stated (June 2000) that 46 STWs were neither distributed to the beneficiaries through the Block nor the BDO was aware about the utilisation. However, reasons for non-installation were not on record. The BDO, Lala could not furnish any information regarding installation of remaining 52 STWs till March 2001.

(iii) Non-installation of 98 STWs by the Hailakandi and Lala Blocks resulted in locking up of Rs. 19.24 lakh* for more than 2 years.

(iv) No follow up action had been initiated at any level to assess the functioning of the STWs as of June 2000.

(v) The Director, P&RD had intimated (June 1998) the approved rate of Rs.13,478 for each Kirloskar Brand 5 HP Diesel Pump set for STW to the PD, DRDA, Hailakandi. The PD however, purchased 49 pump sets at the rate of Rs.13,478 and 138 sets at the rate of Rs.14,825 which resulted in excess expenditure of Rs.1.86 lakh*

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

*Pump set: Rs.14470 each on average

Accessories: Rs.5160 each

Rs.19630 x 98=Rs.19.24 lakh

*138 pump sets X Rs (14,825-Rs.13,478)=Rs.1.86 lakh.

Doubtful expenditure

150 tonnes of GCI sheets yet to be delivered by the supplier against full payment of Rs.45.47 lakh made through proforma bill four years ago.

6.57 Scrutiny (September 2000) of records of the Project Director, District Rural Development Agency (PD, DRDA), Sonitpur revealed that an amount Rs.45.47 lakh was paid (April 1997) to a Guwahati-based supplier against proforma bill for supply of 150 tonnes of GCI sheet (50 mm thickness). The supply order was issued by the Director, Panchayat & Rural Development, Guwahati in March 1997.

6.58 The receipt of the materials could not be verified in audit as the PD, DRDA failed to submit the required details such as delivery challan/adjustment bill, vouchers, stock book entry etc. in support of supply of materials or any other proof regarding receipt even after a lapse of four years after payment. Moreover, receipt of materials was not certified on the body of the proforma bill at the time of payment.

6.59 The Project Director stated (September 2000) that the matter had been taken up with the concerned officials who had since been transferred to their parent department. However, it was not reported to the higher authority for investigation (March 2001). The improper payment procedure adopted by the PD, DRDA raises doubts about actual procurement and receipt of GCI sheets worth Rs.45.47 lakh.

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

Irregular expenditure/Idle expenditure

Agricultural inputs/implements worth Rs.20.19 lakh had not been received even after lapse of four years though the amount was fictitiously exhibited as expenditure in the annual accounts of the PD, DRDA.

6.61 The Director, Panchayat and Rural Development had decided in April 1997 to procure centrally agricultural implements/inputs⁺ by meeting the expenditure out of state share under IRDP for increasing agricultural production. The Project Directors of District Rural Development Agencies may hire the agricultural implements/inputs minimum @ Rs.100 per day as hire charge to the Field Management Committees (FMC), duly registered and recommended by the District Agricultural Officer.

⁺ Power Tiller, Power Tiller Trailer and Pump set.

6.62 Scrutiny (March 2000) of records of the Project Director, District Rural Development Agency, (PD,DRDA) Tinsukia, revealed that the Director, Panchayat and Rural Development, Assam had deducted Rs.64.19 lakh* at source from the state's shares of IRDP pertaining to the years 1996-97 and 1997-98 against the supply of agricultural implements/inputs to the PD, DRDA for utilisation in the scheme.

6.63 It was however seen in audit that though the PD had received 38 sets* of agricultural implements/inputs worth Rs.45 lakh during the above period. No records exhibiting receipt of implements/inputs costing Rs.19.26 lakh could be shown to audit. The PD had neither taken up the matter with the Director for obtaining the balance agricultural implements/inputs nor requested for refund of the amount. The PD had booked the entire amount of Rs.64.19 lakh as expenditure against the years 1996-97 and 1997-98. Records also disclosed that the PD, DRDA could earn Rs.0.81 lakh only as hire charges between 1996-97 and 1999-2000 which is indicative of the poor utilisation of the inputs. The reasons for poor utilisation were not found on record.

6.64 Thus, exhibition of Rs.19.26 lakh as expenditure without receiving the implements/inputs for last four years resulted in fictitious booking of expenditure to the scheme.

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

Agricultural inputs purchased at a total cost of Rs.33.28 lakh by PD/DRDA, Hailakandi remained idle for more than three years.

6.66 Scrutiny (May-June 2000) of records of the Project Director, District Rural Development Agency (PD, DRDA), Hailakandi revealed that the PD had received 13 sets* of agricultural implements/inputs and 15 power tillers and 15 pumps worth Rs.33.28 lakh between April 1997 and March 1998 from the Director, Panchayat and Rural Development Department, Assam against the state's share of IRDP.

6.67 The inputs were distributed to 5 Block Development Officers (BDOs) during June 1997 and June 1998. According to the guidelines for supply of inputs under the Programme, the PD, DRDA/BDO was required to maintain a register and watch the recovery of hire charges and also record expenditure on repair/maintenance etc. However, no such record could be made available to audit. On an audit enquiry it was stated that 2 out of 5 BDOs to whom the above implements/inputs* were issued, had furnished the information about

* 1996-97: Rs.22.10 lakh and 1997-98: Rs.42.09 lakh.

* 38 Power Tillers, 17 Power Tiller Trailers and 38 Pump sets.

* A set comprising of one Power Tiller, one Power Tiller Trailer and one pump set.

* Hailakandi Block=3 sets and 4 Power Tillers & 4 Pumps; Algapur Block=3 sets and 3 Power Tillers & 3 Pumps; Lala Block=3 sets and 4 Power tillers & 4 pumps; Katlichara Block= 2 sets and 2 Power Tillers & 2 Pumps and South Hailakandi Block= 2 sets and 2 Power tillers & 2 Pumps.

utilisation of 8 (eight) sets upto May 2000 and realising Rs.0.17 lakh as hire charges during June 1997 and May 2000 which indicated gross under utilisation of the inputs (utilisation was only 2.53 per cent). Remaining 3 BDOs did not furnish any information (April 2001). Scrutiny of records further revealed that 13 pumps worth Rs.1.87 lakh still remained unused in the Block godowns. The PD stated (July 2000) that all the Power Tillers had gone out of order and required major and minor repairs. The dates since when the Power Tillers went out of order were neither stated nor found on record.

6.68 Thus, under utilisation of the agricultural equipment resulted in unnecessary procurement and locking up of funds to the extent of Rs.33.28 lakh for more than 3 years apart from non-achieving of the objectives.

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

Purchase of furniture without assessing requirement

Procurement of steel furniture in contravention of the SLCC decision led to irregular and avoidable expenditure of Rs.38.22 lakh.

6.70 The Chairman of State Level Co-ordination Committee (SLCC) of Panchayat and Rural Development Department in a meeting held in October 1997, suggested that the existing meeting halls/auditoria, wherever available, may be renovated or extended instead of taking up new construction. The Chairman also advised assessment of the requirement of furniture and supplying the same for the purpose of holding meetings/seminars.

6.71 Test-check of records (October-November 2000) of the Director, Panchayat and Rural Development (P&RD), Assam revealed that although only 33 out of 218 Block Development Officers had submitted requirement of furniture costing Rs.6.82 lakh (@Rs.20661 per block), the Director, P&RD purchased (during November 1998 to February 1999) furniture worth Rs.45.04 lakh from two local manufacturers at the approved rates of Assam State Industrial Development Corporation Limited (ASIDC), for distribution to all the 218 Block Development Offices in the State. Director, P&RD could not furnish to audit the records showing expenditure sanction of Rs.45.04 lakh and source of funds to meet such expenditure. Approval of the competent authority for procurement of 2 conference tables, 5 steel armed chairs and 20 steel armless chairs for each block office could not also be shown to audit.

6.72 The Director, P&RD had made payment to the suppliers of furniture on the basis of certificates recorded on the bills by the Joint Director (P&RD) against delivery challans attached to the bills in which BDOs had only indicated receipt of furniture in good condition without mentioning the items

of furniture, quantity received, date of receipt, page number and stock book number in which these were accounted for.

6.73 In the absence of expenditure sanction, assessment of furniture actually required and stock certificate from the actual recipients of furniture, the expenditure of Rs.45.04 lakh could not be vouchsafed in audit.

6.74 Failure of the Department to assess the need for procurement and supply of furniture resulted in avoidable extra expenditure of Rs. 38.22 lakh (185 blocks @ Rs.20661 per block).

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

Guwahati
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