

Report of the Comptroller and Auditor General of India

For the year ended 31 March 2010



लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest

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

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

For the year ended 31 March 2010

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

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PREFACE

This Report has been prepared for submission to the Governor of Meghalaya under Paragraph 7(4) of the Sixth Schedule to the Constitution of India. It relates mainly to the issues arising from the audit of the transactions of the Jaintia Hills Autonomous District Council, Jowai, Meghalaya for the year 2009-10.

2. This Report contains three Chapters, the first of which deals with the Constitution of the Jaintia Hills Autonomous District Council, the rules for the management of the District Fund and maintenance of accounts by the District Council. Chapter-II depicts Autonomous District Council Fund position and Chapter III deals with compliance issues during test-audit of the transactions of the Council for the year 2009-10.

OVERVIEW

OVERVIEW

This Report contains three Chapters. Chapter–I provides a background on the formation of the Autonomous District Council, Rules for the management of the District Fund and relevant Constitutional provisions on maintenance of Accounts. Chapter II gives an overview on the financial position of the Council and budgetary process during the year. Chapter–III deals with the audit findings pertaining to compliance audit of the Council for the year 2009-10 and contains seven paragraphs.

Internal Control

An evaluation of internal control system in the Council shown that internal control mechanism was weak which is evident from persistent irregularities like discrepancy in cash balances as per annual accounts, retention of heavy cash balances, delay in depositing the Council's revenue, incurring of unfruitful expenditure, non-maintenance of records, *etc.* Due to weak internal controls, the attempt on the part of Audit to examine the annual accounts and transactions of the Council was constrained to that extent. Above failure in internal controls under Financial Management is fraught with risks of fraud, misappropriation and financial irregularities, which might remain undetected.

Recommendations

The JHADC needs to strengthen its internal control mechanism, make internal Audit wing functional including imparting training to its staff and take action on deficiencies in record keeping.

JHADC may seek the help from State Government and utilise its training facility for training and capacity building at all levels in the administrative hierarchy of the Council ensuring proper book keeping, record maintenance, supervision, control and monitoring.

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

2. Autonomous District Council Funds

The receipts of the Council were ₹ 35.19 crore and fell short of the BE by 49.5 *per cent* during 2009-10.

(Paragraph 2.2)

The expenditure of the Council was ₹ 31.11 crore and fell short of the BE during the year 2009-10 by 55.5 *per cent*.

(Paragraph 2.2)

Mention was made in Paragraph 3.1 of the Report of the Comptroller and Auditor General of India for the year ended 31 March 2005 that the closing balance of cash in hand as on 30 September 2004 was ₹ 5.49 crore. On the following month (01 October 2004) a new Cash Book was opened without any attestation or authorisation order and

thus fund amounting to ₹ 5.49 crore was unauthorisedly removed from the cash book. This fund was not brought back into the subsequent Cash Books for the year 2005-06 to 2009-10.

Discrepancies in the opening and closing cash balances as pointed out by Audit had not been reconciled during the preparation of the Annual Accounts for the year 2009-10. As such, the opening and closing balances do not reflect true and correct picture of the Annual Accounts of JHADC.

In such circumstances, audit is unable to certify the annual accounts of JHADC for the year 2009-10, and until the time the Cash Book of the entity is fully reconciled and presented to the Audit.

(Paragraph 2.3)

Recommendations

Council may draw up action plan to increase its income from own sources and spend wisely on revenue generation activities for financial sustainability.

The Council may undertake detailed budgetary analysis and reviews to identify and increase productive expenditure on activities and schemes; and

In light of the above observations, Audit recommends to the State Government that non-salary grants-in-aid to the JHADC may be suspended till the annual accounts of JHADC are set in order and audited by the C&AG.

3. Compliance Audit Observations

During 2009-10, revenue receipts were belatedly deposited into the Treasury after delays ranging from 52 days to 150 days in contravention of Council's Fund Rules.

(Paragraph 3.1)

Council made six direct appointments at Grade-III posts without following any Recruitment Rules process, any advertisements and without conducting competitive examinations.

(Paragraph 3.2)

Incomplete works were noticed out of 12th Finance Commission Grants even after expiry of seven years from the date of sanction. Despite expenditure of ₹ 320.26 lakh and unspent funds to the tune of ₹ 54.74 lakh relating to works of Maintenance of Audit and Accounts, Creation of Database for sanctions and relating to drinking wells and sanitary latrines, these works were not completed and utilised. Further, Utilisation Certificates were irregularly issued by the Council before completion of assigned works and expenditure.

(Paragraph 3.3)

Contractors were paid without deducting VAT amounting to ₹ 10.55 lakh which resulted in revenue loss to the Government and undue favour to the contractors.

(Paragraph 3.4)

Expenditure of ₹ 17.88 lakh incurred on various Committees without any activity could not be verified.

(Paragraph 3.5)

The Council deployed teachers to Non- District Council Lower Primary schools without approvals of the State Government nor any guidelines in place.

(Paragraph 3.6)

The Council granted the Discretionary Grant and Gratuitous Relief to the Members District Council in an ad hoc and haphazard manner without any rules and regulations resulting in huge financial liability on the Council.

(Paragraph 3.7)

Recommendations

Council may maintain cashbook in an appropriate manner and reconcile with basic documents.

Council may develop adequate monitoring system to ensure timely completion of works for which grants are received.

Council may streamline and fix responsibility for issue of correct utilisation certificates to State Government / grantees.

Council may take steps to complete all the incomplete works out of 12th Finance Commission grants on priority.

Systems for strengthening internal controls and checks in the Council Departments and Subordinate offices may be put in place on priority;

Council may frame proper guidelines with the approval of State Government for deputing teachers to Non-District Council Lower Primary Schools.

Council may ensure that all recruitments to the Council are made by following due process.

Council may devise a charter that should clearly prescribe the Committee's role and responsibilities, composition, structure and membership requirements, authority, processes and procedures for reporting recommendations.

Council may clearly define objectives and activities to be taken up under Members Discretionary grants. They may also ensure proper documentation and accounts of the grants given to members.

Council may ensure timely submission of Annual Accounts to the Accountant General to adhere with prescribed timeline.

Council may ensure proper maintenance and upkeep of records for better accountability and financial discipline.

Council may impress upon Audit Committee to discuss audit reports and ensure action on audit observations.

CHAPTER-I

CONSTITUTION, RULES AND MAINTENANCE OF ACCOUNTS

Chapter-I

Constitution, Rules and Maintenance of Accounts

1.1 Profile of Jaintia Hills Autonomous District Council

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

The Sixth Schedule to the Constitution provides for administration of specified tribal areas by constituting a District Council for each autonomous district with powers to make laws on matters listed in Paragraph 3 (1) of the Schedule mainly in respect of allotment, occupation, use of land, management of forests other than reserved forests, use of any canal or water courses for irrigation purposes, regulation of the practice of “Jhum”¹ or other forms of shifting cultivation, establishment of village or town Committees or Councils and their powers, village or town administration including police, public health and sanitation and inheritance of property.

Under paragraph 6(1) of the Sixth Schedule, the Council has the powers to establish, construct or manage primary schools, dispensaries, markets, ferries, fisheries, roads, roads transport and waterways in the Autonomous District. Paragraph 8 of the Schedule further empowers the Council to assess, levy and collect within the Autonomous district, revenue in respect of land and building, taxes on professions, trades, calling and employment, animals, vehicles and boats, tolls on passengers and goods carried in ferries and the maintenance of schools, dispensaries or roads.

1.2 Rules for the management of the District Fund

The Sixth Schedule provides for the constitution of a District Fund for each Autonomous District, to which shall be credited all moneys received by the Council in the course of administration of the districts in accordance with the provisions of the Constitution. In terms of paragraph 7(2) of the Schedule, Rules are to be framed by the Governor for management of the District Fund and the procedure to be followed in respect of payment for money into the said fund, the withdrawal of money therefrom, the custody of money therein and any other matter connected with or ancillary to these matters. These rules had not been finalised (June 2020). Meanwhile, the affairs of the Jaintia Hills Autonomous District Council were being regulated in accordance with the Jowai Autonomous District Fund Rules, 1967.

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

1.3 Maintenance of Accounts and Audit Arrangements

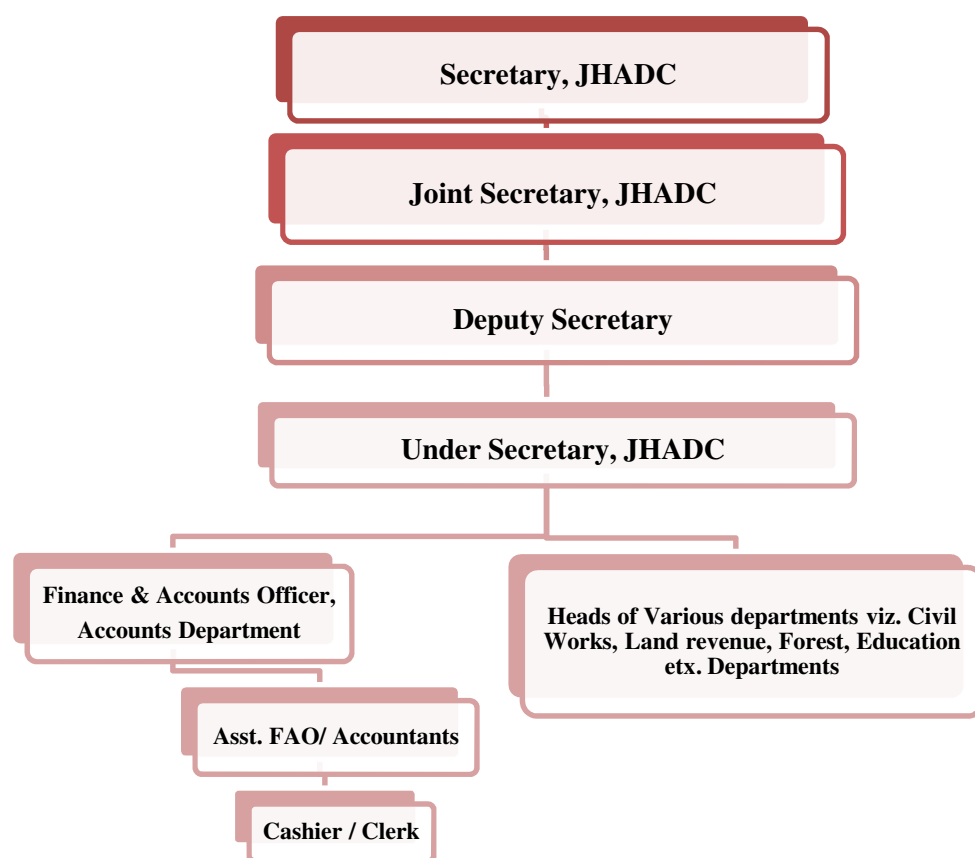
In pursuance of Paragraph 7 (3) of the Sixth Schedule to the Constitution, the form in which the accounts of the District Council are to be maintained was prescribed by the Comptroller and Auditor General of India, with the approval of the President in April 1977.

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

1.4 Administrative Set-up of the Council

The Council is administered by the Secretary to the Executive Committee and have departments such as the General Administration Department, Finance & Accounts, Land Revenue, Forest etc. Finance & Accounts Department is manned with Finance & Accounts Officer, Assistant Finance & Accounts Officer, Accountant, Assistant Accountant, U.D.A, L.D.A *etc.* to conduct day-to-day business of the council. Administrative hierarchy is depicted in **Chart 1.1**:

Chart 1.1: Administrative set-up of JHADC



Source: JHADC records.

1.5 Delay in submission of Annual Accounts

Rule 97 of the Jowai Autonomous District Fund Rules, 1967 stipulates that the Annual Accounts of the Council should be prepared as per the prescribed forms and forwarded to the Accountant General by 30 June each year. The annual accounts of the Council for the year 2009-10 was however, submitted to the Accountant General (Audit), Meghalaya after a delay of more than seven years.

This led to delay in conduct of audit of annual accounts of the Council with consequential delay in finalising the Audit Reports.

The Secretary, Executive Committee, JHADC stated (November 2020) that Annual Accounts remained pending due to non-availability of experienced staff in dealing with accounts and financial matters. However, consequent upon appointment of a Consultant, Finance & Accounts in the Council, the position has improved. It is expected that the Council would be able to submit accounts in arrear of during 2020-21.

Proper and accurate compilation of financial information of Council and its disclosure, in a manner that is standardised and understood by stakeholders, is central to the credibility of those charged with governance. Council may regulate the preparation of financial information and its audit, as envisaged in Fund Rules.

1.6 Internal Control

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

An evaluation of internal control system in the JHADC, revealed that internal control mechanism in the Council was weak which is evident from persistent irregularities like discrepancy in cash balances as per annual accounts, retention of heavy cash balances, delays in depositing the Council's revenue to Council's Account, non-maintenance of Cash Book, absence of any internal audit, non-maintenance of Asset Register and absence of physical verification of assets; physical Verification of stores and stock not conducted; non-reconciliation of cash balance with treasury and bank accounts; non-maintenance of ledger accounts *etc.* We consider absence of and weak internal controls, as serious audit constraints.

Council in its reply (November 2020) accepted audit observation and stated that efforts are being made to establish Internal Audit Wing.

Effective internal control reduces the risk of asset loss, and helps to ensure that information is complete and accurate, financial statements are reliable, and day-to-day operations are conducted in accordance with the provisions of applicable laws and regulations. Council may establish a strong internal control system for good governance.

1.7 Recommendations

- *The JHADC needs to strengthen its internal control mechanism, make internal Audit wing functional including imparting training to its staff and take action on deficiencies in record keeping.*
- *JHADC may seek the help from State Government and utilise its training facility for training and capacity building at all levels in the administrative hierarchy of the Council ensuring proper book keeping, record maintenance, supervision, control and monitoring.*

CHAPTER-II

AUTONOMOUS DISTRICT COUNCIL FUNDS

Chapter II

Autonomous District Council Funds

2 Introduction to Autonomous District Council Funds

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

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

A. District Fund

District Fund further had two divisions namely: (i) Revenue Section for Revenue Receipts and Expenditures and (ii) Capital Section for Capital Receipts and Expenditures, Public Debt, Loans and Advances. The first division shall deal with the proceeds of taxation and other receipts classed as revenue and expenditure met there from. It shall also include the grants and contributions received from the Government and also grants and contributions by the Council. The second division shall deal with expenditure of Capital nature met from borrowed funds. It also comprised of loans received and their repayments by the Council and loans and advances and their recoveries by the Council.

B. Deposit Fund

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

2.1 Receipts and Disbursement

The receipts and expenditure of JHADC for the year 2009-10 were as follows:

Table 2.1: Summarised position of Accounts for the year 2009-10

(₹ in crore)

PART –I DISTRICT FUND ²					
Receipts			Disbursement		
2008-09	1. Revenue Receipt	2009-10	2008-09	Revenue Expenditure	2009-10
1.42	(i) Taxes on Income and expenditure	2.35	0.68	(i) District Council	0.64
0.26	(ii) Land Revenue	0.39	2.73	(ii) Land Revenue	3.20
0.33	(iii) Other Administrative Services	0.26	0.39	(iii) Other Administrative Services	0.47
0.12	(iv) Stamps and Registration	0.11	6.22	(iv) Executive Members	1.63
0.62	(v) Taxes on Vehicles	0.18	5.27	(v) Secretariat General Services	5.34
0.29	(vi) Interest Receipts	0.22	0.18	(vi) Stationery and Printing	0.27
0.35	(vii) Other General Economic Services	0.27	6.01	(vii) Public Works	4.64
0.02	(viii) Fisheries	0.02	0.86	(viii) Pensions and other retirement benefits	1.00
0.30	(ix) Forest	1.21	0.25	(ix) Fisheries	0.00
25.30	(x) Mines & Minerals	20.46	8.52	(x) Forest	7.32
0.38	(xi) Grants-in-aid from State Government	6.54	0.34	(xi) Urban Development	0.56
0.75	(xii) 12th Finance Commission	3.00	2.86	(xii) Education	3.82
0.00	(xiii) 13th Finance Commission	0.00	0.18	(xiii) Information and Publicity	0.18
0.02	(xiv) Stationery and Printing	0.01	3.50	(xiv) Relief on account of natural calamities	1.29
	Enforcement – Trading by Non Tribes	0.17			
			1.02	(xv) Agriculture	0.75
			0.25	(xvi) Minor Irrigation	0.00
30.16	Total Revenue Receipt	35.19	39.26	Total Revenue Expenditure	31.11
9.10	Revenue Deficit	-	-	Revenue surplus (₹35.19-₹31.11 = ₹4.08)	4.08
-	2. Capital			2. Capital	
-	3. Debt			3. Debt	
-	4. Loans and Advances	-		4. Loans and Advances	
30.16	Total Part-I District Fund	35.19	39.26	Total Part –I District Fund	31.11
PART II- DEPOSIT FUND					
-	Deposit receipts	-	-	Deposits Payments	-
-	Total of part II Deposit fund	-	-	Total of Part II Deposit fund	-
30.16	Total receipts (I + II)	35.19	39.26	Total Disbursements (I+II)	31.11
24.29	Opening balance	15.19	15.19	Closing balance ³	19.27
54.45	Grand total	50.38	54.45	Grand total	50.38

Source: Annual Accounts of the Council.

² To which shall be credited all money received by the Council in the course of Administration of the District in accordance with the provisions of the Constitution.

³ 2009-10: Cash - ₹ 3.62 crore; PLA - ₹ 2.20 crore; Investment - ₹ 13.45 crore.

Resources, availability of funds and expenditure

JHADC collected its own revenue through:

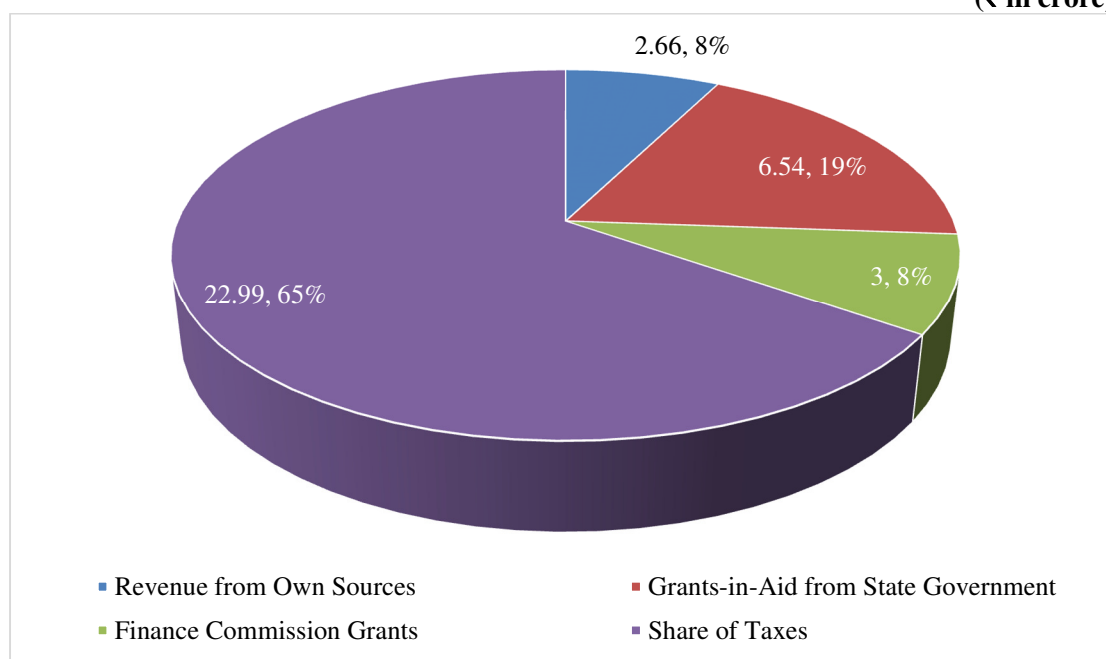
- Trade licenses, market auction, bank interest, fisheries and Public Works Department (PWD) levy, etc.;
- Share of taxes collected by the State Government on agricultural income, land revenue, taxes on vehicles, forest, mines & minerals and taxes on profession.
- Resources made available by the State Government through the State Plan and 12th Finance Commission Award.

During 2009-10, JHADC generated⁴ ₹ 2.66 crore from its own sources, received ₹ 22.99 crore as share of taxes, ₹ 6.54 crore⁵ as Grant-in-aid from the State Government and ₹ 3.00 crore from the 12th Finance Commission.

Chart-2.1 depicts the composition of resources of JHADC amounting to ₹ 35.19 crore during 2009-10.

Chart No. 2.1: Composition of Aggregate Receipts

(₹ in crore)



Sources: Annual Accounts of the Council.

⁴ Revenue of JHADC:

Head	₹ in crore	Head	₹ in crore
Revenue from Own Sources		Share of taxes	
Land Revenue	0.39	Taxes on income & expenditure	2.35
Stamps & Registration	0.11	Taxes on vehicle	0.18
Interest Receipts	0.22	Mines & Minerals	20.46
Fisheries	0.02		
Forest	1.21		
Other sources	0.54		
Enforcement - TNT	0.17		
Total	2.66		22.99

⁵ Grants in aid from State Government: ₹ 6.54 crore (Land Survey & Reform: ₹ 0.03 crore + Forests: ₹ 0.14 crore + Public Works: ₹ 6.37 crore).

Finances of JHADC for the years 2009-10 are analysed below:

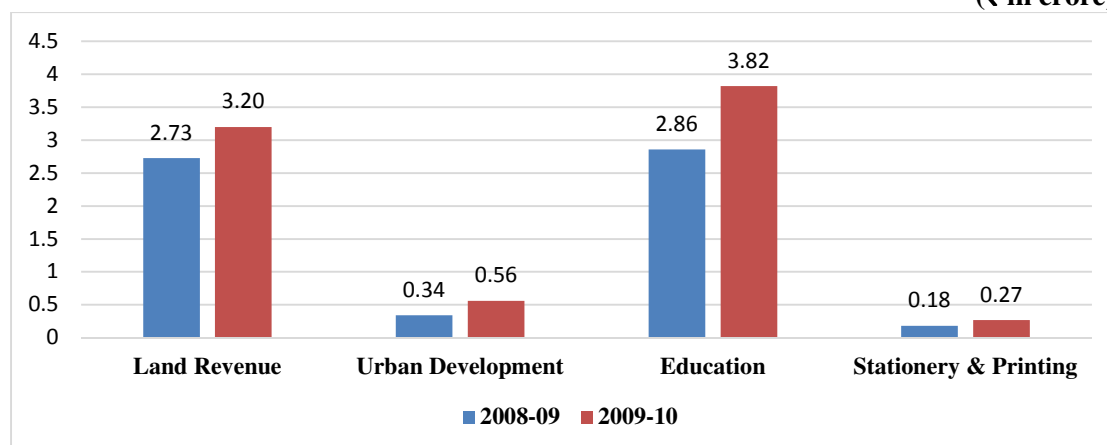
➤ Total revenue receipts increased by more than 17 *per cent* from ₹ 30.16 crore in 2008-09 to ₹ 35.19 crore in 2009-10. This increase was primarily due to increase in Grants-in-aid received from the State Government from ₹0.38 crore in 2008-09 to ₹ 6.54 crore in 2009-10.

➤ Total revenue expenditure decreased by more than 21 *per cent* from ₹ 39.26 crore in 2008-09 to ₹ 31.11 crore in 2009-10. This decrease was primarily due to decrease in expenditure under Executive Members (74 *per cent*), Public Works (23 *per cent*), Forest (14 *per cent*) and Relief on account of Natural Calamities (63 *per cent*)

Details of increase in expenditure during 2009-10 compared to previous year *i.e.* 2008-09 is shown in **Chart 2.2:**

Chart 2.2: Departments which spent more funds compared to 2008-09

(₹ in crore)

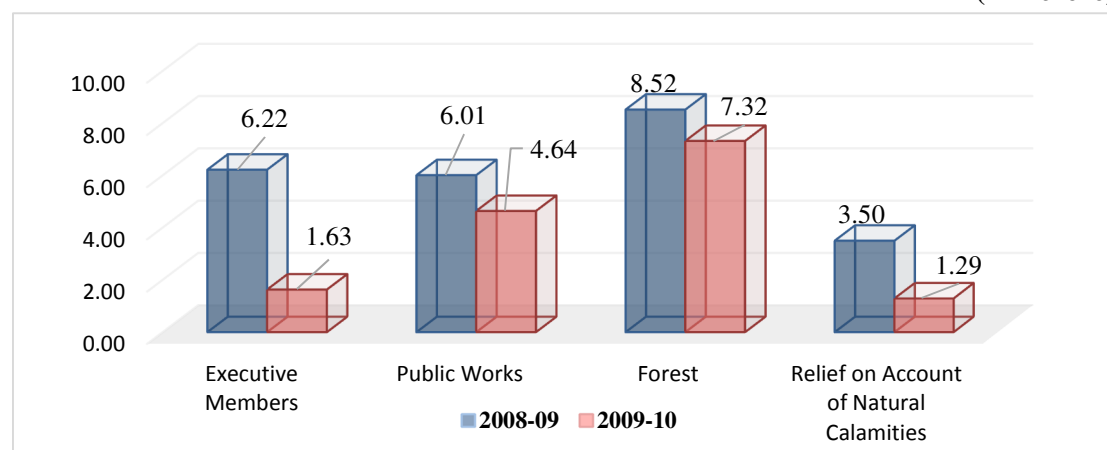


Source: Annual Accounts of JHADC.

➤ Details of decrease in expenditure during 2009-10 compared to previous year *i.e.* 2008-09 are shown in **Chart 2.3.**

Chart 2.3: Departments which spent less funds compared to 2008-09

(₹ in crore)



Source: Annual Accounts of JHADC.

2.2 Substantial variation between revised estimates and actuals

Scrutiny of budget estimates for the year 2009-10 *vis-à-vis* actual receipt and expenditure revealed that there were variations between budget estimates (BE) as compared to receipts and expenditure as detailed in **Table 2.2**.

Table 2.2: Budget estimates and actual for the year 2009-10

(₹ in crore)

Particulars	Budget estimate	Actual	Excess (+) / Shortfall (-)	Percentage of Excess (+) / Shortfall (-)
Receipt	69.69	35.19	(-) 34.50	(-) 49.50
Expenditure	69.93	31.11	(-) 38.82	(-) 55.50

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

As compared to the BE, the receipts and expenditure of the Council showed decreasing trend and fell short of the BE by 49.50 *per cent* and 55.50 *per cent* during 2009-10.

Scrutiny of some of the Major heads under which the actual receipts and expenditure were significantly less than the estimated budget provisions during 2009-10 were as under:

Table 2.3: Heads under which receipts were significantly less than the BE

(₹ in crore)

Sl. No.	Major Head	2009-10		
		Budget Estimate	Actual	Shortfall
1	Land revenue	0.53	0.39	0.14 (26)
2	Taxes on vehicles	1.00	0.18	0.82 (82)
3	Mines & Minerals	50.50	20.46	30.04 (59)
4	Trading by Non Tribals (TNT)	0.51	0.17	0.34 (67)
5	Grants-in-aid (12 th / 13 th F.C.A)	12.75	3.00	9.75 (76)
6	Interest on investments	0.75	0.22	0.53 (71)

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

The shortfall between the budget provision and actual collection of revenue under Land revenue, Taxes on Vehicles, Mines & Minerals, TNT, Grants-in-aid (12th Finance Commission) and interest on investments indicated that the Council had not been able to make its revenue collection mechanism effective to the extent it had planned for.

Table 2.4: Heads under which expenditure were significantly less than the BE

(₹ in crore)

Sl. No.	Major Head	2009-10		
		Budget Estimate	Actual	Shortfall
1	Public works	31.46	4.64	26.82(85)
2	Education	4.72	3.82	0.90 (19)
3	Information and Publicity	0.30	0.18	0.12 (40)
4	Stationery & Printing Department	0.46	0.26	0.20 (43)

Source: Budget estimates of Receipts and Expenditure and Statement No.6 of Annual Accounts.

The shortfall between the budget provision and actual expenditure under Public Works, Education, Information & Publicity and Stationery & Printing Department

indicated either poor implementation of schemes or inadequate capacity to spend by the Council.

The Secretary, Executive Committee, JHADC stated (July 2018) that budget provisions for revenue receipts were made in anticipation of collection of revenues with reference to earlier years. Further, some of the revenue heads like Taxes on vehicles, share of royalty on mines and minerals, grants-in-aid were under the control of the State Government and JHADC has no hand on it. Further, budget provision for revenue expenditure for a particular year was made keeping in view the anticipated availability of funds in that year.

The variation between the Budget Estimate and Actuals is pointed out by Audit regularly year after year. The reply, indicates that JHADC continues to prepare its Budget in the same manner without taking into account the position of previous years' actuals. As a result, there continues to be substantial variation between the Budget Estimates and Actuals every year.

The Council may need to identify and implement internal cost-saving measures while not compromising on its core functions and liaison with State Government to ensure timely and complete receipt of share of taxes collected by State Government on behalf of the Council.

Further, efforts could be initiated to comprehensively map untapped, but eligible, revenue sources and put in place a plan for strict enforcement of tax and fee collections.

The Council may need to undertake detailed budgetary analysis and reviews to identify and resolve challenges regarding financial sustainability.

2.3 Constraints in conducting Audit of Accounts

Paragraph 7(4) of the Sixth Schedule to the Constitution of India states that “*The Comptroller and Auditor-General shall cause the accounts of the District Councils to be audited in such manner as he may think fit, and the reports of the Comptroller and Auditor-General relating to such accounts shall be submitted to the Governor who shall cause them to be laid before the Council.*”

Audit Report contains the comments on accounts. However, the audit has not proceeded with the audit of accounts for the year 2009-10, and is therefore unable to certify the accounts and provide any assurance that the accounts would be free from material irregularities for reasons explained below:

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

registers, documents and subsidiary papers which may be called for by the audit authority for investigation.

During the course of audit of Council's accounts for the year 2009-10, it was observed that the Cash Book from 01 August 2009 onwards was not available with the Finance and Accounts Department of JHADC and the same was not furnished to Audit.

The Secretary, Executive Committee, JHADC stated (July 2018) that "Since the cash books are not maintained for some period or maintained without closing balance of previous month (also mentioned in Audit Reports under para 3.1 of 2004-05 and para 2.2.2 of 2005-08), the task of updating/recast of the cash book right from October 2004 has been taken up with a view to arrive at a correct position of closing balance at the end of the year. The Annual Accounts of the Council had been lying in arrears over 11 years and the matter had been taken up by the Government as well by the Accountant General. The updation of Cash books is a huge task involving time and on the other hand the compilation of Annual Accounts and the arrear position of submission of Annual Accounts is accumulating year after year."

➤ Audit is of the view that not only non-preparation of the Cash Book is a violation to the provisions of Rule 16 (1) of the Fund Rules, in the absence of cash book, however, the basis of preparation of final accounts and closing balance of 'cash in hand' as reflected in the Annual Accounts for the year 2009-10 could not be vouched safe by Audit.

➤ Mention was made in Paragraph 3.1 of the Report of the Comptroller and Auditor General of India for the year ended 31 March 2005 that the closing balance of cash in hand as on 30 September 2004 was ₹ 5.49 crore. On the following month (01 October 2004) a new cash book was opened with Nil opening balance without any attestation or authorisation order and thus fund amounting to ₹ 5.49 crore was unauthorisedly removed from the cash book. This fund was not brought back into the subsequent cash books for the year 2005-06 to 2009-10. Thus, the opening balance of cash in hand as on 01 April 2005 was understated to the tune of ₹ 5.49 crore and remained unreconciled till 31 March 2010. This fact was also brought out in **Paragraph 2.2.2 and Paragraph 3.1** of the Report of the Comptroller and Auditor General of India for the years 2005-06 to 2007-08 and 2008-09 respectively.

It was, however, observed that in the past Reports discrepancies in the opening and closing cash balances as pointed out by Audit had not been reconciled by the JHADC, even in the Annual Accounts for the year 2009-10. **As such, the opening and closing balances do not reflect true and correct picture of the Annual Accounts of JHADC. In such circumstances, audit is unable to certify the annual accounts of JHADC for the year 2009-10, and until the time the cash book of the entity is fully reconciled and presented to the Audit.**

2.4 Conclusion

Variations between the BEs and actual receipts and expenditure during 2009-10 indicate that the JHADC had prepared BEs without taking actual position.

Budgetary assumptions of the Council were not realistic during 2009-10, budgetary estimates were off the mark by a considerable margin and control over the execution and monitoring of budget was inadequate.

Cash Book for the year was not made available to Audit which constrained verification and validation of expenditure for bonafide purposes, resulting in unverified cash balances. Audit therefore did not audit the accounts for the year 2009-10, and is therefore unable to certify the accounts and provide any assurance that the Accounts were free from material irregularities and were in accordance with the District Fund Rules.

2.5 Recommendations

- *Council may draw up action plan to increase its income from own sources and spend wisely on revenue generation activities for financial sustainability.*
- *The Council may undertake detailed budgetary analysis and reviews to identify and increase productive expenditure on activities and schemes; and*
- *In light of the above observations, Audit recommends to the State Government that non-salary grants-in-aid to the JHADC may be suspended till the annual accounts of JHADC are set in order and audited by the C&AG.*

CHAPTER–III

COMPLIANCE AUDIT OBSERVATIONS

Chapter-III

Compliance Audit Observations

3.1 Delay in remittance of revenue

Rule 18 of the Jowai Autonomous District Fund (JADF) Rules, 1967 provides that all money received shall be remitted to the Treasury promptly. Since the JHADC had not produced cash book, the Audit cross verified the Receipt Books submitted by the Revenue Collectors with the Remittance Registers and found that the revenue of ₹1.65 crore collected by the Council Collectors during 2009-10 was belatedly deposited into the Treasury, after delays ranging from 52 days to 150 days (**Appendix – I**). The delays in deposit of Council's revenue were not only in contravention of the Fund Rules but retention of money also tantamounts to temporary misappropriation of Council's revenue.

Despite repeated comments made in successive Reports of the Comptroller and Auditor General of India regarding retention of heavy cash balance at the end of each financial year, in contravention of the Rules governing the District Fund, the position has not improved.

The Secretary, JHADC while accepting the audit observation stated (November 2020) that the Council had issued an order vide JHADC Office Memo No. JHADC/FIN/ACCT-3/2014-15/6 dated 28 May 2014 on the matter. Accordingly, it is mandatory to remit all the moneys received to the PLA held at Jowai Treasury within seven days of receipt. Further, any receipt exceeding ₹ 0.50 lakh has to be deposited immediately to the PLA the very next day. The same reply was furnished by the Secretary JHADC in response to the same Audit observation during audit of 2008-09 accounts. However, the irregularity persists.

Council may adhere to Fund rules with respect to receipts and remittances to the Council Funds. Compliance to the assurance given by Council will be watched during next audit.

3.2 Irregular appointment

As per Clause 11 under Chapter-IV of the Jaintia Hills Autonomous District Council Service Rules, 1981, the recruitment to all classes of service and staff shall be made after advertisement and by competitive examination and personal interview. Selection test for recruitment to the Class-IV Council servants may be made simply on the basis of oral examination-cum-interview.

Audit however, observed that six direct appointments were made by the Secretary, Executive Committee, JHADC to the Grade-III posts without any advertisements and competitive examinations, but merely on the basis of personal interview as detailed in **Table 3.1**.

Table 3.1: Details of the appointments made during 2009-10

Year	Sl. No.	Name of the Post	Class of Employee	No. of persons appointed	Pay Scale
2009-10	1	LDA	III	2	9200-18020
	2	Enforcement Constable	III	1	7100-13840
	3	Recorder	III	1	3100-5060
	4	Driver	III	1	2900-4620
	5	Forester	III	1	3100-5060
Total				6	

Source: Council Records- Chief Engineer JHADC.

In reply (November 2020), the Secretary, JHADC stated that the initial appointments were made on ad-hoc basis on recommendation of Executive Council considering shortage of staff and urgent need, which was subsequently regularised by the Executive Committee considering their performance and conducting personal interview.

The reply is not tenable as the appoints are in violation of Clause 11 under Chapter-IV of the JHADC Service Rules, 1981, which stipulated that recruitment to all classes of service and staff shall be made after following the due process. Non-adherence to recruitment policy and Rules creates opportunities for favoritism in the hiring process.

In order to maintain fair competition for selection of deserving candidates, Council may follow Recruitment Rules. These appointments being in violation of the Council's own Rules, need to be annulled/cancelled. Similar recruitments against permanent posts may be reviewed for necessary action.

3.3 Execution of works under the award of Twelfth Finance Commission

JHADC received grants of ₹ 375.00 lakh from the 12th Finance Commission (12th FC) under “**Up-gradation of Standard of Administration of the Autonomous District Councils**” which includes Construction of Sanitary Latrines, Drinking Wells, Maintenance of Audit & Accounts and Creation of Database. Assigned projects along with allocated funds are given in **Table 3.2:**

Table 3.2: Project details and fund allocated there against

(₹ in lakh)

Sl. No.	Name of the Project (Nos)	Fund allotted
1	Construction of Block Sanitary Latrines (324)	162.00
2	Construction of drinking well (174)	55.68
3	Maintenance of Audit and Accounts	86.26
4	Creation of Database	71.06
Total		375.00

Source: Chief Engineer JHADC.

Irregularities noticed in the execution of works are discussed below:

i. Incomplete works: As per the terms and conditions of the 12th Finance Commission Award, the grant was to be utilised within one year after the date of sanction on construction of 324 Sanitary Latrines, 174 drinking wells, Creation of

database and Maintenance of audit and accounts. Audit however, observed that out of sanctioned projects, construction of 12 Sanitary Latrines and 30 Drinking Wells, Maintenance of Audit & Accounts and Creation of Database, were still lying incomplete till the date of audit (June 2018) as detailed below:

- Maintenance of Audit and Accounts including internal audit system, record management and training to officers and staff had not been achieved despite entire allocation being utilised by the Council.
- Further, Audit observed that 'creation of database' remained incomplete even after lapse of seven years from the date of sanction and incurring an expenditure of ₹ 33.92 lakh leaving a balance of ₹ 37.14 lakh unutilised. Reasons why the task remained incomplete was not on records.
- Audit also observed that against 324 sanitary latrines and 174 drinking wells Council could construct 312 sanitary latrines and 144 drinking wells, remaining 12 latrines and 30 drinking wells remained incomplete after a lapse of seven years from the date of sanction leaving an amount of ₹ 17.60 lakh unutilised and intended benefits could not be extended to beneficiaries.

In reply, Council stated (July 2018) that delay in completion of construction works was due to local problems of disagreement in opinion and disputes regarding selection of site amongst the villagers/local committees. The Secretary, however assured that necessary steps would be taken to complete the works.

Council should have assessed local constraints before selection of sites for implementation of schemes/ projects. In absence of Council's due diligence in this regard, 12 latrines and 30 drinking wells remained incomplete after a lapse of seven years from the date of sanction leaving an amount of ₹ 17.60 lakh unutilised. Council may ensure completion of incomplete works without any further delay.

ii. Irregular issue of Utilisation Certificates: JHADC was responsible for submission of Utilisation Certificates to the Accountant General (A&E), Meghalaya with a copy to Government for utilisation of grants received under the Finance Commission award. Further, the grants should be utilised within one year after the date of sanction.

Audit observed that the Utilisation Certificates for the grants received were submitted by the Council by November, 2013. However, works assigned under 12th FC remained incomplete as discussed in preceding paragraph without actual utilisation of the funds to the tune of ₹ 54.74⁶ lakh (June 2018).

Submission of UCs without actually incurring expenditure for the purpose of availing subsequent instalments/grants is a violation of the terms and conditions of the 12th Finance Commission Award.

⁶ Creation of database (Allocation: ₹ 71.06 lakh – Expenditure ₹ 33.92 lakh = unutilised ₹ 37.14); Works unutilised fund ₹ 17.60 lakh. Total unutilised fund ₹ 54.74 lakh.

The Secretary, Executive Committee, JHADC stated (July 2018) that the UCs were furnished on the ground that since work orders were issued for the full amount and most of the works were in progress/near completion, it became the committed liability and inevitable expenditure of the Council.

The reply was not acceptable as UCs were irregularly issued without actual expenditure on the projects and funds to the tune of ₹ 54.73 lakh were still lying unutilised (June 2018).

Council may devise a system to monitor implementation of the schemes in a timely manner so that intended benefits are extended to the beneficiaries. Further, Council should adhere to Finance Commission guidelines while utilising grants and ensure and fix responsibility for furnishing of correct UCs to the State Government / Finance Commission.

3.4 Non-deduction of VAT

Section 106 of Meghalaya Value Added Tax (VAT) Act envisaged that every person (excluding an individual, Hindu Undivided Family, a firm or a company not under control of the Government) responsible for making any payment or discharging any liability on account of any amount payable for the transfer of property in goods involved in a work contract for the transfer of right to use any goods for any purpose, or every person responsible for paying sale price or consideration or any amount purporting to be the full or part payment of sale price in respect of any sale or supply of goods liable to tax under this Act to the Government shall at the time of credit to the amount of or payment to the payee of such amount in cash, by cheque, by adjustment or in any other manner whatsoever, deduct tax there from in the prescribed manner at the rate specified in the schedule to the Act in respect of sale or supply of goods or transfer of the right to use. Provided that no deduction shall be made under this subsection where the amount paid or credited by such person in any financial year does not exceed the prescribed amount. Further, Rule 39 (2) of the Meghalaya VAT Rules 2008 provides that “No deduction shall be made under sub section (2) of the Section 106 of Meghalaya VAT Act 2005 where the amount paid or credited by such person in a financial year does not exceed five thousand rupees.

Therefore, Council should have deducted VAT at the rate 12.5 *per cent* at source from the value of work of contract bills of contractors while making payment to them either by way of cash or cheque or by adjustment or in any other manner whatsoever, after allowing percentage deduction of 25 *per cent* from the work value.

Records of the JHADC revealed that the Council made final payment of ₹ 126.65 lakh to contractors where the payment exceeded the prescribed threshold of rupees five thousand for works approved by the 12th Finance Commission during 2009-10. However, in all the cases, bill was paid to the contractors without deduction of VAT. This has resulted in non-deduction of VAT of ₹ 10.55 lakh as shown in **Table 3.3**.

Table 3.3: Non-deduction of VAT

	(₹ in lakh)
Total final payment made to contractors for works approved by the 12 th Finance Commission during 2009-10 (inclusive of VAT)	126.65
<i>Less: Percentage deduction of 25 % (work contracts):</i>	<i>31.66</i>
Amount against which VAT to be deduction	94.99
VAT to be deducted @ 12.5 % (94.99 x 12.5 /112.5):	10.55

The Secretary, Executive Committee, JHADC stated (July 2018) that VAT was not deducted since the value of each work was ₹ 0.30 lakh to ₹ 0.50 lakh and contractors had purchased materials at cost which included VAT.

The reply was not acceptable since under the circumstances where the contractors had paid VAT on the materials procured by him, he can claim 'input tax credit' from the Taxation Department as provided under Section 11 of the Meghalaya Vat Act, 2003. Further, the Council had also neither stated nor furnished any record evidencing that contractors produced tax paid certificate along with their claim. Further, records pertaining to annual returns as required under Rule 41 of Meghalaya VAT Rules, 2005 was not supported by reasons for not deducting VAT from the bills of the contractors.

This had resulted in loss of revenue to the Government to the tune of ₹ 10.55 lakh and undue favour to the contractors in contravention to the provisions of Meghalaya VAT Act 2005.

Council may review payments to the contractors with respect to contract executed to recover excess payment made to them.

3.5 Unverifiable expenditure on salary / honorarium

Between February 1987 and February 2001, the JHADC has constituted seven different Committees viz. Development Committee, Customary Law Committee, Environment Committee, Resource Mobilisation Committee, Public Grievances Committee, Housing Committee and Boundary Committee to examine and advise the Council, frame draft rules and regulations, etc., in the matters related to issues administered by the Council (**Appendix – II**). During 2009-10, JHADC incurred an expenditure of ₹ 17.88 lakh without any deliverables. Scrutiny of records revealed that these Committees had neither held any meetings nor submitted any report on the issues for which it was constituted. moreover, details of expenditure were also not found on records. Thus, expenditure of ₹ 17.88 lakh on above mentioned Committees without any activity could not be verified.

The Secretary, Executive Committee, JHADC stated (July 2018) that the matter would be placed before the Executive Committee for taking decision on the matter and action would be taken accordingly under intimation to Audit.

Council may devise a charter that should clearly prescribe the Committee's role and responsibilities, composition, structure and membership requirements, authority, processes and procedures for reporting decisions and recommendations. Charter

may also prescribe number of meetings and time interval for each Committee to utilise their executive powers to perform such functions that the Council themselves are not well-equipped to perform and make constitution of these Committees meaningful.

3.6 Injudicious deployment of teachers in Non-District Council Lower Primary (DCLP) schools

Scrutiny of the records of the Education Department of the Council revealed that there were 88 District Council Lower Primary (DCLP) schools under the direct administrative control of the Council. These schools were set up to cater to the need of those places where no schools existed. Teachers were appointed by the Council and deputed to these schools. Apart from these schools, the salaries and allowances of the teachers deployed in Non-DCLP schools (Government schools, private schools and SSA schools) were also borne by the Council. The details of the expenditure on the salaries and allowances of the teachers deployed in the Non-DCLP schools incurred by the Council during the year 2009-10 were as shown in **Table 3.4:**

Table 3.4: Expenditure incurred on Non-DCLP school teachers

(₹ in lakh)

Year	No. of Non-DCLP schools	No. of Teachers	Expenditure on salaries and allowances
2009-10	114	146	162.16

As evident from above, the Council had incurred an expenditure of ₹ 162.16 lakh on deployment of teachers in Non-DCLP schools. The reason for deployment of Council's teachers in Non-DCLP schools was neither on record nor stated to Audit. Moreover, no Government instruction for deployment of teachers by the Council in schools run by the Government was made available to Audit. There was no requisition on requirement of teachers being requested by the respective Government and SSA schools. In the absence of such requisition, deployment of teachers in those schools whose responsibility lies with the State/ Central Government remained unjustified. As such, the expenditure incurred to the tune of ₹ 162.16 lakh towards salaries and allowances of these teachers during 2009-10 led to extra financial burden on the Council's Fund. The same could have been utilised for the development of infrastructure and for the welfare and benefit of the children in DCLP schools.

The Secretary, Executive Committee, JHADC stated (July 2018) that in the area where Government and Private Lower Primary schools were in existence and running without having minimum required number of teachers, the teachers were deployed from the Council with the view to assist in providing education facilities to the children. The requests for deployment of teachers in all cases of non-DCLP schools were submitted by the respective School Managing Committee to the Member District Council (MDC) concerned of the Constituency, being an elected representative. The MDC on receiving the request and after verification of ground reality submitted the same to the Executive Committee of the Council for consideration and approval for deployment.

The reply was not tenable, as providing teachers to Non-DCLP schools would entail additional liability on Council's Fund. Further, minutes of the Executive Committee of the Council regarding deployment of teachers in non-DCLP schools as per the recommendations of the MDCs were not made available to Audit to ascertain correctness of selection of teachers and their deployment.

It is recommended that the Council may frame proper guidelines with approval of the State Government for deputing teachers to these schools, since the schools are not under direct control of the Council. Further, clarity would have to be sought from the State Government regarding payment of salary and other liabilities of staff deputed by the Council in Non-DCLP Schools.

3.7 Discretionary Grant and Gratuitous Relief: Observations thereof

The JHADC implements Discretionary Grants (DG) and Gratuitous Relief (GR) every year to members of Executive Council. Scrutiny of the actual DG and GR *vis-à-vis* the budgeted provision during 2009-10 is shown in **Table 3.5**:

Table 3.5: Discretionary Grant and Gratuitous Relief

(₹ in crore)

Year	Budget allotment		Actual Expenditure	
	DG	GR	DG	GR
2009-10	3.00	3.00	1.20	1.29

Source: Budget documents and Information furnished by JHADC

The deficiencies observed by Audit in the award of DG and GR are detailed below:

- There was no uniformity in the award of DG to the MDCs and it ranged between ₹ 1.00 lakh and ₹ 24.26 lakh per MDC per year during 2009-10 (**Appendix-III**). Similarly, the award of GR to MDCs ranged between ₹ 1.00 lakh and ₹ 7.25 lakh per MDC per year during 2009-10 (**Appendix-IV**). This clearly indicated that the purpose/objectives for which the schemes were implemented were not defined or prescribed by the JHADC in spite of incurring huge expenditure under these schemes every year.
- No system or criteria was adopted/followed for selection of beneficiaries. Availability of budget provisions was considered as the main factor to accord sanction for payment under DG and GR.
- There was no committee or system in place to verify/scrutinise the correctness/completeness/genuineness of the list of person(s) submitted by the MDCs. In short, the identity of the beneficiaries was not checked or verified at any level by the Council.
- The selected beneficiaries were not informed/intimated about their selection for the Grant. As such, JHADC granted the DG and GR to the MDCs in an ad hoc and haphazard manner without any rules and regulations resulting in huge financial liability on the Council.

The Secretary, Executive Committee, JHADC stated (July 2018) that the Executive Committee has taken a decision vide EC decision No. 8 dated 25 January 2017 on the matter regarding sanction and disbursement of Discretionary Grant and Gratuitous Relief. Thus, the earlier practice of sanctioning and disbursement of DG and GR had since been discontinued.

Council should have clearly defined objectives and activities to be taken up by the members for utilisation of Discretionary Grants and Gratuitous Relief. Council may also maintain proper accounts to ensure utilisation of DG and GR for the bonafide purposes.

Council may comply with the Executive Committee decision No.8 dated 25 January 2017.

3.8 Outstanding Inspection Reports

Audit observations on financial irregularities and defects in the maintenance of accounts noticed during previous local audits which are not settled on the spot are communicated to the Secretary of the Council with copy to that District Council Affairs Department and Finance Department through Inspection Reports (IRs). Five IRs issued between November 1997 and April 2016, comprising 36 paras had not been settled (June 2018).

3.9 Follow-up action on Audit Reports

According to the JHADF Rules, 1967, the Member in-charge of Financial Affairs shall place the Audit Report before the Council and shall send a copy of the proceedings of discussion held by the Council thereon to the Governor of the State for information. Though, the Audit Reports for the years up to 2007-08 in respect of the Jaintia Hills Autonomous District Council were placed before the Council, no action on the audit paragraphs included in these reports was taken till date (June 2018).

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

3.10 Conclusion

The audit focuses on the functioning of the Council, viz. financial management, development activities, internal control and monitoring, etc. and concluded as:

- Revenue generated was deposited in the Council's Accounts with a delay ranging between 52 days and 150 days in contravention of JHADC, Fund Rules.
- Council made six direct appointments at Grade-III posts without following any Recruitment Rules process, any advertisements and without conducting competitive examinations.
- Incomplete works were noticed out of 12th Finance Commission Grants even after expiry of seven years from the date of sanction. Despite expenditure of

₹ 320.26 lakh and unspent funds to the tune of ₹ 54.74 lakh, works relating to Maintenance of Audit and Accounts, Creation of Data base for sanctions and relating to drinking wells and sanitary latrines these works were not completed and utilised. Further, Utilisation Certificates were irregularly issued by the Council before completion of assigned works and expenditure.

- Contractors were paid without deducting VAT amounting to ₹ 10.55 lakh which resulted in revenue loss to the Government and undue favour to the contractors.
- Expenditure of ₹ 17.88 lakh on various Committees remained unverifiable in absence of any activity/ output during the year.
- The Council deployed teachers in Non-District Council Schools during 2009-10 without approval of State Government and any guidelines for the action taken.
- The Council granted the Discretionary Grant and Gratuitous Relief to the Members District Council in an ad hoc and haphazard manner without any rules and regulations resulting in huge financial liability on the Council.


3.11 Recommendations

The Council may consider the following recommendations:

- *Council may maintain Cash Book in an appropriate manner and reconcile with basic documents.*
- *Council may develop adequate monitoring system to ensure timely completion of works for which grants are received.*
- *Council may streamline and fix responsibility for issue of correct utilisation certificates to State Government / grantees.*
- *Council may take steps to complete all the incomplete works out of 12th Finance Commission grants on priority.*
- *Systems for strengthening internal controls and checks in the Council Departments and Subordinate offices may be put in place on priority;*
- *Council may frame proper guidelines with the approval of State Government for deputing teachers to Non-District Council Lower Primary Schools.*
- *Council may ensure that all recruitments to the Council are made by following due process.*
- *Council may devise a charter that should clearly prescribe the Committee's role and responsibilities, composition, structure and membership requirements, authority, processes and procedures for reporting recommendations.*
- *Council may clearly define objectives and activities to be taken up under Members Discretionary grants. They may also ensure proper documentation and accounts of the grants given to members.*


- *Council may ensure timely submission of Annual Accounts to the Accountant General to adhere with prescribed timeline.*
- *Council may ensure proper maintenance and upkeep of records for better accountability and financial discipline.*
- *Council may impress upon Audit Committee to discuss audit reports and ensure action on audit observations.*

Shillong
The 23 September 2021


(SHEFALI S. ANDALEEB)
Accountant General (Audit), Meghalaya

Countersigned

New Delhi
The 11 October 2021


(GIRISH CHANDRA MURMU)
Comptroller and Auditor General of India

APPENDICES

Appendix – I

(Reference: Paragraph- 3.1)

Statement showing delay in depositing the revenue into the Treasury during the year 2009-10

Sl. No.	Type of revenue collected	Period of collection	Amount (in ₹)	Challan No./Date through which deposited into the Treasury	Period of delay (in days)
1	Survey fee and Map	April 2009	166910	5115 dt 22/6/09	52
2	Misc & Receipts	-do	117411	5112 dt 22/6/09	52
3	Professional tax	-do-	1306745	5117 dt 22/6/09	52
4	License fee	-do-	781670	5121 dt 22/6/09	52
5	Royalty & forest product	-do-	134995	5118 dt 22/6/09	52
6	Royalty on timber	May 2009	320512	11991 dt 20/8/09	80
7	Royalty & forest product	-do-	455421	11989 dt 20/8/09	80
8	Professional tax	-do-	963680	11992 dt 20/8/09	80
9	Misc & Receipt	-do-	216588	11990 dt 20/8/09	80
10	Survey fee and Map	-do	190100	11988 dt 20/8/09	80
11	Royalty on timber	June 2009	211312	12859 dt 14/9/09	74
12	Survey fee and Map	-do-	226096	12860 dt 14/9/09	74
13	Royalty & forest product	-do-	371976	12861 dt 14/9/09	74
14	Misc & Receipt	-do-	412610	12862 dt 14/9/09	74
15	Professional tax	-do-	765415	12863 dt 14/9/09	74
16	Misc & Receipt	July 2009	298021	13686 dt 12/10/09	72
17	Royalty on timber	-do-	250111	13685 dt 12/10/09	72
18	License fee and fine	-do-	228732	13684 dt 12/10/09	72
19	Royalty & forest product & other	-do-	598233	13687 dt 12/10/09	72
20	Professional tax	-do-	169200	13682 dt 12/10/09	72
21	Survey fee & map	-do-	180289	13683 dt 12/10/09	72
22	Royalty on timber	August 2009	668581	14297 dt 30/10/09	59
23	License fee and fine	-do-	723480	14296 dt 30/10/09	59
24	Royalty on other forest product	-do-	744968	14295 dt 30/10/09	59
25	Royalty on timber & other forest product	Sept and October 2009	1557532	18629 dt 31/03/10	150
26	Trade on Non-Tribal fee	September and October, November 2009	1610225	18630 dt 31/03/10	120
27	Professional Tax	September and October, November 2009	2795295	18631 dt 31/03/10	120
Sub-Total			1,64,66,108		

Appendix – II

(Reference: Paragraph- 3.5)

Statement showing the details of constitution of various Committees and expenditure incurred on them during 2009-10

(₹ in lakh)

Name of Committee	Purpose	Notification No. & date	Member in position	No. of meetings held	Whether any Report submitted	Expenditure incurred
Development Committee	To examine and determine the basic need of the people of the district and collect data for proper planning of the various developmental programmes, monitor and inspect development projects implemented and executed by the Council and advice Executive Committee relating to developmental programme	JHAD/CON/G ENL/84/87/1 dt. 18.02.1987	4	Nil	No	0.21
Customary Law Committee	To frame draft rules and regulations to codify the customs and usages that are practiced in the district and submit with its findings and recommendations to the Executive Committee	JHADC/GEN L/388/84/1 dt. 24.04.1989	4	Nil	No	0.28
Environment Committee	To advice and formulate plans on the matter concerning environmental forestry and afforestation and prevention of water pollution and contamination of streams and water resources due to extraction of coal	JHADC/FOR/ ENV/34/89/1 dt. 10.05.1989	11	Nil	No	5.36
Resource Mobilisation Committee	To advise the Executive Committee in tapping financial resources of the district council and recommend augmentation of the revenue receipts and other matter concerning with the financial resources of the district council	JHADC/GEN L/15/91/1 dt. 24.04.1991	2	Nil	No	4.30
Public Grievances Committee	To examine the grievances faced by public and evolve and suggest to the Executive Committee the procedure and principal to be followed in redressal public grievance	JHADC/GEN L//GRV/42/ 93/1 dt. 09.07.1993	4	Nil	No	0.28

Name of Committee	Purpose	Notification No. & date	Member in position	No. of meetings held	Whether any Report submitted	Expenditure incurred
Housing Committee	To study the existing system of granting of land documents to persons applying for housing loan and to suggest measures for implementation the system and examine the feasibility of procuring financial assistance from Government for the purpose of house building advance to Council employees and to frame rules in this regard.	JHADC/GEN L/35/2001/2 dt. 16.02.2001	4	Nil	No	7.17
Boundary Committee	The Council could not furnish the order in respect of its creation to Audit and as such the duties and functions of this committee could not be ascertained by Audit.	01 March 2001	4	Nil	No	0.28
Total						17.88

Appendix – III

(Reference: Paragraph- 3.7)

Statement showing Discretionary Grant (DG) to MDCs during the year 2009-10

Sl. No.	Names of MDC	Amount (₹)
1	A. Dkhar	400000
2	A.H. Darnei	400000
3	B. Chyrmang	370000
4	B. Shylla	300000
5	C. Biam	400000
6	C.A. Lamin	205000
7	D.N. Nongpluh	400000
8	H. Dkhar	400000
9	H. Lamin	475000
10	H. Nongtdu	2425500
11	J. Pyrtuh	400000
12	J.U. Nongrum	100000
13	K.M. Lytan	400000
14	L.B. Sumer	400000
15	L.S. Shylla	500000
16	M.B. Rymbai	400000
17	M.S. Tyngkra	300000
18	N. Lamare	500000
19	O. Kyndait	400000
20	Q. Suiam	300000
21	R. Sten	400000
22	R.S. Lyngdoh	300000
23	S. Mukhim	300000
24	S. Mulieh	400000
25	T. Nongtdu	300000
26	T. Shiwat	400000
27	W.B. Chullet	400000
	Grand Total	1,19,75,500

Appendix – IV

(Reference: Paragraph- 3.7)

Statement showing Gratuitous Relief (GR) to MDCs during the year 2009-10

Sl. No	Names of MDC	Amount (₹)
1	A. Dkhar	500000
2	A.A Darnei	500000
3	B. Chyrmang	370000
4	B. Shylla	400000
5	C. Biam	600000
6	C. A. Lamin	100000
7	D. Nongpluh	506000
8	H. Dkhar	500000
9	H. Lamin	500000
10	H. Nongtdu	725000
11	J. R. Pyrtuh	500000
12	J. U. Nongrum	400000
13	K.M Lytan	500000
14	L. B. Sumer	530000
15	L. S. Shylla	500000
16	M. B. Rymbai	500000
17	M. S. Tyngkra	500000
18	N. Lamare	500000
19	O. Kyndiah	500000
20	Q. Suiam	505000
21	R.S Lyngdoh	411000
22	R. Sten	512000
23	S.M Suna	500000
24	S. Mukhim	400000
25	T. Nongtdu	400000
26	T. Shiwat	500000
27	W.B Shadap	500000
	Grand Total	1,28,59,000

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