

Preface

1. This Report has been prepared for submission to the Governor under Article 151 of the Constitution.
2. The Report contains findings on performance audit and audit of transactions in various Civil departments including public works, irrigation and public health engineering departments, audit of stores and stock and audit of autonomous bodies.
3. The Report containing audit observations on matters arising from examination of Finance Accounts and Appropriation Accounts, audit observations on Statutory Corporations, Boards and Government Companies and Revenue Receipts are presented separately.
4. The cases mentioned in this Report are among those which came to notice in the course of test-audit of accounts during the year 2010-11 as well as those which had come to notice in earlier years but could not be dealt with in previous Reports; matters relating to the period subsequent to 2010-11 have also been included wherever considered necessary.
5. The audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.

OVERVIEW

This Report contains 39 paragraphs (including three general paragraphs) and five performance reviews (including one CCO based audit). The draft audit paragraphs and draft performance reviews were sent to the Commissioner/Secretary of the Departments concerned with a request to furnish replies within six weeks. However, in respect of two performance reviews and 31 paragraphs included in the Report, no replies were received. The audit findings relating to the draft performance reviews were discussed with the Commissioners/Secretaries to the State Government and the views of the Government were incorporated wherever appropriate. A synopsis of the important findings contained in the Report is presented in the overview.

Performance Reviews

1. Acquisition and Allotment of Land in Assam

Land is the most prized possession of any State and the requirement of land for development activities has increased manifold in recent times. Land belonging to private owners can be acquired in public interest after observing all formalities and making payment of compensation to land owners. Again, land at the disposal of Government may be allotted/settled for homestead, agriculture and allied activities, special cultivation of crops and other non-agricultural purposes within the frame work of Land Policy, relevant Acts and Rules etc. Performance audit on Acquisition and Allotment of Land in Assam revealed that in acquisition of land for public purposes, provisions of Land Acquisition (LA) Act 1894 were not observed in many cases of acquisitions. There was inadequate monitoring in ascertaining use of land for the purpose for which land was acquired by the requiring Departments. This resulted in allotted land lying idle; agricultural land alienated for non-agricultural purposes; non-rehabilitation of families affected in acquisition of land; non-settlement of land allotted to individual families, public enterprises, registered societies, non-governmental institutions and trusts even after a gap of more than three years of allotment; non-prioritization of allotment of land to SC/ST/other communities etc.

(Paragraph 1.1)

2. Elementary Education in Assam

The Government of India had formulated the National Education Policy in the year 1986 and Right to Education Act in 2009 which inter alia mandated Universal Elementary Education (UEE) of good quality for children of the age group of 6-14 years through provision of schools with appropriate infrastructure and within one kilometer distance. The target year for achieving the goal of UEE was 2005, but even at the end of March 2011, 1.25 lakh out of 58.86 lakh children remained out of school in Assam. The target of universal retention by 2010 was also not achieved

due to significant rate of dropouts of 8.3 per cent in LPS and 15.2 per cent in UPS as of March 2011.

Despite incurring an expenditure of ₹12,631.47 crore (Department of Elementary Education ₹9,851.50 crore; Sarba Siksha Abhiyan Mission, Assam ₹2,779.97 crore) during 2006-11 on elementary education, there was a declining trend in enrolment and high dropout rate of students in the State. There were inadequate infrastructural facilities in schools, shortfall in opening new schools as per norms, inadequacy in training of teachers, poor management of Mid-day Meal scheme including other health interventions, absence of effective mechanism of tracking and enrolment of 'out of school children', uneven deployment of teachers, high pupil teacher ratio and irregular supply of free text books.

(Paragraph 1.2)

3. Performance Audit of Public Private Partnership (PPP) in Solid Waste Management (SWM) in Guwahati

Guwahati Municipal Corporation (GMC) is responsible for management of solid waste generated in Guwahati city. Municipal Solid Waste (Management and Handling) Rules 2000 envisaged mandatory setting up of infrastructure facility and servicing of Solid Waste Management (SWM) by 31 December 2003. Consequent upon fixation of the specified dead line for setting up of processing and disposal of waste, GMC proceeded to implement a SWM system in PPP mode through a private developer with approval of the Ministry of Urban Development, Government of India (MoUD). The objective was to improve public health and hygiene through scientific collection, transportation, processing and disposal of Municipal Solid Waste (MSW) with provision for recycling the waste and achieving savings in expenses. Preparation of defective Detailed Project Report (DPR) and execution of agreement based on an unapproved DPR (DPR-II) had put the implementation of the project and sustainability of the arrangement in doubt. Lack of proper planning led to non achievement of the objectives of reduction of air, water, environmental and land pollution, improvement of public health, recycling of the waste and achieving savings in expenses. The future of the project itself is in jeopardy as the solid waste dumping site and sanitary land fill area has been established in a national wetland area and is required to be shifted according to Wetland Rules, 2010.

(Paragraph 1.3)

4. Information Technology Audit of Assam PWD Computerisation Project (APCP)

The Assam PWD Computerisation Project was implemented for improving the operational efficiency and transparency in the functioning of the department so

that the services of public works can be delivered timely, transparently and cost effectively for socio-economic development of the state. However, due to inadequate monitoring and lack of involvement of the departmental staff at the post implementation stage, the desired benefits from the project could not be availed by the Department even after five years of its implementation since April 2006 and after incurring an expenditure of ₹14.46 crore (Project Implementation expenditure: ₹8.59 crore and Annual Maintenance expenditure: ₹5.87 crore). The software did not serve the objectives and needed major modifications to ensure data security, integrity and completeness.

(Paragraph 1.4)

5. Chief Controlling Officer based Audit on Water Resources Department

Although flood is a natural calamity caused under extraneous circumstances, in Assam it is almost an annual affair. The Water Resources Department is associated with flood control activities in Assam and is responsible for implementation of various State and Centrally Sponsored programmes. The National Policy for flood envisaged control of flood through three distinct activities viz. immediate and short term for flood control of urgent nature, medium term and long term measures to control it permanently. During the review period (2006-11), the Department had not taken any long term measures to find a permanent solution to the recurring flood problem and had adopted only immediate and short term measures under which only strengthening and repairing work of embankments were undertaken. There were deficiencies in planning and budgeting. Flow of funds and control over programme implementation was either inadequate or insufficient. Intended benefits of the programmes contemplated through execution of immediate and short term measures were also not forthcoming.

(Paragraph 3)

Audit of Transactions

1. Cases of fraud/misappropriation/losses

Non-adjustment of advances paid to the contractors even after a lapse of six years from the date of payment resulted in loss of ₹97.78 lakh.

(Paragraph 2.1.2)

Executive Engineer, Public Works Department, City Division II, Guwahati incurred expenditure of ₹43 lakh towards price escalation before execution of the work, resulting in loss to Government.

(Paragraph 2.1.3)

Failure on the part of Director, Social Welfare, Assam to exercise effective control and lack of monitoring led to suspected misappropriation of ₹53.83 lakh.

(Paragraph 2.1.5)

2. Excess payment/Wasteful/Infructuous expenditure

Due to allowance of ten *per cent* Contractor's profit in the estimate for the works executed departmentally and non-realisation of SHG's share, the Department incurred wasteful expenditure of ₹43.91 lakh. Besides, there was infructuous expenditure of ₹five lakh on an abandoned market shed.

(Paragraph 2.2.1)

Strengthening of road with Bituminous Macadam (BM) and Semi Dense Bituminous Concrete (SDBC) after completion of road, with wearing coat of Premix Carpeting (PC) and Seal Coat (SC) by the Executive Engineer, PWD (Roads) NEC Division, Jorhat resulted in wasteful expenditure of ₹1.97 crore.

(Paragraph 2.2.3)

The department incurred extra and inadmissible expenditure of ₹1.31 crore towards training, installation and distribution of PCs and accessories in violation of the guidelines of the scheme, in addition to committed liability of ₹1.23 crore.

(Paragraph 2.2.4)

Non-deduction of AGST by the Department from the estimated unit cost led to an excess payment of ₹60.44 lakh to construction agencies.

(Paragraph 2.2.5)

3. Avoidable/unfruitful expenditure/undue favour to contractors

Injudicious decision of purchasing bicycles of same specification locally at higher rate instead of procuring it from the approved supplier resulted in avoidable expenditure of ₹17.36 lakh and idling of ₹2.50 lakh.

(Paragraph 2.3.1)

Raw material bank for silk yarn sanctioned at a cost of ₹four crore, was not set up while part of the scheme fund (₹two crore) was parked in fixed deposit and ₹1.31 crore disbursed to beneficiaries without entering into any agreement precluding any scope of recovery.

(Paragraph 2.3.3)

Faulty estimation of the work at initial stage as well as inclusion of price adjustment clause retrospectively in the last leg of execution, bypassing the initial agreement led to avoidable expenditure of ₹4.55 crore by the Executive Engineer, PWD City Division-I, Guwahati.

(Paragraph 2.3.4)

District Social Welfare Officer, Kamrup incurred unfruitful expenditure of ₹2.50 crore towards pay and allowance of idle staff.

(Paragraph 2.3.5)

4. Idle investment/blocking of funds/delays in commissioning of equipment/diversion/misutilisation of funds etc.

The Executive Engineer, Bakulia Road Division, Karbi Anglong incurred unproductive expenditure of ₹91.45 lakh on construction of a bridge, which remained incomplete for more than four and half years from the targeted date of completion.

(Paragraph 2.4.2)

5. Regularity issues and others

Deputy Commissioner, Karbi Anglong incurred irregular expenditure of ₹1.65 crore towards procurement and distribution of seeds in excess of actual requirement.

(Paragraph 2.5.1)

The BDOs of Gobordhana and Bordoloni Development Block incurred unauthorized expenditure of ₹75.44 lakh by disbursing the money to 221 ineligible beneficiaries in contravention of the guidelines of IAY Scheme.

(Paragraph 2.5.2)

Audit of Transactions of North Cachar Hills Autonomous Council (NCHAC)

1. Cases of fraud/misappropriation/losses

NCHAC, Haflong drew ₹11 crore from district fund which was not accounted for in the cash book and details of utilization were not available on record. Thus, misappropriation of ₹11 crore could not be ruled out.

(Paragraph 4.1.1)

NCHAC failed to produce details of utilization in support of ₹seven crore withdrawn from District Fund, raising concerns about its misappropriation.

(Paragraph 4.1.2)

NCHAC failed to furnish utilization and whereabouts of ₹1.75 crore after its withdrawal from district fund. Thus, misappropriation of the said amount (₹1.75 crore) could not be ruled out.

(Paragraph 4.1.3)

Payment of ₹2.17 crore without ensuring receipt of materials/execution of works resulted in loss of Government money to that extent.

(Paragraph 4.1.4)

Executive Engineer, Public Health Engineering, Haflong Division made part payment of ₹1.30 crore to suppliers but failed to furnish receipt and details of utilization of the materials paid for rendering the entire expenditure doubtful.

(Paragraph 4.1.5)

In violation of the relevant provisions of Assam Financial Rules, NCHAC withdrew ₹2.20 crore from district fund. Non-accountal of the amount in cash book and absence of any records in support of its utilisation point towards misappropriation of Government money.

(Paragraph 4.1.6)

Absence of sanctioned estimate and fictitious measurement of work led to doubtful expenditure of ₹27.49 lakh.

(Paragraph 4.1.7)

Non-furnishing of the whereabouts of ₹3.88 crore by NCHAC pointed towards suspected misappropriation. Further NCHAC incurred unauthorised expenditure of ₹eight crore of scheme fund towards discharging old liabilities.

(Paragraph 4.1.8)

The Deputy Director, Social Welfare Haflong showed disbursement of ₹69 lakh towards old age pension, without APRs/vouchers and ₹1.10 crore with APRs but without supporting documents viz., list of approved beneficiaries, identification of beneficiaries etc., rendering the entire disbursement of ₹1.79 crore doubtful.

(Paragraph 4.1.9)

NCHAC did not deposit ₹3.50 crore in the DDO's bank account after its receipt. Withdrawal of another ₹three lakh was also not accounted for in the cash book. Thus, misappropriation ₹3.53 crore could not be ruled out. Besides, the Council failed to produce vital records in support of receipt and utilization of the materials shown as procured for ₹seven crore rendering the said expenditure doubtful.

(Paragraph 4.1.10)

The Department spent ₹45.57 lakh on procurement of training materials, but whereabouts of the same was not available on records rendering the entire expenditure doubtful.

(Paragraph 4.1.11)

Out of ₹12.94 crore received by the Deputy Director, NC Hills, Haflong from NCHAC during 2007-09 under different components of Integrated Child Development Service Schemes, expenditure of ₹12.63 crore remained doubtful in the absence of transparent records and violation of financial and execution norms.

(Paragraph 4.1.12)

2. Idle investment/blocking of funds/delays in commissioning of equipment/diversion/misutilisation of funds etc.

Injudicious decision of NCHAC for procurement of GI pipes without assessing availability of fund for execution of work resulted in unproductive expenditure of ₹2.14 crore.

(Paragraph 4.2.1)

Procurement of GI pipes worth ₹1.72 crore and their prolonged storage without utilization led to idle expenditure to that extent.

(Paragraph 4.2.2)

NCHAC incurred unproductive expenditure of ₹1.34 crore as the work against which the amount was spent remained incomplete for more than three years.

(Paragraph 4.2.3)

CHAPTER-I

PERFORMANCE REVIEW

Revenue and Disaster Management Department

1.1 Acquisition and Allotment of Land in Assam

Land is the most prized possession of any State and the requirement of land for development activities has increased manifold in recent times. Land belonging to private owners can be acquired in public interest after observing all formalities and making payment of compensation to land owners. Again, land at the disposal of Government may be allotted/settled for homestead, agriculture and allied activities, special cultivation of crops and other non-agricultural purposes¹ within the frame work of Land Policy, relevant Acts and Rules etc. Performance audit on Acquisition and Allotment of Land in Assam revealed that in acquisition of land for public purposes, provisions of Land Acquisition (LA) Act 1894 were not observed in many cases of acquisition. There was inadequate monitoring in ascertaining use of land for the purpose for which land was acquired by the requiring Departments. This resulted in allotted land lying idle; agricultural land alienated for non-agricultural purposes; non-rehabilitation of families affected in acquisition of land; non-settlement of land allotted to individual families, public enterprises, registered societies, non-governmental institutions and trusts even after a gap of more than three years of allotment; non-prioritization of allotment of land to SC/ST/other communities etc. Some of the significant audit findings are highlighted below:

Highlights

Provisions of LA Act 1894 were not observed in 19 out of total 43 cases examined in audit. As a result, compensation of ₹2.96 crore was lying undisbursed even after completion of land acquisition; compensation of ₹0.51 crore paid without approval of Government; land measuring 125B-2K-18L acquired unnecessarily on the pretext of urgency invoking special power u/s 17(4); and land owners deprived of 42 per cent solatium and interest on land value due to them.

(Paragraph-1.1.8.1)

Land measuring 267B-4K-14L acquired during 2003-08 for public purposes was lying idle ranging between 26 and 66 months and not reverted back to Revenue and Disaster Management Department (RDMD) as required under provisions of LA Manual resulting in unnecessary displacement of land owners.

(Paragraph-1.1.8.2)

¹ Industries, public institutions, hospitals, dispensaries etc.

Payment of compensation of ₹16.77 crore made by Deputy Commissioners (DCs) of Dibrugarh, Tinsukia and Karimganj was not in conformity with the provisions under section 31 of the LA Act 1894.

(Paragraph-1.1.8.7)

Due to non-settlement of land measuring 6,159B-4K-4L allotted in six² districts for homestead, agriculture, tea crop cultivation and other miscellaneous purposes, land revenue of ₹26.42 crore was yet to be collected even after three years of allotment.

(Paragraph-1.1.9.1)

Government land measuring 1,065 bigha could not be settled in favour of 144 small tea growers belonging to SC/ST and other communities even after a lapse of seven years.

(Paragraph-1.1.9.2)

Government land measuring 3,883B-0K-18L allotted, three to sixteen years back to various registered societies, companies and public enterprises in nine districts was not in use for the purpose for which allotments were made, and was fraught with the risk of misuse of land by the allottees.

(Paragraph-1.1.9.4)

1.1.1 Introduction

‘Land Acquisition’ means acquiring of land for public purpose by Government/Government agency, as authorized by law, from the individual land owner(s) after paying a compensation fixed by the Government in lieu of losses incurred by land owner(s) due to surrendering of his/their land to the concerned Government agency. The land at the disposal of the Government shall be allotted/settled for homestead, agriculture and allied activities, special cultivation of crops and other non-agricultural purposes like industries, public institutions, hospitals and dispensaries etc., in consultation with Land Advisory Committee and within the frame work of Land Policy, relevant Acts and Rules, orders of Government.

Total geographical area of Assam is 78,523.08 Sq Km³ which includes forest land of 26748 Sq Km⁴. Details of category-wise area of hilly land, river land and other water bodies; agricultural land, tea cultivating land, char area, area of public places, religious places, industrial area, private land, Government land etc., are not available with RDMD, GOA.

1.1.2 Organizational set up

Secretary to the Government of Assam (GOA), Revenue and Disaster Management Department (RDMD) is the administrative head of the Department. Four Divisional Commissioners are the appellate authority for aggrieved persons having interest in

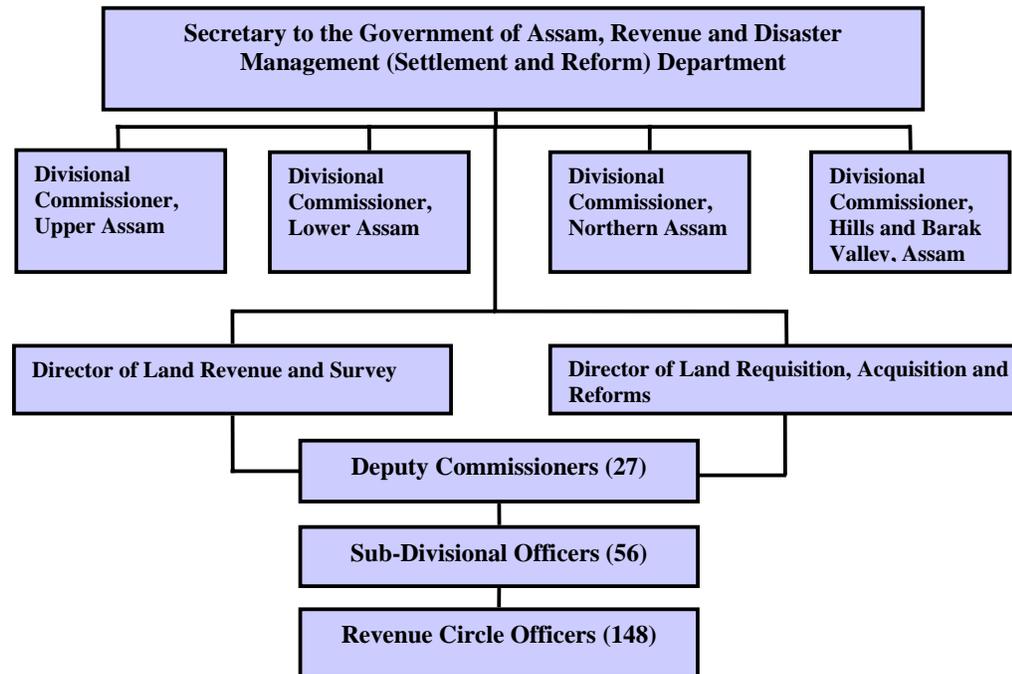
² Bongaigaon, Dibrugarh, Kamrup (R), Nogaon, Sonitpur and Tinsukia.

³ Source: Land policy 1989 of Revenue and Disaster Management Department, Government of Assam.

⁴ Source: As Chief Conservator of Forest (T), Assam letter dated 24 March 2011.

land. Director of Land Revenue and Survey and Director of land (Requisition and Acquisition) Reforms are executive heads of the Department. All Deputy Commissioners and other Officers subordinate to them carry out acquisition and allotment of land under direct supervision of the two Directorates. Organizational set up of the Department is depicted in Chart-1 below:

Chart - 1



1.1.3 Scope of audit

The performance audit on acquisition and allotment of land in Assam during 2006-11 was carried out through a test-check of records of RDMD; Director of Land Records and Survey; Director of Land Requisition, Acquisition and Reforms; nine (33 *per cent*) out of 27 districts (eight⁵ Deputy Commissioner and Bodoland Territorial Council (BTC), Kokrajhar) and other sub-ordinate offices in the selected districts during March to July 2011. Although Kamrup (Metro) was selected for detailed check, during the course of audit all the records requisitioned relating to land acquisition and allotment of Government land were not furnished in spite of repeated persuasion by Audit. DC, Kamrup (M) stated (May 2011) that partial availability of records was due to non-indexing and non-arranging the files consequent upon formation of Kamrup (M), which was carved out from the erstwhile Kamrup district. The reply is not tenable as maintaining land records in a systematic manner is an important function of all district authorities. In the exit conference (17 November 2011) the Principal Secretary, RDMD stated that reasons for non-production of records to audit in Kamrup (Metro) would be ascertained.

⁵ Bongaigaon, Dibrugarh, Kamrup (M), Kamrup (R), Karimganj, Nagaon, Sonitpur and Tinsukia.

1.1.4 Audit objectives

The main objectives of the performance audit were to assess whether:

- acquisition proceedings including survey for land needed for Government Departments were carried out as per the Land Acquisition Act and compensation and award were as per norms fixed;
- allotment of Government land to various institutions was as per guidelines/Government orders; and
- computerized or manually compiled central database of land was maintained at Commissionerate/Directorate level and there was a mechanism for adequate and effective monitoring and evaluation.

1.1.5 Audit criteria

The criteria adopted for the Performance Audit were based on:

- Land Acquisition Act 1894 and Rules thereunder;
- Land Acquisition Manual;
- Assam Land and Revenue Regulation 1886;
- Restrictions imposed in executive instructions of the Government;
- Government rules, instructions and orders for allotment and settlement of Government land; and
- Land Policy 1989 of the Department.

1.1.6 Audit methodology

The performance audit commenced with an Entry Conference conducted on 26 April 2011 with the Joint Secretary to the Government of Assam, RDMD where the audit objectives, audit criteria and methodology of the performance audit were explained. The adopted methodology in the performance audit included, collection of information and data relating to acquisition and allotment of land, evaluation of periodical reports/returns, study of case-wise acquisition and allotment, evidence gathering including pictorial evidences, joint inspections of sites by Audit and Revenue Circle Officer (RCO), Land Reform Staff (Mondol). In addition, 10 sites relating to acquisition and 24 sites pertaining to allotment were physically verified along with RCOs.

An exit conference was also held on 17 November 2011 with Principal Secretary, RDMD, GOA wherein the audit findings were discussed. Replies received (November 2011) from GOA have been incorporated suitably wherever appropriate.

1.1.7 Financial position

The year-wise number of awards pronounced, amounts of compensation awarded, collected and disbursed in nine selected districts out of total 27 districts (other than companies) during 2006-11 are shown in Table-1.

Table-1: Land acquisition for public purposes in the nine selected districts

(₹ in crore)

Year	No. of awards pronounced	Amount of compensation awarded	Amount collected	Amount disbursed	Balance	
					With DCs, ADC (BTC)	With treasury
2006-07	776	17.21	17.21	13.34	0.27	3.60
2007-08	1093	18.01	18.01	15.10	0.38	2.53
2008-09	1461	81.76	81.76	57.67	0.29	23.80
2009-10	2204	148.81	145.51	29.07	39.90	76.54
2010-11	480	16.75	16.75	8.76	3.04	4.95
Total	6,014	282.54	279.24	123.94	43.88	111.42

Source: Departmental records.

During 2006-11, compensation of ₹282.54 crore was awarded to 6,014 awardees of nine selected districts for acquisition of land for public purposes. ₹279.24 crore was collected from the Departments for which such land was acquired, of which, ₹123.94 crore was disbursed to awardees. Balance ₹155.30 crore (₹279.24 crore – ₹123.94 crore) was either held in current account (₹43.88 crore) of the Deputy Commissioners (DC) concerned or kept in the treasury. Two⁶ out of the nine DCs stated (June-July 2011) that the undisbursed amount could not be disbursed to awardees as they did not turn up. The remaining DCs did not furnish any reply.

Test check of nine districts revealed that land was acquired for a Government Company only in Dibrugarh district. The year-wise number of awards pronounced, compensation awarded, collected and disbursed during 2006-11 are shown in Table-2.

Table-2: Land acquisition for companies/PSUs in Dibrugarh district.

(₹ in crore)

Year	No. of awards pronounced	Amount of compensation awarded	Amount collected	Amount disbursed	Balance	
					DC's A/c	Treasury
2006-07	402	53.34	53.34	44.88	-	8.46
2007-08	84	14.17	14.17	14.11	0.06	-
2008-09	31	4.44	4.44	4.43	-	0.01
2009-10	6	0.03	0.03	0.02	0.01	-
2010-11	70	1.13	1.13	1.11	0.02	-
Total	593	73.11	73.11	64.55	0.09	8.47

Source: Information and data given by DC, Dibrugarh.

During 2006-11, compensation of ₹73.11 crore was awarded to 593 awardees of Dibrugarh district for acquisition of land for Bramhaputra Cracker and Polymer Limited (BCPL), Dibrugarh, of which, ₹64.55 crore was disbursed. Balance ₹8.56 crore (₹73.11 crore – ₹64.55 crore) continued to be held partly in DC's current account (₹0.09 crore) and partly as revenue deposit (₹8.47 crore) in the treasury.

Financial implication in respect of allotment of Government land has been discussed in paragraph - 1.1.9.

⁶ DC, Sonitpur and Karimganj.

Audit findings

1.1.8 Acquisition of land

Whenever it appears to the Government that land in any locality is needed for public purpose, a notification u/s 4 (i) of LA Act 1894, to that effect shall be published by the Collector or Deputy Commissioner in the official gazette for survey. In case of any dispute or any person interested in land notified u/s 4 (i), he may object to such acquisition before the Collector, who shall give the applicant/aggrieved person an opportunity of being heard. The Collector shall and after hearing of all such objections, make a report together with record of proceedings held by him to the Government, with his recommendations. Thereafter, a declaration shall be made under the signature of an officer of the level of Secretary to Government u/s 6 for publication of notification to the effect that the land is needed for public purpose. The Collector shall then obtain an order from Government for acquisition of land u/s 7 of the Act and thereupon u/s 8, cause the land to be marked out, measured and a plan made for acquisition. The Collector shall then cause public notice issued to persons interested stating that claims to compensation against acquisition of such land may be made to him u/s 9. The Collector shall proceed to enquire into objections (if any) u/s 11 pursuant to notice given u/s 9 and shall make appropriate award under his hand, within two years from the date of declaration u/s 6 (i), provided that no award shall be made by the Collector without the previous approval of Government. In cases of urgency, when the Government so directs, the Collector, though no such award has been made, may, on the expiration of 15 days from the publication of notice u/s 9(i) take possession of any land needed for a public purpose. Such land shall, thereupon, vest absolutely in Government, free from all encumbrances. Some cases of irregularities/deficiencies noticed in audit in acquisition of land are discussed in succeeding paragraphs.

1.1.8.1 Non-observance of provisions of the Act

The Principal Secretary, BTC, Kokrajhar and DCs of five out of nine selected districts (Tinsukia, Sonitpur, Bongaigaon, Kokrajhar and Karimganj) did not observe the provisions of the LA Act 1894 in 19 out of 43 cases of land acquisition examined in audit, as summed up in Table-3 and detailed in *Appendix-1.1*. Major omissions were (i) completion of acquisition proceedings and payment of compensation without approval of Government in seven cases and payment of compensation without solatium (30 per cent) and interest (12 per cent), (ii) non-payment of compensation after completion of acquisition proceedings in three cases, (iii) non-publishing of declaration u/s 6(i) in two cases, (iv) general acquisition and handing over of land to Public Works Department and All India Radio u/s 17(4) without assigning any reason of urgency in three cases and (v) non-publishing of notification u/s 4 to 11 in official gazette etc., in four cases.

Table-3: Cases of non-observance of provisions of the LA Act 1894

(₹in crore)

Disripts	No. of cases	Area of Land			Amount of compensation		Compensation paid		Amount Kept in	
		B	K	L	No. of awardees	Amount	No. of awardees	Amount	DC's Account	Treasury
Tinsukia	9	144	0	0.8	121	2.96	-		2.96	--
Sonitpur	2	16	3	19	275	0.67	275	0.51	0.16	--
Bongaigaon	1	125	2	18	61	0.44	-		--	0.44
Kokrajhar	4	532	0	18.5	393	10.29	361	8.35	1.94	--
Karimganj	3	35	0	5	45	0.68	16	0.09	--	0.59
Total	19	853	3	1.3	895	15.04	652	8.95	5.06	1.03

Source: Departmental records.

In this connection, the following further observations were made:

(a) In Tinsukia district, 144B-0K-0.8L land in nine cases (involving 121 awardees) was acquired and handed over to requiring Department in advance. But compensation of ₹2.96 crore, though received from the Department, was not paid to the land owners as estimates prepared by the Deputy Commissioners were awaiting approval of Government u/s 11 (iii). The awardees were, thus, deprived of compensation due to them.

(b) In Sonitpur district, compensation of ₹0.51 crore was paid in two cases to awardees after publication of notification u/s 4 (1) without approval of the estimates by Government and without initiating further proceedings u/s 6(1), 8, 9, 11 etc., as per LA Act 1894. DC, Sonitpur stated (June 2011) that approval of Government for publication of notification u/s 6 (i) would be obtained. Payment of compensation without approval of estimates by Government was irregular.

(c) In Bongaigaon, acquisition of land for improvement, strengthening and double laning of state road was made u/s 17 (4) of LA Act without assigning reasons of urgency, which is mandatory. In Karimganj the land was acquired u/s 17(4) but compensation amounting to ₹59 lakh was not disbursed to the awardee, except a sum of ₹9 Lakh. DC, Bongaigaon clarified (July 2011) that the provision u/s 17(4) was invoked as acquired land was to be in possession of State Road Board, an autonomous body, on priority so as to obtain finance from World Bank for execution of road projects. Though DC, Bongaigaon and Karimganj acquired the land with a notice of 15 days by invoking special power u/s 17(4), they failed to disburse the award promptly.

(d) In BTC, Kokrajhar, the laid down procedures of LA Act 1894 were not followed in four cases of land acquisition involving land measuring 532B-0K-18.5L during 2005-07. The land was acquired for payment of compensation of ₹10.29 crore to 393 *pattadars* involved in the cases and handed over to the requisitioning Departments. However, the elements of 30 *per cent* solatium and 12 *per cent* interest per annum on the market value of land, as required u/s 23(1) and (2), totaling ₹4.30 crore were not paid to the 393 *pattadars*.

The Joint Secretary (Settlement Branch), BTC stated (July 2011) that notification under different sections of LA Act 1894 were not published in official gazette as

power for publication of notification in official gazette was not transferred to the BTC by Government of Assam. The reply was silent on non-payment of solatium and interest to awardees. The Government stated (November 2011) that steps were being taken to observe the provisions of LA Act, in each case.

1.1.8.2 Land acquired for public purposes lying idle

Land acquired in public interest, if no longer required for the intended purpose, shall be relinquished and returned back to RDMD. An intimation to this effect will be issued by the Department which acquired the land. On receipt of such intimation, the RDMD will allot the land to other requisitioning Departments, if necessary.

RDMD issued (October 1989) instructions to all DCs to cause an enquiry by physical inspection on the land reserved and submit a report to Government so that the order of reservation could be cancelled in cases where the land reserved for a specific public purpose was not found used within a period of two or three years from the date of handing over of possession.

Scrutiny of the records of four⁷ DCs and joint inspection of sites carried out by Audit during May to July 2011 alongwith concerned RCOs/*Lat-Mondols* revealed that land measuring 267B-4K-14 L acquired for various public purposes⁸ and handed over to five Departments were lying idle for periods ranging between 26 and 66 months. As on July 2011, the concerned requiring Departments did not issue any instructions to RDMD for resumption of land. Inspection of land by DC/RCO would have put pressure on the acquiring department to expedite use of land for intended purposes. (Details in **Appendix-1.2**). The concerned DC/RCO did not ascertain the actual use of land through annual inspection in compliance with the Government instructions, and as a result, the acquired land is lying idle, as evident from the photographs given below:



*Site for KV, Dibrugarh
Area: 15B-0K-2.8L
Date: 18 June 2011*



*Site for 2nd ITBP Bn., Sonitpur
Area : 95B-3K-6L
Date: 15 July 2011*



*Site for AIR, Karimganj
Area : 7B-2K-12L
Date :05 August 2011*

In reply to audit query, DC, Dibrugarh stated (June 2011) that a notice will be served on Kendriya Vidyalay Sanghatan asking them to take up early construction of the school building. Replies from other three DCs were awaited (September 2011). Further, the Government stated (November 2011) that steps would be taken to ensure use of the acquired land by the requiring Departments.

⁷ Dibrugarh, Kamrup (M), Nagaon and Sonitpur.

⁸ Establishment of steel processing unit, construction of school, construction of 132 KV double circuit lilo line, establishment of 2nd ITBP Battalion and construction of FM radio station.

1.1.8.3 Agricultural land alienated for non-agricultural purposes

Transfer of agricultural land for non-agricultural purposes is restricted as laid down in the executive instruction No. 6 under the Assam Land and Revenue Regulation 1886 and in Land Policy 1989 of the RDMD, GOA. The Revenue (Settlement) Department also issued instructions in March 2000 imposing restrictions on alienation of agricultural land for non-agricultural purposes without prior approval from the Government, as the extent of agricultural land was fast decreasing due to its use for non-agricultural purposes.

Scrutiny of the records, however, revealed that agricultural land measuring 952B-1K-01L was acquired for different public purposes⁹ and handed over to three Government agencies¹⁰ between March 2008 and March 2011 by the DCs of three¹¹ districts. 317 agriculturists growing paddy were uprooted in spite of the fact that it was brought to the notice of Government by the concerned Additional DCs of the districts. In the case of land measuring 434B-2K-19L acquired for establishment of Assam Rifle Battalion Headquarter (ARBH) under Kamrup (M), the executive instruction No.6 of ALRR 1886 as well as provision of the Land Policy 1989 of RDMD were violated and the agricultural land was handed over in March 2011. In another case of alienation of agricultural land (photograph alongside) for industrial purpose



Agricultural land alienated to CALCOM Cement Ltd.

Date: 06 June 2011.

(setting up of CALCOM Cement Limited), Government acquired and handed over (March 2008) 345 bighas (385 bighas minus 40 bighas for homestead) of agricultural land and thereby 234 farmers were affected (Details given in *Appendix 1.3*).

The DCs of the three districts stated (May-July 2011) that the lands were acquired with the approval of the RDMD, GOA. However, the fact remains that large scale alienation of agricultural land was not in conformity with the Land Policy (1989) of Government of Assam and was in disregard of the instructions of Revenue (Settlement) Department. The Government stated (November 2011) that due to non-availability of suitable land, sometimes agricultural land was acquired for public purpose. Reply is however, not in conformity with the Land Policy, 1989 and executive instructions under Assam Land and Revenue Regulation (ALRR) 1886.

⁹ Establishment of Assam Rifle Battalion Headquarter, construction of 44KV sub-station, construction of cement plant "CALCOM" Cement Limited.

¹⁰ Assam Rifle Battalion Headquarter	(434B-2K-19L)
Assam Electrical Grid Corporation	(132B-3K- 2L)
<u>Assam Industrial Development Corporation Limited</u>	<u>(385B-0K- 0L)</u>

Total (951B-5K-21L i.e. 952B-1K-01L)

¹¹ Kamrup (M), Kamrup (R) and Nagaon.

1.1.8.4 Defective valuation of land acquired for public purposes

According to Section 23 of LA Act 1894, amount of compensation to be awarded for land acquired should be based on the market value of the land on the date of the publication of notification u/s 4 (i) *ibid*. Besides, ALRR 1886 and instructions issued between May to August 1999 by the Revenue (Settlement) Department stated that value of land for settlement/allotment is to be determined from the average value of as many sale deeds as possible of the last three years so as to minimize possible human bias in the process of determining the market value.

Scrutiny of the records of the office of Principal Secretary, BTC, Kokrajhar revealed that land acquisition process was initiated (2006-07) in respect of private land measuring 94 Bighas from 99 *pattadars*, covering various survey numbers, at Pachim Engkarbari, Kokrajhar, out of the total land of 211B-4K-16L proposed by the Deputy Inspector General, SSB, Bongaigaon for establishing 15th Battalion of SSB in Kokrajhar. According to RCO, Sidli, Bongaigaon, value (February 2007) of the land was ₹50,000 per bigha. As the *pattadars* were not satisfied with the valuation, a meeting was held in September 2007 between *pattadars* and BTC where it was settled that compensation would be paid @ ₹1.50 lakh per bigha. The BTC, Kokrajhar, however requested (January 2009) the Commandant, 15th Battalion of SSB to deposit ₹2.35 crore worked out by adopting the value of ₹2.50 lakh per bigha. While *pattadars* had agreed to land value @ ₹1.50 lakh per bigha, realization of land value at higher rate of ₹2.50 lakh per bigha by the BTC was not in conformity with the procedure prescribed for determination of compensation under LA Act 1894 or Government instructions issued (May 1999) in this regard. However, on receipt (May 2010) of ₹2.35 crore, the BTC released ₹1.62 crore to Director of Land Records, Kokrajhar for payment of compensation to *pattadars* @ ₹1.50 lakh per bigha. Accordingly, compensation of ₹1.41 crore (₹1.50 lakh X 94 bigha) was paid to the *pattadars* upto July 2011. Reasons for collecting ₹2.35 crore from Commandant, 15th Battalion of SSB against actual requirement of ₹1.41 crore and retention of balance ₹94 lakh by the BTC were neither found on record nor stated to audit, though called for.

Joint Secretary, BTC, Kokrajhar stated (July 2011) that the matter would be re-examined.

1.1.8.5 Non-setting up of IT Park due to wrong selection of sites

The Land Policy 1989 of Government of Assam envisaged formulation of Industrial Location Policy in consultation with the RDMD for acquisition or allotment of land for industrial purposes. Records showing formulation of Industrial Location Policy by RDMD, however, were not furnished to audit.

In violation of land policy 1989 of RDMD regarding restriction of transferring agricultural land for non-agricultural purpose, DC, Kamrup (R) identified a plot of agricultural land measuring 294B-0K-1.5L adjacent to LGBI¹² Airport, Guwahati in

¹² Lokopriya Gopinath Bordoloi International Airport.

Palashbari Revenue Circle, Kamrup for setting up an IT Park by Assam State Electronic Development Corporation (AMTRON), a State owned organization. AMTRON deposited the amount of compensation of ₹5.43 crore in August 2008. The amount was deposited in “8443-Civil deposit” by DC.

The plot, however, could not be acquired due to protest by land owners/farmers and no other land was acquired for AMTRON till date (November 2011). In 2009, DC again tried to acquire the same plot of land for ITBP Battalion Headquarter but failed to do so because of objections from the land owners (farmers). RDMD, GOA also reiterated (August 2009) avoidance of acquisition of agricultural land. There was another hurdle in acquisition of this plot of land as Ministry of Civil Aviation, Government of India also imposed (January 1988) restriction on construction of buildings etc., adjacent to Airport without clearance (NOC) from the Airport Authority of India. In reply, Government stated (November 2011) that ₹2.37 crore out of ₹5.43 crore had already been disbursed to the land owners but had not stated how and when the land would be acquired.

1.1.8.6 Rehabilitation of Project Affected Families (PAF)

In accordance with decision (March 2004) of GOA, a joint venture Cement Company viz. CALCOM Cement India Limited (CCIL) was set up with Vinay Cement Limited, a Private Company (90 *per cent* share) and Assam Industrial Development Corporation (AIDC), a State Government PSU (10 *per cent* share), as partners. The decision of GOA also envisaged the following:

- (i) The CCIL would be the requiring company for the purpose of acquisition of land and AIDC Limited, would assist in the acquisition process as nodal agency.
- (ii) The people affected by land acquisition would be suitably compensated by the CCIL as per LA Act 1894.
- (iii) The CCIL would draw a suitable rehabilitation programme for the families to be displaced as a result of acquisition, in consultation with State Government.

DC, Nagaon acquired (March 2008) 385 Bigha (345 bigha Agricultural and 40 bigha homestead) land and handed over the entire land to CCIL alongwith government land measuring 459 Bigha in March 2008. The allotment was decided (May 2007) in a meeting represented by Revenue Department, AIDC, District Administration and Chief Secretary to the Government of Assam but it was not based on approved plan and estimate or Detailed Project Report (DPR).

Thus, the basis of allotment of such a large plot of land (844 bigha) was not on record. 71 project affected families (PAFs) were displaced due to acquisition of PP/AP land and transfer of Government land and these families were to be rehabilitated by CCIL with a 500 sq ft Assam-type house each along with facilities of drinking water, electrification, sanitation and drainage, approach road etc., on a total of 50 bigha Government land. Moreover, other infrastructure facilities like main approach road, two school buildings, health centre, namghar, training hall, cattle shed etc., were also

to be set up at an estimated cost of ₹2.81 crore for which ₹2.77 crore was handed over to DC, Nagaon by AIDC only in March 2011.

Joint inspection of the rehabilitation site (photograph below) carried out by Audit alongwith RCO, Lanka and Lat-mondal in July 2011 disclosed that construction of houses was yet to be completed and provisions of electrification, water supply, approach road, drainage etc., were also not in place. Besides, construction of other infrastructure had not even started.



Incomplete houses for PAF (July 2011)

DC, Nagaon stated (July 2011) that the houses were being handed over to PAF within a month's time. Reply of the DC, Nagaon is not tenable as houses are incomplete in many respects, work on other infrastructures¹³ included in the rehabilitation plan had not even started and 71 PAFs were not rehabilitated even after 40 months of handing over the site. In reply, Government stated (November 2011) that completion of remaining works and shifting of PAF would be done by February 2012.

1.1.8.7 Injudicious payment of compensation

(a) Under the provision of LA Act 1894 (Section 31), on making an award u/s 11, the Collector shall tender payment of compensation awarded by him to the persons entitled thereto according to the award unless prevented by one or more of the contingencies mentioned in sub-section (2), (3) and (4), there under.

Scrutiny revealed that the payment of compensation of ₹16.77 crore¹⁴ made by three DCs was not in conformity with the provisions of the LA Act 1894 as discussed below:

(i) A plot of land measuring 1044B-0K-8L was acquired (July 2008) by DC, Dibrugarh from Lepetkata Tea Estate and Moran Tea Company for setting up

¹³ Approach road, cattle shed, school building, namghar, community hall, vocational training institute, medical health building, brick boundary wall with iron gate, pucca drain with RCC slab and street light.

¹⁴ DC, Dibrugarh ₹5.33 crore + DC, Tinsukia ₹9.95 crore + DC, Karimganj ₹1.49 crore.

Brahmaputra Cracker and Polymer Limited (BCPL), of which, land measuring 685B-0K-9L was not in use for tea cultivation but was in occupation of 118 tenants. As per the estimate of the DC ₹5.33 crore (land value : ₹3.75 crore + 42 *per cent* Solatium and interest : ₹1.58 crore) out of the estimated cost of ₹9.31 crore (land value : ₹6.56 crore + 42 *per cent* Solatium and interest : ₹2.75 crore) was to be paid to 118 tenants for land in their occupation and balance ₹3.99 crore (land value : ₹2.81 crore + 42 *per cent* Solatium and interest : ₹1.18 crore) was payable to the owner of the Tea Estate.

The land in occupation of 118 tenants was in the name of tea garden management as per land records. Therefore, the land value could not have been disbursed to the tenants unless the name of proprietor was struck off from the register by invoking Rule 116 of the Registration Rules under Assam Land and Revenue Regulation 1886. While the DC was in the process of invoking the above Rule, Manager of the Tea Estate stated (October 2007) that a settlement was made with the occupant families (tenants) for payment of the full land value to the occupant families retaining the remaining 42 *per cent* (30 *per cent* Solatium + 12 *per cent* interest) with itself. Under the provisions of Assam Fixation of Ceiling and Land Holding Act (AHOC&LH) 1956, land measuring 685B-0K-9L was to be settled with 118 tenants as it was surplus land of the Tea Estate. Instead of adhering to instruction of Government or settling of the land with the tenants under AFOC&LH Act 1956, the DC accepted the proposal of the Tea Estate and disbursed the full amount of ₹5.33 crore to the Manager of the Tea Estate for further disbursement of the agreed amount (land value ₹3.75 crore) to the tenants. Veracity of the actual payment of ₹3.75 crore made, if any, as compensation to 118 tenants by the Tea Estate, however, could not be vouchsafed in audit.

The action of the DC was not in order as the tenants were entitled to the compensation of the entire ₹5.33 crore (Section 23 of LAR 1894) as the occupied land was the surplus land of the Tea Estate and was under their occupation for long. In reply, Government stated (November 2011) that as land acquisition had been completed there was no further ground for pursuing the proceedings. The fact however remains that the actual affected families were deprived of legitimate compensation.

(ii) Under Section 10 (1) of Land Acquisition Act 1894, DC may require any person (s) to make or deliver to him a statement containing the name of every other person possessing any interest in the land or part thereof as co-proprietor, sub-proprietor, mortgagee, tenants and of the nature of such interest for three years next preceding the date of the statement. DC, on the day so fixed to which enquiry has been adjourned, shall proceed to enquire into the objections, if any, which any person has stated shall make an award under his hand of the apportionment of the compensation among all the persons known or believed to be interested in the land under section 11 of LA Act 1894.

DC, Tinsukia acquired land measuring 1,166B-1K-14L from M/s. Gelapukhuri Tea Estate and handed the land over (June 2010) to AIDC, the requiring government

agency, for setting up a Plastic Park¹⁵. On receipt of the estimated cost of ₹19.10 crore¹⁶ for the land from AIDC, the DC paid ₹9.95 crore to the Tea Estate against the total payable compensation of ₹17.36 crore. Balance compensation of ₹7.41 crore was not paid on account of a writ petition filed (November 2010) by the PNB, Kolkata in Guwahati Court stating that the tea estate had outstanding dues and liabilities of ₹4.46 crore up to 30 November 2009 for availing cash credit/overdraft/loans/advances from PNB, Kolkata against the mortgage of the above mentioned land. It was also stated (November 2010) in the writ petition that the original title deeds of the land were in the custody of the Bank as continuing security and the bank was entitled to receive the compensation amount on mortgaged land.

The payment of compensation of ₹9.95 crore made by DC, Tinsukia to the Gelapukhuri Tea Estate was, thus irregular, since declaration of compensation of ₹17.36 crore made by the DC in favour of Tea Estate was without obtaining any statement from Tea Estate indicating name of PNB, Kolkata who had interest on the land mortgaged with it. Joint inspection carried out by Audit along with RCO and Lat-mondal revealed that the Plastic Park was not set up as of June 2011, though the land was handed over in June 2010. In reply, Government stated (November 2011) that the district authority had no knowledge of mortgage of the land with PNB. This indicated that the district authority irregularly paid the compensation without verifying the original title deeds.

(b) In accordance with section 7(1A) of the Assam Land (Requisition and Acquisition) Act 1948, compensation for land settled originally for special cultivation lying unutilized, shall be, equal to 10 times of annual land revenue together with value of trees, if any, standing on it.

On receipt of willingness from M/s. Basantipur Tea Company (P) Limited, Sephinjuri Bheel Tea Estate, DC, Karimganj acquired a plot of unused tea land measuring 346B-18K-1L of the tea estate for establishment of new BSF sector headquarter and one battalion headquarter at an estimated cost of ₹1.71 crore (Compensation: ₹1.55 crore and Contingency: ₹0.16 crore). On receipt of the estimated amount from the requiring Department (BSF), the DC paid (March 2009) compensation of ₹1.50 crore to General Manager, Sephinjuri Bheel Tea Estate and handed over the land to the BSF authorities in February 2010.

Scrutiny in audit revealed that the above land was initially leased by Government of Assam to the above mentioned tea estate for special cultivation of tea. As the land was kept fallow/unutilized, the tea estate was entitled to the value of Zirat only together with 10 times of annual land revenue and not the value of land which belonged to Government. The tea estate was, thus, entitled to ₹0.52 Lakh being 10 times of annual land revenue at ₹15 per bigha per year. DC, Karimganj, however, paid compensation of ₹1.50 crore being land value to the tea estate. Action of the DC, Karimganj was not

¹⁵ Processing unit for manufacturing of Plastic product.

¹⁶ Compensation ₹17.36 crore + eight *per cent* establishment cost of ₹1.39 crore + two *per cent* contingency of ₹0.35 crore.

in conformity with the provision of the LA Act and resulted in extending undue financial benefit of ₹1.49 crore (₹1.50 crore-₹0.52 lakh) to the tea estate.

DCs of the concerned three districts stated (June - August 2011) that the cases will be investigated/examined. However, no further reply from the DCs was received (November 2011). In reply, Government while stating (November 2011) that provision u/s 7(1A) of Act 1948 was repealed, did not comment on section 11 (2) of Assam Land (Requisition and Acquisition) Act 1964, which provided for payment for compensation equal to 10 times of annual land revenue.

1.1.8.8 Irregular payment of compensation

Land needed for public purpose is to be acquired from persons with legal title over such land. Land at the disposal of Government can not be used for payment of any compensation to encroachers. Also, as per instructions of NHAI¹⁷, it is to be ensured that the prospective recipient of compensation has valid legal title/claim over the land/structures for which they are proposed to be compensated, prior to release of compensation.

Scrutiny of the records revealed that DC, Bongaigaon (LA case No. 02/2005-06) acquired 127.23 hectares of land including 2.29 hectares Government land for construction of four lane NH-31 in chainages 84 Km to 93 Km and 961.50 Km to 983 Km. Government land (2.29 hectare) was under the possession of 1,016 encroachers. After eviction of the encroachers, land was handed over to Project Director, Project Implementation Unit (PIU), NHAI, Bongaigaon during March and April 2010.

DC, Bongaigaon irregularly paid (February-April 2010) compensation (value of zirats/structures etc.) of ₹12.22 crore to 1,016 encroachers after collecting the fund from the Project Director in contravention of the instruction of NHAI that an encroacher has no valid legal title/claim over the land/structures. Thus, payment of ₹12.22 crore as compensation was inadmissible and led to loss of Government money to that extent.

In reply, Government stated (November 2011) that payment of compensation to 1,016 encroachers was assessed by State level co-ordination committee as alternative land could not be arranged for affected encroachers. The reply is not tenable as the encroachers had no valid legal right over the land to enable them to get compensation.

1.1.8.9 Over payment of compensation

A plot of land measuring 202B-0K-8.5L (27.039 Hectare) was acquired by DC, Kamrup (Rural) (LA case No.1/2007) at an estimated cost of ₹13.63 crore in village Changsari of Silasundarighopa *mouza* and handed over (February 2009) to Food Corporation of India (FCI) for construction of godown. The RDMD, GOA approved (June 2009) compensation award of ₹12.39 crore for payment to persons having interest in the acquired land.

¹⁷ National Highway Authority of India.

Scrutiny of Government order awarding the compensation, registered sale deeds on the basis of which compensation was paid, payment register for recording *pattadars*' name and payees' signed receipts etc., revealed that compensation of ₹1.30 crore was paid to 11 awardees against awarded compensation of ₹95.49 lakh. This had resulted in over payment of ₹34.05 lakh (*Appendix-1.4*). The over payment occurred due to payment of compensation of ₹9.45 lakh against non-acquired land and payment of ₹24.60 lakh against forged sale deeds.

On this being pointed out, DC, Kamrup (Rural) stated (May 2011) that two delinquent officials were placed under suspension and action was being taken for initiating Departmental proceedings against them. The Government also stated (November 2011) that the departmental proceedings were in final stage. However, recovery of ₹34.05 lakh remained to be effected till November 2011.

1.1.9 Allotment of Government land

The Land Policy 1989 of the RDMD, GOA provides for allotment of Government land, generally, for ordinary cultivation by indigenous landless persons, homestead purposes, allied agricultural purposes, special cultivation and other non-agricultural purposes like industries, public institutions, hospitals, dispensaries etc. There shall be one Sub-division Level Land Advisory Committee (SDLLAC) in each sub-division to advise the DC or SDO in the matter of land allotment or settlement within the framework of land policy 1989 of the Government read with ALRR 1886, Rules thereunder and Government orders, Executive instructions etc. The Revenue (Settlement) Department issued (October 1989) instructions to all the DCs to cause an enquiry through inspection of land allotted and submit a report to the Government for cancellation of the order of allotment in case where land allotted for a specific public purpose is not found used within a period of two-three years from the date of handing over possession and make proposals for re-allotment of such land on cancellation of previous order for better public usage.

The land acquired under the Fixation of Ceiling on Land Holdings Act 1956 is settled with cultivating tenants, if any, or disposed off in the same manner as any other land at the disposal of Government.

In the Land Policy 1989 of the Government of Assam, special provision has also been made for allotment/settlement of land to indigenous landless persons belonging to SC/ST community at 25 *per cent* concessional premium (land value).

The RDMD from time to time issued instructions to all DCs fixing the modalities for realization of premium (land value) for settlement of land.

The succeeding paragraphs discuss the performance of the Department in allotment/settlement of Government land.

1.1.9.1 Blockage of revenue due to non-settlement of allotted land

Scrutiny of the records of DCs of six¹⁸ districts revealed that Government land measuring 11,041B-4K-18L were allotted to 3,256 individuals, companies/corporations/public enterprises, non-Governmental organizations (NGOs), registered societies, charitable trusts etc., during 2006-11 as recommended by SDLLAC. Of this, 6,159B-4K-4L land allotted to 1,750 individuals (253B-0K-0L), 15 companies/corporation/ public enterprises (23B-1K-4L), 47 NGOs (440B-4K-15L), 68 registered societies (442B-4K-1L) and eight charitable trusts (19B-4K-4L) were not settled even after three years of allotment in conformity with the Land Policy 1989 of the GOA. Use of land for the purpose for which it was allotted was also not ascertained by the DCs, nor were the allotment orders cancelled and the land re-allotted to other prospective users. Due to non-settlement of the land measuring 6,159B-4K-4L allotted in the six districts, value of the land (premium) amounting to ₹26.42 crore could not be collected. Details are given in **Appendix-1.5**.

Land value is increasing considerably every year. Allotment made in earlier years to allottees who kept the land without any use would pay the land value at the earlier rate that prevailed at the time of allotment, although settlement was made on a current date. Thus, failure on the part of DC to identify allotted land not in use, entailed loss of revenue to Government when settled.

DC, Sonitpur stated (July 2011) that the actual possession of land with allottees would be ascertained and settled in deserving cases and DC, Kamrup (R), Tinsukia and Dibrugarh stated (July 2011) that for settlement of allotted land, approval of Government was awaited. The reply furnished by DC is not relevant as settlement was to be done by DCs/SDOs on the advice of the SDLLAC. However, replies of DC, Nagaon and Bongaigaon are awaited (September 2011). The Government stated (November 2011) that concerned DCs would be instructed to cancel allotment order where the land was not in use for the intended purpose.

1.1.9.2 Allotment of Government land to SC/ST, weaker sections and landless cultivators

In the Land Policy 1989 of the Government of Assam, special provision (Para-16) has been made for settlement/allotment of land to indigenous landless person, belonging to SC/ST at 25 *per cent* concessional premium. The Land Policy 1989 stipulates that Government high land and ceiling surplus land suitable for special cultivation of tea, coffee, rubber etc., should be identified and after obtaining suitability report from Government, the land is to be allotted to small growers for special cultivation.

Scrutiny of the records of DC, Tinsukia revealed that 37 indigenous small tea growers belonging to SC/ST and other communities had submitted (12 August 2004) proposals for settlement of 836B-4K-14L land for special cultivation of tea. Another 37 flood affected ST families of Bogdung mouza of Dibrugarh district together with 70 other families occupying a plot of land measuring 228B-0K-6L in the Tirap mouza of village Jagun in the Tinsukia district also sought settlement of the land. All

¹⁸ Bongaigaon, Dibrugarh, Kamrup (R), Nagaon, Sonitpur and Tinsukia.

applicants were in occupation of the Government land. The DC ordered (28 October 2004) SDO, Margherita to take necessary action for allotment of the land to the applicants, but the latter did not act upon the order of the DC for the last seven years even for identification of beneficiaries and demarcation of land. Due to inaction and non-compliance of the order by SDO, Margherita, 37 indigenous small tea growers belonging to SC/ST and other communities and another 107 families belonging to ST/other categories were deprived of settlement of the land measuring 1,065B as of July 2011.

DC, Tinsukia stated (July 2011) that the settlement process could not be completed due to non-receipt of approval from Government. Reply of DC, Tinsukia is not tenable as even the initial work of identifying beneficiaries and demarcation of land was not done by the SDOs/RCOs concerned. The Government stated (November 2011) that detailed report was awaited from DC, Tinsukia.

1.1.9.3 Injudicious allotment of VGR land to co-operative society

Rule 95(A) of ALRR 1886 provides for de-reservation of village grazing ground and no possession or settlement of any village grazing ground be made unless such village grazing ground is de-reserved first. Paragraph 1.1 of Land Policy 1989 envisaged that land at the disposal of government for ordinary cultivation may initially be allotted to landless persons. The maximum limit of land for allotment to an individual was fixed at seven bighas for agriculture and one bigha for homestead purpose.

Scrutiny of the records of the DC, Sonitpur and Nagaon revealed that (i) 'Village Grazing Reserved' (VGR) land measuring 233B-2K-16L under Biswanath mouza of Naduar Revenue Circle was handed over (November 1982) by the Assistant Settlement Officer to Biswanath Dawgaon Krisipam Samabay Samiti (BDKSS) on the basis of the order of the DC but without any approval from the Government and without initiating the de-reservation process as envisaged in the Land Policy. DC, Sonitpur obtained (December 1999) approval of the Land Advisory Committee and sent the proposal to the RDMD for allotment of the said land to the BDKSS after institution of de-reservation proceedings u/s 95(A) of Grazing Rules under ALRR Act 1886. The RDMD instructed (August 2002) the DC to submit a detailed list of members of the Samiti along with area of own land available with each member of the Samiti. RCO, Biswanath Chariali intimated (November 2003) the DC/Government that the Samiti had no landless shareholder, which is mandatory as per land policy for allotment of land. The RDMD did not convey approval for allotment of the said land till July 2011. Thus, handing over of land measuring 233B-2K-16L by DC, Sonitpur to BDKSS was not in conformity with the Land Policy of the Government. Thus, Government land measuring 233B-2K-16L continued to be under unauthorised possession of 43 members of the BDKSS). (ii) Similarly, DC, Nagaon handed over (July 1999) advance possession of land measuring 123B-0K-4L in Bhumuraguri Noltuli Kisam village of Pubthuria mouza to AIDC for setting up Industrial Infrastructure Development (IID) Centre without approval of the Government of Assam and de-reservation of VGR land. The AIDC developed 123B-0K-4L land for

the purpose of re-allotment to the prospective entrepreneurs on a long term lease basis, but could not invite the entrepreneurs for setting up industries due to non-settlement of the land. During last 10 years (2000-2010), neither the DC nor the Government took any action for settlement of the land. It was only in May 2011, that the DC, Nagaon, after an assessment of the land value of ₹55.12 lakh, sent a proposal to the Government for settlement of the land, which was not considered by the RDMD as of July 2011 mainly due to non-submission of the authenticated copy of the SDLAC meeting held on 01 March 1999 regarding recommendation for allotment of land to AIDC and delay in proposal mooted (May 2011) to RDMD by DC, Nagaon for allotment of land in favour of AIDC after assessment of land value. Thus, the land allotted to AIDC could not be settled even after 10 to 17 years of handing over/advance possession.

DC, Sonitpur and Nagaon stated (July 2011) that the matter would be taken up with RDMD, GOA for settlement. The Government stated (November 2011) that the matter was being examined.

1.1.9.4 Misuse/non-use of allotted land

The Revenue (Settlement) Department issued (October 1989) instructions to all the DCs to cause an enquiry through physical inspection of land allotted and submit a report to the Government for cancellation of the order of allotment in case where land allotted for a specific public purpose is not found used within a period of two-three years from the date of handing over possession and make proposals for re-allotment of such land on cancellation of previous order for better public usage.

Scrutiny of the records of DCs of the selected districts and joint inspection of 24 selected cases of land allotment along with concerned RCOs revealed that in 19 cases, Government land measuring 3,883B-0K-18L allotted three to sixteen years back was not in use for the purpose for which it was allotted (details in **Appendix-1.6**).

In Kamrup (M), considering proposal of two companies¹⁹ of 20 *per cent* allocation of total hospital beds and other benefits²⁰ for poor out of its corpus funds and 100 *per cent* recruitment of Grade-III and IV employees from local people in hospitals and registered societies, RDMD, GOA allotted 33B-1K-1L land for establishing two multi-specialist hospitals and 30 bigha land for construction of building for residential house at Jalukbari and Hengrabari areas respectively. Again, allotment of 2,790B-2K-10L land to AIDC/DICC in four districts (Dibrugarh, Tinsukia, Sonitpur and Kokrajhar) was made by RDMD in consideration of allottees' proposal for establishment of Industrial Growth Centre/Industrial Infrastructure Development etc., but, none of the allottees used land for the purpose for which land was allotted. Allotted land was lying idle as of July 2011. The concerned DCs and Principal Secretary, BTC did not take any initiative to inspect Government lands allotted to different organizations to ascertain actual use of the land by such allottees. Action for

¹⁹ i) Gemini hospital private limited and ii) Asclepius hospital and health care private limited.

²⁰ Free medical care including bed, surgical and consultancy charges, free treatment and house for poor people.

cancellation of allotment orders or proposal for re-allotment of unused Government land (shown in three photographs below) was also not taken.



*Land for ITI, Karimganj
Area: 45B-0K-0L, Date : 06.08.2011*



*Land for Asclepius Hospital
Area : 12B-0K-1L, Date : 25.05.2011*



*Land for PGNU Samity
Area : 30B-0K-0L, Date : 24.05.2011*

Failure of the DCs to cancel allotment made three to sixteen years back entailed loss to Government because in case of cancellation and reallocation in deserving cases, land value could have been obtained at current rate, which has increased considerably in recent times.

DC, Kamrup (Metro) stated (May 2011) that the allotment orders would be cancelled and re-allotment of the lands made. Other seven DCs and Joint Secretary, BTC stated that the actual use of land by the allottees would be ascertained and necessary action taken. Government stated (November 2011) that instructions were issued to concerned DCs to take action as per law so as to prevent misuse/non-use of allotted land.

1.1.9.5 Unauthorised leasing out of Government land

Revenue (Settlement) Department instruction (23 March 2005) provides that no Government land can be sold/mortgaged/leased out/transferred in any manner to any public or private party without prior approval of Government under Section 12(2) of the ALRR 1886 and Rule 1 thereunder. The lessor must possess the right over the land before leasing out to others, which can be acquired only if the land settled by the Government with the lessor (u/s 108 of transfer of property Act).

Scrutiny of the records of DC, Tinsukia and Bongaigaon revealed that Government land measuring 800B-3K-7L and 58 bigha respectively was under unauthorized possession of the Assam Small Industries Development Corporation Limited (ASIDC) and Assam Industrial Infrastructure Development Corporation Limited (AIIDC). Advance possession or advance allotment of land, given by DC did not confer right to ASIDC and AIIDC to lease out the land unless settlement of land is made with ASIDC/AIIDC. ASIDC had unauthorisedly leased out 788B-0K-19L land out of 800B-3K-7L land to four companies and AIIDC had also similarly leased out 28 bighas out of 58 bighas to one M/s. Brahmaputra Carbon Limited during 1983 to 2004 as shown in Table 4.

Table 4: Unauthorised leasing out of land by ASIDC and AIIDC

Sl. No.	Name of the Corporation	Area of land in possession			Since when land was in possession	To whom leased out	Area of land leased out			Registered deed No. and year of lease
		B	K	L			B	K	L	
1.	ASIDC	800	2	7	26.11.1976	M/s Luit Valley Company	351	3	12	543 of 1983
						M/s Barooah Agro Service P. Ltd.	100	0	0	393 of 1984
						M/s Hociiril Distalant Company	186	2	7	1868 of 1984
						M/s T K Gogoi	150	0	0	356 of 1988
										382 of 1989

2.	AIIDC	58	0	0	NA	M/s Brahmaputra Carbon Ltd.	28	0	0	18-10-2004
	Total	858	2	7			816	0	19	

Source: Departmental records.



Land leased out by AIIDC to M/s Brahmaputra Carbon Limited (Area: 28B-0K-0L, Date: 22 July 2011)

The ASIDC, however, served (July 2009) notices to the leasees for vacation of the land and submitted proposal to Government for settlement of the land in favour of ASIDC, which was not done till June 2011. Neither DC nor ASIDC/AIIDC had followed procedure prescribed for leasing out Government land nor obtained prior approval from Government before leasing out Government land under their possession. On the other hand, DC, Bongaigaon, as a result of massive public protests due to unhealthy emission from carbon factory (photograph above), caused an enquiry into the matter but did not initiate any action for removal of the private party from Government land. Thus, Government land measuring 816B-0K-19L remained (October 2011) under the possession of private parties/companies due to unauthorised leasing out by the two corporations.

On being pointed out, DC, Tinsukia stated (July 2011) that the matter would be taken up with ASIDC and DC, Bongaigaon admitted that AIIDC had no authority to lease out the land and clarification would be sought from AIIDC for submission to audit. The Government stated (November 2011) that necessary instructions were issued to concerned DCs to take steps as per Rules.

1.1.9.6 Non-rehabilitation of 48 ex-tea garden worker families evicted from Government land

The Revenue (Settlement) Department, issued (October 1989) instructions to all DCs to cause an enquiry through physical inspection of land allotted and submit a report to Government for cancellation of the order of allotment where land allotted for a specific public purpose was not found used within two to three years of handing over and propose for re-allotment of such land on cancellation of previous order for better public usage.

The RDMD allotted (November 2003) 79B-0K-10L Government land in favour of one M/s Assam Institute of Bio-Science and Agriculture Development (AIBSAD), a trust/society, for the purpose of special cultivation of medicinal plants and handed over (June 2006) the land after correction of land records. The handing over of possession of the land was preceded by eviction notices to encroachers (Ex-Tea

Garden Adivasi Tribal people) in occupation of the land. There was large scale agitation over allotment of the land by different organizations followed by *bandh* called by Kathiatholi Tea Tribes (Adivasi) Land Conservative Samity. However, the hon'ble Gauhati High Court in its Judgment dated 25 May 2005 ordered the DC to ensure granting possession of the land to the petitioner (President, AIBSAD) not later than two months from 25 May 2005. Again in another judgment (dated 15 May 2006) on a writ petition filed vide WPC No. 5977/05 by Sri Kansiram Kurmi and 47 other petitioners, the hon'ble Court observed, "As there is no dispute that the petitioners are land less persons; belonging to ex-tea garden labour class and hence the respondent authority, shall consider their case for providing adequate alternative land for shelter as per existing policy and guidelines".

A joint inspection of allotted land (photograph below) conducted (July 2011) by Audit and Lat-Mandol of Kampur Revenue Circle revealed that the land was lying vacant and no special cultivation of medicinal plant was carried out on the land till July 2011. Part of the land (two bigha) was occupied by water bottling plant and subsequent enquiry revealed that this portion was leased out to a private individual on annual lease rent of ₹2,000 per annum. Thus the land was not utilized for the purpose for which it was allotted and the allotment rendered 48 ex-tea garden worker families landless.



Land allotted to AIBSAD for cultivation of medicinal plant. Area: 74B-0K-10; date:12 July 2011



Unauthorized erection of mineral water plant in a portion of the land

DC, Nogaon neither cancelled the allotment order nor had sent proposal to Government for re-allotment of land for better public usage. The present status of the evicted families was not known to the DC who stated (July 2011) that the same was being verified for necessary action. The Government stated (November 2011) that allotment of land to evicted families had already been taken up and detailed report for non-use of allotted land was sought from DC, Nagaon.

1.1.9.7 Loss of revenue

RDMD, GOA instructed (May-August 1999) that value of land for settlement/allotment is to be determined from the average value of as many sale deeds as possible of the last three years so as to minimize possible human bias in the process of determining market value.

An area of Government land measuring 225 bigha in Ranighuli village under Bilashipara Revenue Circle was transferred (April 2008) by BTC, Kokrajhar in favour of Commandant, 16th Battalion, SSB, Adabari for establishment of the SSB 16th Bn. HQ. Assistant Settlement Officer assessed (April 2008) the value of the land at ₹3.75 lakh per bigha from the sale deeds of land in the neighbouring area. BTC, however, handed over (January 2009) the land after realization of land value of ₹2.81 crore @ ₹1.25 lakh per bigha plus 25 years capitalized land revenue of ₹156.25.

As a result of under valuation of land by ₹2.50 lakh (₹3.75 lakh-₹1.25 lakh) per bigha, BTC sustained loss of revenue of ₹5.63 crore (₹2.50 lakh x 225 bigha). In reply, the Government stated (November 2011) that the matter was taken up with BTC.

1.1.9.8 Non-establishment of NIPER due to non-acquisition of land for approach road

The RDMD had allotted (January 2008) Government land measuring 275 bigha in village Sila of Silasundari mouza, North Guwahati, free of cost, in favour of Ministry of Chemical and Fertilizer, Department of Chemical and Petrochemical, Government of India, for establishment of National Institute of Pharmaceutical Engineering and Research



Land allotted for NIPER lying idle (July 2011)

(NIPER), subject to utilization of land within three years for the specific purpose, failing which, the allotment of land was to be automatically cancelled and reverted back to RDMD. The land (photograph above) was handed over to NIPER on 11 March 2008. NIPER was ceremonially inaugurated at Guwahati Medical College and Hospital (GMCH) on 16 September 2008. The Institute was intended to be set up as a centre of excellence for advanced studies and research in pharmaceutical sciences with GMCH being the mentor institute.

DC, Kamrup (Rural) sought (June 2009) approval to publication of notification under section 4(i) of LA Act 1894, for acquisition of land measuring 6 bigha required for approach road to the allotted land, adjacent to National Highway No.31 on the line of IIT, Guwahati. The land, however, was not acquired till June 2011 due to non-receipt of Government approval. As a result, NIPER was not established, though the classes were going on temporarily in GMCH after ceremonial inauguration. Allotment of 275 bigha land was neither cancelled/dereserved nor reverted back to the RDMD as of June 2011.

DC, Kamrup (Rural) stated (May 2011) that Government was reviewing the matter from time to time. The Government stated (November 2011) that LA proposal for construction of approach road was not received from the concerned Department.

1.1.9.9 Conversion of agricultural land into residential site

Government land reserved or allotted for specific public purposes, if not used within two or three years shall automatically be reverted back to RDMD. All the DCs were repeatedly directed by RDMD to ascertain the actual use of allotted land and forward

cases for cancellation of the order of reservation or allotment in case the land was not used for the purpose for which such allotment was made.

Scrutiny of records of DC, Sonitpur revealed that an area of land measuring 1,462B-3K-13L was reserved for the purpose of co-operative farming by Sonitpur Krishi Pam Nigam (SKPN) by DC, Sonitpur in July 1975. The land records were accordingly corrected by the RCO, Chariduar in 1998. In January 2006, the RCO reported that SKPN distributed the entire land to 150 odd farmers. The farmers in due course abandoned farming and left the land to its own fate. In the mean time, SKPN became defunct and the land was subsequently encroached by 264 families and houses, shops and other business establishments were constructed on the land. Thus, the entire 1,462B-3K-13L agricultural land was allowed to be converted defacto into residential sites by unauthorized encroachers, due to failure on the part of DC, Sonitpur in superintendence and monitoring of co-operative farming by SKPN.

DC, Sonitpur stated (June 2011) that the matter would be investigated and action taken for settlement of the land. The Government stated (November 2011) that RCO, Charaiduar was directed to evict the encroachers and revert the land back to its original status.

1.1.9.10 Apathy in implementation of compensatory afforestation programme in the allotted land

Forest Conservation Act 1980 as amended in 1988, provides that compensatory afforestation program be taken up on an equivalent area of degraded forest land or non-forest area due in cases of diversion of forest land for non-forest purposes.

Government land measuring 100 hectares (photograph alongside) and 300 hectares were, thus, allotted to Divisional Forest Officers (DFO), Dibrugarh (May 2005) and DFO, Digboi (December 2004) respectively by DC, Dibrugarh and Tinsukia. According to the records of DFO, Dibrugarh, ₹16.47 lakh was spent on afforestation. Details of expenditure disclosed that plantation was done in 2004-05 on 100 hectares of land and thereafter maintenance work done for four years up to 2008-09. After four years of maintenance, trees were to come up to a considerable height. However, during joint physical inspection (June 2011) of the site with concerned circle officer of Lat-Mondal, no plantation was found in the allotted land. This has raised serious doubts on the bonafideness and achievement of the claim of DFO of afforestation in 100 hectares land, besides rendering the entire expenditure of ₹16.47 lakh infructuous. The DFO, Digboi, on the other hand, stated (March 2005) that the non-forest land measuring 300 hectares allotted by DC, Tinsukia in Sodiya Sub-division was too far from Digboi Forest Division to carry out the compensatory afforestation programme.



BRAHMAPUTRA CHAPORI OF AITHAN BOGIBEEL, 100 Hectares (18 June 2011).

DC, Dibrugarh and Tinsukia did not pursue implementation of afforestation programme and Government land measuring 400 hectares was, thus, not used for the purpose for which allotment was made. The Government stated (November 2011) that the matter was referred to Environment and Forest Department for necessary action.

1.1.10 Monitoring and evaluation

1.1.10.1 Monitoring through registers, reports and returns

Deficiencies in maintenance of records noticed during audit scrutiny in various units are depicted below:

- (i) Land acquisition registers indicating cases of land acquisition initiated till completion of acquisition process were not maintained in any district except Karimganj. The register of DC, Sonitpur contained only partial information.
- (ii) Land allotment register indicating details of allotment of Government land was not maintained by DCs of selected districts except by DC, Kamrup (R) and Karimganj partially.
- (iii) Details of annual physical inspection of land acquired or allotted by DC/RCO for ascertaining actual use of the land by the requiring Department/allottee, were not available in any of the district.
- (iv) As many as 26 out of 31 files relating to allotment of Government land called for by Audit were not made available by the DC, Kamrup (Metro).

1.1.10.2 Absence of Management Information System (MIS)

The RDMD decided to computerised the database of land records by updating Chitha containing information of a particular plot of land and Jamabandhi i.e. Records of rights register in respect of all districts by 30 September 2009, but database and validation of data in respect of 18 Circles of four districts²¹ only were completed upto June 2011. No nodal agency was constituted in the RDMD or in the Directorates for monitoring cases of land acquisition and allotment in the State. Neither any specific format was prescribed nor any standard parameters evolved for monitoring of land acquisition and allotment in the State through periodical reports and returns from Revenue Circle to DC and from DC to the Directorates/Department. There was no Management Information System (MIS) to help cause an effective watch over the process of acquisition and allotment of land in the State

Consequently, the pattern of reporting by each level of functionaries, and periodical meetings by duly constituted committees for evaluation of reports from various functionaries, or system of ensuring actual use of land by the requiring Departments/allottees through physical inspection of sites, the activities carried out for acquisitions and allotment of land, were not possible to be adequately controlled or monitored in the State.

1.1.11 Conclusion

²¹ Bongaigaon, Nagaon, Kamrup and Karimganj.

Details of the whole geographical area of land under different categories viz., hill land, river land and other water bodies, agricultural land, tea cultivating land, char area, area of public places, religious places, industrial areas, forest land, private land, government land etc., needed for ensuring an effective and efficient system of land management are not available with RDMD or the two directorates. As a result, agricultural lands were alienated for public purposes without exploring availability of non-agricultural land. Inadequate supervision and monitoring in ascertaining the use of land by requiring Department or allottees had led to acquired or allotted land lying idle for years together. Acquisition processes could not be completed due to wrong selection of sites. Payment of compensation by the District Collectors was irregular due to absence of control mechanism. Land allotted more than three years back was neither settled after ascertaining that the land was in use for the purpose for which allotted, nor allotment orders cancelled if land was not used for the intended purpose. Allotment of land to beneficiaries belonging to SC/ST categories was not prioritized by the Land Advisory Committee/DC. VGR lands were allotted without initiating de-reservation proceedings. Creation of computerized data base of land records is in initial stage as of November 2011. The acquisition and allotment of land and its use was not monitored effectively through an efficient management information system (MIS) and there was no system of periodical reports/returns from RCO to DC and from DC to Directorates/Department by use of standard formats or prescribing standard parameters for report.

1.1.12 Recommendations

- Land acquired for public purpose, if not required for intended use, should be returned back to RDMD.
- Alienation of agricultural land for non-agricultural purposes by way of acquisition needs to be stopped.
- Rehabilitation package for families displaced due to acquisition of land for public purposes would need to be put in place without delay.
- Land allotted as advised by SDLLAC needs to be settled within 2-3 years after ascertaining that the land were used for the purpose for which allotment were made.
- Priority should be given for allotment and settlement of land in favour of land less cultivators belonging to SC/ST and other categories.
- Use of land by the allottee may effectively be monitored to prevent non-use/misuse of land and unauthorized leasing out of land.
- Coherent records relating acquisition and allotment of land should be maintained by DCs and a nodal agency in RDMD as well as in each district are required to be constituted for monitoring acquisition and allotment of land.

Education Department

1.2 Elementary Education in Assam

The Government of India had formulated the National Education Policy in the year 1986 and Right to Education Act in 2009 which inter alia mandated Universal Elementary Education (UEE) of good quality for children of the age group of 6-14 years through provision of schools with appropriate infrastructure and within one kilometer distance. The target year for achieving the goal of UEE was 2005, but even at the end of March 2011, 1.25 lakh out of 58.86 lakh children remained out of school in Assam. The target of universal retention by 2010 was also not achieved due to significant rate of dropouts of 8.3 per cent in LPS and 15.2 per cent in UPS as of March 2011.

Despite incurring an expenditure of ₹12,631.47 crore (Department of Elementary Education ₹9,851.50 crore; Sarba Siksha Abhiyan Mission, Assam ₹2,779.97 crore) during 2006-11 on elementary education, there was a declining trend in enrolment and high dropout rate of students in the State. There were inadequate infrastructural facilities in schools, shortfall in opening new schools as per norms, inadequacy in training of teachers, poor management of Mid-day Meal scheme including other health interventions, absence of effective mechanism of tracking and enrolment of 'out of school children', uneven deployment of teachers, high pupil teacher ratio and irregular supply of free text books. Some of the significant audit findings are as under:

Highlights

In the absence of holistic plan with inputs from subordinate offices, the needs at grass root implementation level remained unaddressed in State Planning.

(Paragraph: 1.2.7.1)

Due to system deficiency in cash management and poor internal control on the part of Sarba Siksha Abhiyan Mission (SSAM), fund amounting to ₹1.40 crore had been fraudulently transferred to an individual bank account based on a fake authorisation letter.

(Paragraph: 1.2.9.1)

Schematic and other funds to the extent of ₹303.55 crore were lying unspent/undisbursed with DEE as well as in seven selected districts in the form of DCRs/Bank Drafts/Banker Cheque and in the current accounts of the DDOs for periods ranging from three months to more than thirty three years resulting in resource gap in providing necessary interventions.

(Paragraph: 1.2.9.4)

Failure to 'Rationalise' the school teachers and 'Uneven distribution of qualified' teachers affected quality of education in Government run schools.

(Paragraph: 1.2.11.2 and 1.2.12.1)

Seventy eight schools were running without enrolment during 2006-2010 but the reasons for non-enrolment of students was not analysed by the Department.

(Paragraph: 1.2.19.1)

Facilities in Kitchen-cum-Store room were compromised due to their construction in violation of approved Plan and Estimate which also led to overpayment of ₹34.78 crore to contractors.

(Paragraph: 1.2.19.3)

1.2.1 Introduction

Elementary education is one of the most important sector of socio-economic development with tremendous potential to enhance all aspects of quality of human life. Government of India included education in the Concurrent List in the year 1976 and also brought out a National Policy of Education in 1986 which was updated in 1992. The Right to Education (RTE) Act of 2009 guarantees eight years of education to all children in the age group of six to fourteen years. There were 42,386²² primary and upper primary schools (including composite schools) having 43.16 lakh students in elementary level and 1,04,949 (LP: 63,031; UP: 41,918) teachers under management of Government as of March 2011 in the State.

The Directorate of Elementary Education (DEE) was reorganized in July 1975 as a separate entity which is responsible for implementation of all measures to promote elementary education including taking steps to decentralize management of schools upto block level and organize all required activities towards attainment of UEE. DEE availed additional support from various programmes under Sarba Siksha Abhiyan Mission, (SSAM) and is responsible for inspection, monitoring, control, supervision and evaluation of the progress of primary education in the State.

During 2006-11, the Department (EE) and SSAM incurred ₹9851.50 crore and ₹2779.97 crore respectively towards various activities on elementary education. Out of total State expenditure of ₹9851.50 crore, 90.22 *per cent* (₹8,888.01crore) pertained to salary component which indicated that the Department had paid lesser attention towards other development activities of elementary education in the State.

SSAM programmes were implemented by the State Implementing Society (SIS) headed by the Mission Director, SSAM (MD, SSAM) and their emphasis was in providing useful and relevant elementary education for all children in the age group of

²² Primary: 35,071 (including 5,017 newly upgraded EGS to regular primary schools); Primary with Upper Primary: 944; Upper Primary: 4,919 and Composite: 1,452.

6-14 with active participation of the community in the management of schools. The existing system of LP (Lower Primary- *Ka-sreni* to class IV) and UP (Upper Primary- classes V to VII) was reorganised by integrating class V under LP and class VIII under UP from the academic year 2011 for efficient management of elementary education in the State.

The main objectives of SSAM were to ensure that:

- all children are in school, Education Guarantee or alternate school centre, ‘back to school’ camp by 2005;
- all children complete eight years of elementary schooling by 2010;
- elementary education of satisfactory quality would be available with emphasis on education for life;
- there should be bridging all gender and social category gaps at primary and elementary education level by 2010; and
- there should be universal retention by 2010.

1.2.2 Organisational set up

At the Government level, the Commissioner and Secretary to the Government of Assam, Education Department is the Administrative Head of Elementary and Secondary Education. DEE is the Head of the Department and for Sarba Siksha Abhiyan Mission, Mission Director is the implementing authority. The details of the organisational structure of both Government and SSAM are shown in Chart-1 and Chart-2 below:

Chart-1 (DEE)

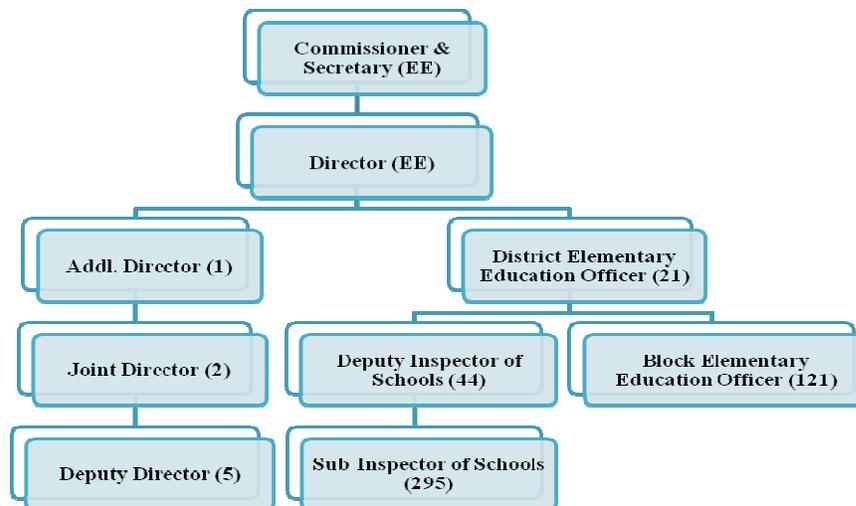
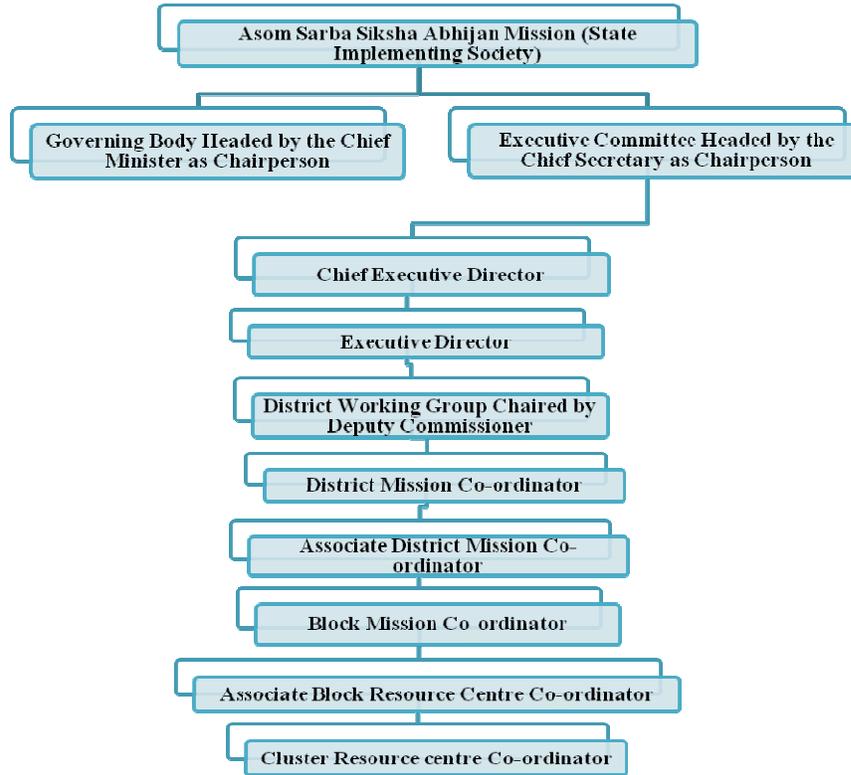


Chart-2 (SSAM)



1.2.3 Scope of audit

Performance audit on “Elementary Education in Assam” for the period 2006-11 was carried out through a test-check of the records of DEE; Mission Director, SSAM; seven each of DEEOs, DMCs and DISs out of 21, 23 and 44 respectively; seventeen BEEOs out of 121 and 122 Primary schools including 14 Teacher Training Institutes²³ of seven²⁴ districts out of 23 educational districts selected through simple Random Selection Method during April-August 2011. Moreover, records of few BRCs, ABRCs and CRCs etc. under seven selected DMCs were also test-checked. In addition, some data/information was collected from (i) Director of Social Welfare, Assam; (ii) MD, Assam State Text Book Publication and Production Corporation; (iii) Assam Rastrabhasa Prachar Samiti and (iv) Deputy Commissioners (DCs) of seven selected districts.

1.2.4 Audit objectives

The main objectives of audit were to assess:

- the efficacy of planning in attaining the objective of universalization of elementary education (UEE) in the State;

²³ 7 District Institute of Educational Training and 7 Basic Training Centers.

²⁴ Barpeta, Kamrup, Karimganj, Kokrajhar, Morigaon, Nagaon and Sibsagar.

- the extent to which funding required for the purpose was made available in time and the efficiency, economy and effectiveness of utilisation of the funds for achievement of the objectives of elementary education;
- the effectiveness of implementation of significant related State programmes;
- the extent of improvement in enrolment and retention of all children up to the age of 14 years, reduction of dropouts and repeaters, improvement of children with special needs and early childhood care and education;
- the rationality of deployment of teachers to maintain normative Pupil Teacher Ratio (PTR), Male- Female teacher ratio and imparting training to teachers for ensuring improvement of quality of elementary education;
- the adequacy and effectiveness of measures taken for providing Nutritional Support to Primary school children; and
- the adequacy of monitoring and evaluation of implementation of programmes at all levels.

1.2.5 Audit criteria

The audit findings were benchmarked against the following criteria:

- Provision of the National Policy on Education 1986 and Programme of Action 1986 (revised in 1992) and the Assam Elementary Education (Provincialisation) Act 1976;
- Guidelines, notification and instruction with regards to implementation of schemes;
- Departmental Manuals/Policies;
- General Financial Rules; and
- Prescribed monitoring mechanism.

1.2.6 Audit methodology

Performance Audit on 'Elementary Education in Assam' commenced with an entry conference on 23 May 2011 with DEE, Executive Director, SSAM and other associated officers, where the audit objectives, criteria and methodology of the performance audit were explained. Seven districts out of 23 educational districts (30 *per cent*) were selected on simple random sampling method. An exit conference was held with the Commissioner and Secretary (EE) accompanied by Directors Elementary Education, Assam, MD, SSAM, Secretary Finance Department, GOA and other associated officers on 31 October 2011 where the audit findings and recommendations were discussed and the reply of the Department/SSAM have been suitably incorporated in the report wherever found necessary/appropriate.

Audit findings

1.2.7 Planning

1.2.7.1 State Planning

Planning is an integral part of programme implementation. Draft Annual Plans for the department were to be prepared and finalized by DEE after obtaining inputs from the subordinate field offices and fixing a time schedule with periodical targets for implementation of various schemes. Reliability and effectiveness of planning depends upon the availability of relevant, authentic and updated data related to primary education sector. Audit scrutiny revealed that DEE did not have basic data like enrolment, dropouts, number of SC/ST and BPL students, sanctioned strength and district wise disposition of teachers etc. Consequently, DEE was constrained to initiate its activities and plans without reliable data which made their planning inherently deficient.

DEE did not prepare perspective plan during 2006-11 which would have evoked systematic, efficient and result oriented implementation of schemes over a longer period of time. Draft annual plans for implementation of schemes appeared to be prepared and finalized by DEE without assessing or obtaining inputs from the subordinate offices. Besides, no time frame for achieving physical targets was fixed. Plan proposals were unrealistic with large variations between the budget proposal and allocation of funds on the one hand and allocation and release of funds on the other hand.

In the absence of reliable data with inputs from subordinate offices, the basic ingredients of holistic and purposeful planning were lacking and the needs of implementation machinery and beneficiaries at the grass root level were neither reflected in the overall planning nor were *ab-initio*, addressed.

1.2.7.2 SSAM Planning

Framework of SSAM for implementation of schemes/programmes stipulated that each habitation should be treated as a unit of planning. SSAM was designed to work on a community based approach with habitation as a unit of planning. Such habitation plans were to form the basis for formulating district plans.

Further, according to SSAM framework, each district shall prepare a District Elementary Education Plan (DEEP) reflecting all investments being made and required in the elementary education sector with a holistic and convergent approach. A perspective plan was to provide a framework for activities over a longer time frame to achieve the objective of Universalisation of Elementary Education (UEE). The perspective plan was expected to be a dynamic document subject to constant improvement in the course of programme implementation.

In addition, there was to be an Annual Working Plan and Budget (AWP&B) enlisting the prioritized activities to be carried out in the year.

Perspective Plan and AWP&B were prepared at State levels during 2006-11. But planning at State level is required to be an integration of the district level planning, which in its turn were required to be generated from block and habitation level.

Test-check of the records of District Mission Coordinators (DMCs) of seven selected districts, however, revealed that DEEP was not prepared in any of the seven districts. Year-wise AWP&B for 2006-11 of State Mission Officer (SMO) and DMCs of seven selected districts were prepared, but no documentation in support of preparation of AWP&B with inputs from the habitation level through participatory planning mode was produced, though called for. Thus, the State and districts plans were impositions rather than a participatory document.

Data taken from Village Education Registers (VERs) and Ward Education Registers (WERs) regarding the status of education of children up to 14 years were not reliable because VER/WER were supplied to the districts in 2008 and the pages of existing VER/WER in some cases had been exhausted and up to date entries were not made. This deficiency was corroborated in the report of sample survey conducted by the Tezpur University, where it was observed that maintenance of VERs and WERs was not up to the mark. This indicated that the planning of SSAM also was based on incomplete data and inadequate inputs from base level.

In reply, Mission Director, SSAM stated (November 2011) that inputs from habitations had been taken into consideration in formulating AWP&B. Reply of the SSAM is not tenable in audit because records provided and checked during audit was not corroborative of this assertion.

1.2.7.3 Planning priorities

The sole priority of the Government in the State budget for elementary education as reflected in the financial allocation during 2006-11 was mostly 'salary of teachers'. Of the total budget grant of ₹11,787.63 crore, budget for salary component of teachers constituted 91.14 *per cent* (₹10,743.74 crore). Again, expenditure on salary component of teachers constituted 90.22 *per cent* (₹8,888.01 crore) of the total expenditure (₹9,851.50 crore). The rest 9.78 *per cent* was spent in training, infrastructure and administrative expenses.

Allocative priorities indicated that the Department attached relatively lesser attention towards training, infrastructure and other ancillary interventions contemplated in National Education Policy.

Financial Management

1.2.8 Budget and Expenditure

1.2.8.1 State budget and expenditure

During 2006-11, budget allocation for elementary education ranged between 6.58 to 8.86 *per cent* of the overall State budget and expenditure constituted between 8.81 to 10.88 *per cent* of overall State expenditure. Details of budget proposal, allocation,

release and expenditure under Plan and Non-plan for elementary education during the years 2006-11 are shown in Table-1 below:

Table-1: Position of State Budget estimate, release of fund & variation of expenditure

(₹ In crore)

Year	Budget proposal		Budget allocation		(+ Excess (-) Less grant over proposal		Expenditure		(+ Excess (-) Less expenditure over grant and PC of variation	
	Plan	Non-plan	Plan	Non-plan	Plan	Non-plan	Plan	Non-plan	Plan	Non-plan
1	2	3	4	5	6	7	8	9	10	11
2006-07	328.08	1854.43	46.98	1854.43	(-) 281.10	0	38.10	1363.15	(-) 8.88 (18.90)	(-) 491.28 (26.49)
2007-08	244.61	1922.72	47.90	2039.21	(-)196.71	(+)116.49	38.50	1492.84	(-) 9.40 (19.62)	(-) 546.37 (26.79)
2008-09	125.66	1689.35	98.60	1904.24	(-) 27.06	(+)214.89	93.15	1801.48	(-) 5.45 (5.52)	(-) 102.76 (5.39)
2009-10	254.19	1957.85	136.95	2339.35	(-) 117.24	(+) 381.50	136.77	2064.09	(-) 0.18 (.13)	(-) 275.26 (11.76)
2010-11	303.53	2072.19	125.43	3194.54	(-) 178.10	(+) 1122.35	119.40	2704.02	(-) 6.03 (4.81)	(-) 490.52 (15.35)
TOTAL	1256.07	9496.54	455.86	11,331.77	(-)800.21	(+)1835.23	425.92	9425.58	(-)29.94	(-)1906.19

Source: Data furnished by DEE.

Audit observed the following:

- Under plan head, against budget proposal of ₹1,256.07 crore, budget grant was only ₹455.86 crore (36.29 per cent) and expenditure was ₹425.92 crore (93.43 per cent of budget allocation). This indicated that the Department had not given due importance and priority to plan implementation as even after 63.71 per cent curtailment of budget proposal, there was a saving of ₹29.94 crore. The reason for huge curtailment of plan budget proposal and non-surrender of savings was not furnished by the Department, though called for.
- Under Non-plan head against budget proposal of ₹9,496.54 crore, budget grant was ₹11,331.77 crore (119.33 per cent) and expenditure was ₹9,425.58 crore (83.18 per cent of budget grant). Budget allocation was far in excess (19.33 per cent) of the budget proposal. There were thus, huge savings of ₹1,906.19 crore (16.82 per cent). The Department stated (October 2011) that excess budget allocation was made to meet the salaries of teachers to be recruited against huge vacant posts, which, however had not materialised.
- Test-check of records of district level offices (BEEOs and DISs) of five out of seven²⁵ selected districts revealed that funds under salary component were released to respective BEEOs/DISs far in excess of actual requirement and there were savings ranging from ₹0.50 crore to ₹8.61 crore in respect of LPS and ₹0.51 crore to ₹4.93 crore in respect of UPS as detailed in **Appendix-1.7**.

Substantial savings, especially under non-plan head, together with non-surrender of the same on a regular basis were indicative of the fact that budgetary controls in the Department were ineffective. Reasons for huge savings over the budget allotment and non-surrender of savings were not available in the records produced to audit.

1.2.8.2 SSAM budget and expenditure

²⁵ BEEOs and DISs of Kamrup and Kokrajhar failed to produce the relevant records.

According to Para 90.10 of Manual of Financial Management and Procurement (MFM&P) for SSA, Government of India (GOI) would release funds to State Implementing Society (SIS) in two installments (during April and September) in a financial year subject to utilisation of 50 *per cent* of the available fund by SIS. Funding of SSAM programmes was based on Annual Work Plan and Budget (AWP&B) and shared between Union and State Government in the ratio of 75:25 (upto 2006-07). Out of GOA's share of 25 *per cent*, 15 *per cent* would be contributed by the Department of North Eastern Region (DONER). From 2007-08 onwards, the share between Union and State Government is 90:10. State Government is required to release State's matching share within 30 days of the receipt of Central share.

(a) Short release of fund

The position of approved financial outlays and actual release of fund during 2006-11 is indicated in Table-2 below.

Table-2: Position of Budget outlay, actual release and variation of fund release
(₹in crore)

Year	AWP&B proposal	Approved outlay	Releasable share		Actual release		Total	(+ Excess/(-) Short release of fund		PC of (+)/(-) release	
			GOI	GOA	GOI	GOA		GOI	GOA	GOI	GOA
2006-07	1194.52	1047.90	943.11	104.79	618.22*	94.77	712.99	(-) 324.89	(-) 10.02	(-)34.45	(-) 9.56
2007-08	1477.27	621.38	559.24	62.14	289.50	31.80	321.30	(-) 269.74	(-) 30.34	(-)48.23	(-)48.83
2008-09	1003.15	619.54	557.59	61.95	427.41	50.00	477.41	(-) 130.18	(-) 11.95	(-)23.35	(-)19.29
2009-10	703.66	604.74	544.27	60.47	474.80	66.37	541.17	(-) 69.47	(+) 5.90	(-)12.76	(+) 9.76
2010-11	1265.77	1144.35	1029.91	114.44	679.63	96.00	775.63	(-) 350.28	(-) 18.44	(-)34.01	(-)16.11
Total	5644.37	4037.91	3634.12	403.79	2489.56	338.94	2828.50				

Source: Data furnished by SSAM

*Including ₹100.54 crore (2006-07), received from DONER, hence sharing pattern was considered 90:10

The figures in table above revealed that the SIS had proposed financial assistance in annual budgets aggregating to ₹5,644.37 crore for 2006-11 against which the Plan Approval Board (PAB), MHRD, GOI approved ₹4,037.91 crore (72 *per cent*). Reasons for not approving the proposed amount of funding by GOI and action taken by GOA to pursue their demand with GOI were not available on record.

It is also noticed from table above that:

- During 2006-11, GOI and GOA did not release the full amount of funds. The shortfall in release by GOI ranged from 12.76 and 48.23 *per cent* and that by GOA ranged between 9.56 and 48.83 *per cent*.
- There were instances of abnormal delay in releasing 1st and 2nd installment of funds, ranging from 42 to 216 days both by GOI and GOA as detailed in *Appendix-1.8*

As a result of short and abnormal delay in release of funds by GOI and GOA, there were delays in timely execution of the approved AWP&B.

(b) Expenditure and closing balance

Short release together with delays in release of fund retarded implementation of the project during 2006-11. Delay in release of fund also resulted in huge accumulation of closing balance with SIS and districts as shown in Table-3 below:

Table-3: Position of available fund and expenditure of SSAM during 2006-11

Year	OB	Fund received		Total available fund	Expenditure shown by SIS	Actual expenditure with percentage	CB with SIS	CB with district
		Schematic fund	Other receipt and interest					
2006-07	2.59	712.99	1.60	717.18	404.90	391.12 (54.54)	312.28	13.78
2007-08	312.28	321.30	7.41	640.99	542.11	528.35 (82.43)	98.88	13.76
2008-09	98.88	477.41	3.00	579.29	541.42	531.96 (91.83)	37.87	9.46
2009-10	37.87	541.17	7.58	586.62	491.55	482.51 (82.25)	95.07	9.04
2010-11	95.07	775.63	8.99	879.69	872.00	846.03 (96.17)	7.69	25.97
		2828.50			2851.98	2779.97		

Source: Data from Audited Annual accounts of SSAM.

It was also noticed that the SSAM had shown funds as spent as soon as it was released to districts without taking into account the funds lying unutilised with the districts. Thus, SSAM overstated the expenditure.

In reply, the Department admitted (November 2011) that there was delay in furnishing UCs for 1st installment and hence there was delay in release of 2nd installment by GOI. However, reasons for huge unspent balance in spite of short release were not stated by the Department.

1.2.9 Fund Management

1.2.9.1 Fraudulent transfer of SSAM fund

Guidelines of SSAM and Assam Financial Regulations 2003, stipulate that all payments including establishment expenses from the Mission fund shall be made by 'Account Payee Cheque'. However, payments for establishment charges and expenses of organising training programme etc., may be made after withdrawing required money from the Mission Fund, by one more cheque.

(i) Audit observed that an amount of ₹1.40 crore was fraudulently transferred on 19 October 2010 from the savings bank account²⁶ of MD, SSAM to the bank account of one Sri Tomijatddin Ali, Managing Director of M/s Brahmaputra Construction and Suppliers Pvt. Ltd. on the basis of a fake fund transfer letter issued from office of the SSAM. The matter came to the notice of the Mission during reconciliation with bank account in October and November 2010. MD, SSAM lodged a police complaint against the bank on 31 December 2010.

(ii) Similar fraudulent attempt was made (20 December 2010) to transfer another amount of ₹2.40 crore to the account (SBI, Khanapara Branch) of one Sri Bimal Gogoi from the same bank account of SSAM on the strength of another fake fund transfer letter claimed to have been issued by the Commissioner & Secretary to

²⁶ SSAM Bank A/C No: 10821415714, SBI Dispur Branch; Bank A/C No of T. Ali: 3054525878, SBI, Sibsagar.

GOA and MD, SSAM. However, this transfer did not materialize and was aborted due to timely direction by MD, SSAM.

In reply, Mission Director, SSAM stated (November 2011) that the amount of ₹1.40 crore was refunded by the State Bank of India, Dispur Branch on 16 September 2011. However, repeated attempts for fraudulent transfer of Mission's funds indicate that there was a system deficiency in cash management and absence of close monitoring and efficient internal control.

1.2.9.2 Doubtful expenditure of ₹71.64 lakh

SSAM is responsible for imparting education to disabled children and for this purpose engaged 16 NGOs and incurred an expenditure of ₹51.28 crore during 2006-11. The NGOs engaged, identify the Children with Special Needs (CWSN) and enroll them in regular schools.

In June 2008, DEE received ₹71.64 lakh from GOI under the Centrally Sponsored Scheme, Integrated Education for Disabled Children, in favour of five NGOs indicated in Table-4 below:

Table-4: Distribution position of fund to five NGOs

Name of NGO	Amount released(In ₹)
1. Rogurtook Club and Library, Karimganj	14,18,500
2. Mohila Mondal, Nagaon	13,99,500
3. GARD,Dakhin Gaon, Kamrup	9,83,500
4. Bahumukh Krishi Aru Samaj Kalyan Samity, Nagaon	20,67,600
5. Wodwichee, Hailakandi	12,94,900
Total	71,64,000

Source: Sanction order No.PMA.31/2009/Pt/8 dt.12.6.10.

The amounts were in reimbursement of expenditure incurred by the NGOs in 2006-07 and DEE disbursed the fund in June 2010. The DMCs of the districts where these NGOs were located viz., Kamrup, Karimganj, Nagaon and Hailakandi intimated (June/July 2011) that all CWSN identified in their districts during 2006-07 were enrolled in regular schools/EGSs/HTRs/HBEs and no other NGO/NGOs were involved for imparting education to CWSN. Thus, bonafides of payment of ₹71.64 lakh to aforesaid five NGOs stated to have been involved in implementation of CWSN activities remained doubtful.

In reply, Department stated (November 2011) that selection of NGOs was done by the Central Government and in accordance with their instruction proposals were sent and payments were made on receipt of funds. However, the fact remains that activities undertaken by the NGOs were not found in any record nor were stated by the Department, which would only lead to further questions on the bonafideness of the works done by NGOs.

1.2.9.3 Blockade of SSAM fund

SSAM frame work provides for Free Text Books (FTBs) including work books to girls and SC/ST students only and not to general category of boys students within a

cost limit of ₹150 per child. However, GOA decided (June 2007) to extend the benefit to all students up to class VIII by way of reimbursement of the cost of FTBs distributed to general category students.

Audit observed that GOA was to reimburse an outstanding amount of ₹36.74 crore as of March 2006 to SSAM towards the cost of printing of FTBs for students not covered under SSAM frame work. During 2006-11, SSAM had further spent ₹64.58 crore for the same purpose against which GOA reimbursed only ₹35.00 crore as of March 2011. Though, the left out category of students were benefited from FTBs, ₹66.32 crore (₹36.74 crore + ₹64.58 crore – ₹35.00 crore) stood blocked and this amount was not available to the Mission Director for execution of approved SSAM schemes.

The Mission Director, stated (November 2011) that as of November 2011, the due on FTBs stood at ₹127.84 crore and proposal for reimbursement of amounts had been submitted to GOA.

1.2.9.4 Retention of fund

(a) Contrary to Rule 95 of Assam Financial Rules (AFR) no transactions were recorded in the cash book by the DEE since September 2010 till the end of August 2011.

Scrutiny of records revealed that amounts were drawn from Government exchequer in advance of requirement and kept in the form of DCR/BD/BC or in DDO's current account just to avoid lapse of budget grant resulting in accumulation of huge closing balance as on 31 March 2011 of ₹267.09 crore in the office of DEE and ₹36.46 crore in seven selected district offices (DEEOs). Detailed age-wise retention of fund by DEE is shown in Table-5 below and *Appendix-1.9*.

Table-5: Position of retention of fund by DEE and DEEO

(₹in crore)

DEE and District	Closing balance as of March 2011		Accumulated over the period
	DEE	District	
DEE	267.09	-	3 months to 33 years
Kamrup	-	12.44	11 months to 7 years 7 months
Barpeta	-	1.20	1 month to 21 years
Morigaon	-	1.23	1 month to 15 years
Sibsagar	-	0.32	1 month to 4 years 7 months
Karimganj	-	5.90	1 month to 2 years 4 months
Kokrajhar	-	13.37	1 month to 1 year
Nagaon	-	2.00	1 month to 5 years 6 months
Total	267.09	36.46	

Source: Cash book of DEE and seven selected districts.

The huge closing balance of ₹267.09 crore as on 31 March 2011 in the office of the DEE had accumulated over a period of more than 33 years in the form of 100 DCRs (₹231.50 crore), 212 Bank drafts (₹15.88 crore) and in 3 bank accounts (19.71 crore). Some of the bank drafts became time barred as these were held for more than six months and were not renewed. Apart from not recording the transactions in the cash book with effect from September 2010, important records like register of valuables,

cheque/draft issue register and up to date bank withdrawal statements were either not maintained or not produced to Audit. Funds retained by DEE ranging from ₹0.06 lakh (1978) to ₹267.09 crore (2011) and ₹0.32 crore to ₹13.37 crore in seven selected district offices had remained unutilised for periods ranging from three month to 33 years and 1 months to 21 years in DEE and the seven selected districts respectively.

This was particularly alarming when cash book was not written for more than one year and fraught with the risk of misappropriation of fund. This indicates that internal control mechanism was highly deficient in these affairs.

(B) Information collected from the Deputy Commissioners (DCs) of the seven selected districts revealed that funds amounting to ₹3.61crore received as Financial Assistance (₹262.44 lakh) for recognised schools and Asom Bikash Yajana (₹98.68 lakh) during 2006-11 were lying undisbursed with the respective DCs as on 31 March 2011 as detailed in Table-6 below:

Table-6: Position of retention of fund by DCs

Name of Districts	Unspent amount of various schemes			Purpose	Period of retention
	Financial Assistance (₹)	Assam Bikash Yojana (₹)	Total (₹)		
Morigaon	2,55,360	20,94,200	23,49,560	Held up due to pending court case. School uniform (₹19.54 lakh).	1. 2010-11 2. 2008-10
Karimganj	33,46,500	30,00,000	63,46,500	100 years old school grant.	3. 2008-11 4. 2010-11
Nagaon	71,16,000	0	71,16,000	Payment of salary to teachers of private recognised school.	5. 2010-11
Barpeta	1,13,86,343	30,61,200 7,49,400	1,51,96,943	Uniform worth ₹300 to BPL students. Reading and Learning materials to students.	6. 2006-10 7. 2010-11 8. 2010-11
Kokrajhar	41,39,750	4,40,000	45,79,750	100 years old school grant.	9. 2010-11 10. 2009-10
Kamrup (Metro)	0	5,23,000	5,23,000	School Uniform.	11. 2010-11
Total	2,62,43,953	98,67,800	3,61,11,753		

Source: Data collected from DEEOs and DCs.

DEE stated (November 2011) that writing of cash book was done upto March 2011, and the rest would be completed soon. It was also stated that necessary instruction has already been issued to all concerned for prompt distribution/utilisation of funds.

In summation of financial management, both by the Department and SSAM, Audit observed that more than 90 per cent of the departmental resources were spent towards payment of salaries of teachers. A substantial portion of the resources under meager plan allocation of the Department were blocked with DEE and districts as accumulated funds. The situation became alarming with the risk of misappropriation due to lack of documentation in respect of accumulated funds, so much, so that even cash books were not written. Internal control system was in disarray. Lack of initiative to utilise the funds resulted in partial implementation of schemes. In SSAM also there was diversion of huge funds for FTBs, abnormal delays in release of funds, accumulation of funds etc. As a result, SSAM interventions were also not optimal as discussed in subsequent paragraphs.

Programme implementation

Programme implementation deals with access to primary education, data of school students, availability of teacher and student's amenities, infrastructure etc. Audit observation on these interventions are summarised in the succeeding paragraphs.

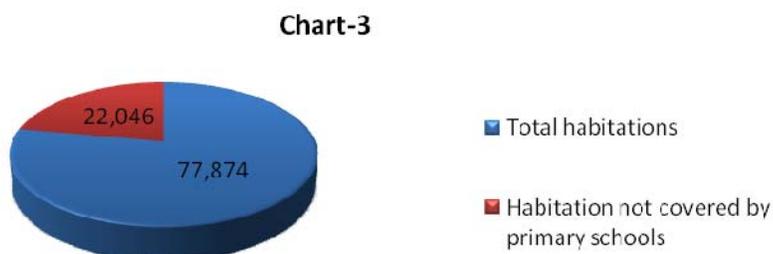
1.2.10 Programmes implemented by SSAM

1.2.10.1 Access to primary and upper primary schools

Physical access to school education meant making schooling facilities equally available to children of all the localities. The norms for provision of primary and upper primary schools are one primary school/section within one kilometer of distance for all habitations having population of 300 or more and one upper primary school within three kilometers for habitations with 500 or more population. Habitation is smaller than a village and consists of about ten houses. Norms also stipulate that schooling in uncovered habitations can also be provided through opening of Education Guarantee Scheme (EGS) centers.

(a) Access to Lower Primary Schools (LPS)

In order to achieve the above objectives it was essential that all inhabitants in the State were to be covered by Lower Primary (LP) and Upper Primary (UP) schools. Out of 77,874 habitations, 55,828 habitations were only covered by primary schools leaving 22,046 habitations without primary schools. The eligible children in these uncovered habitations were required to walk longer distance to avail schooling facility. The coverage of habitations at the end of 2010-11 is depicted in Chart-3 below:



Source: Data furnished by SSAM.

Primary schooling was made available to these 55,828 habitations through 30,054 LPS and 5,017 EGS centers upgraded to LP schools. Thus, 22,046 habitations were deprived of easy access to schooling.

(b) Access to Upper Primary Schools (UPS)

The SSAM norm stipulates that there should be one UPS for every two LPS. The detailed positions of existence of UPS with reference to LPS as per DISE-2009-10 are shown in the Table-7 below:

Table-7: Position of UPS in the State and seven selected districts

State and name of selected district	No of LP school existed	Required UPS as per norm	No of UP school existed	Shortage	Ratio of UPS to LPS
State position	30,054+5017*	17,536	7315	10,221	4.79
Kamrup	2172	1086	614	472	3.54
Barpeta	1839	920	479	441	3.84
Morigaon	816	408	213	195	3.83
Sibsagar	1714	857	429	428	4.00
Nagaon	2009	1005	550	455	3.65
Kaimganj	1245	623	277	346	4.49
Kokrajhar	1253	627	187	440	6.70

Source: DISE- 2009-10.

*Newly upgraded EGS to Primary school during 2010-11.

In terms of the stipulation of setting up of UPS in the ratio 2:1 as stated above actual existence of UPS in the State with reference to number of LPS in 2010-11 was 4.79:1. The ratio in seven selected districts varies from 3.54:1 to 6.70:1. The existence of UPS is abnormally less in Kokrajhar districts. This indicated that the children had less access to primary schooling in the State.

(c) **Access through EGS and upgraded EGS**

Education Guarantee Scheme (EGS) has been conceptualised to provide access to schools to those children who were deprived of schooling due to non-availability of a regular school within a walkable distance (1Km). These were set up with minimum of 25 OOSC (Out of School Children) in plain/general area and 15 OOSC in special areas. As per norms, EGS centre was to be upgraded to regular school after successful running of two years. The positions of EGS centers during 2006-11 are shown in Table-8 below:

Table-8: Opening and upgraded position of EGS centers during 2006-11

Year	EGS centre at the beginning of the year	Opened during the year	Total	Closed down during the year	Converted to regular school	EGS centre at the end of the year
2006-07	5311	869	6180	310	0	5870
2007-08	5870	0	5870	219 (81+138)	0	5651
2008-09	5651	0	5651	510	0	5141
2009-10	5141	0	5141	87	1521	3533
2010-11	3533	0	3533	37	3496	0
Total		869		1,163	5,017	

Source: Data furnished by SSAM.

Audit observed that 869 EGS centers were opened and 1,163 were closed down during 2006-11. As per norm, 5,651 EGS centers were due for up-gradation during 2008-09, but department could convert only 5,017 EGS centers to regular schools during 2006-11. Further scrutiny of records revealed that these EGS centers (5,017) were upgraded without appointment of regular teachers and services of the Sikhya Mitra (SM) and Additional Sikhya Mitra (ASM) were discontinued. The Department thus, upgraded these EGS centers without proper planning and students already enrolled had suffered due to non-availability of regular teachers. Thus, access to

primary education was denied to the habitations covered by these up-graded EGS centers.

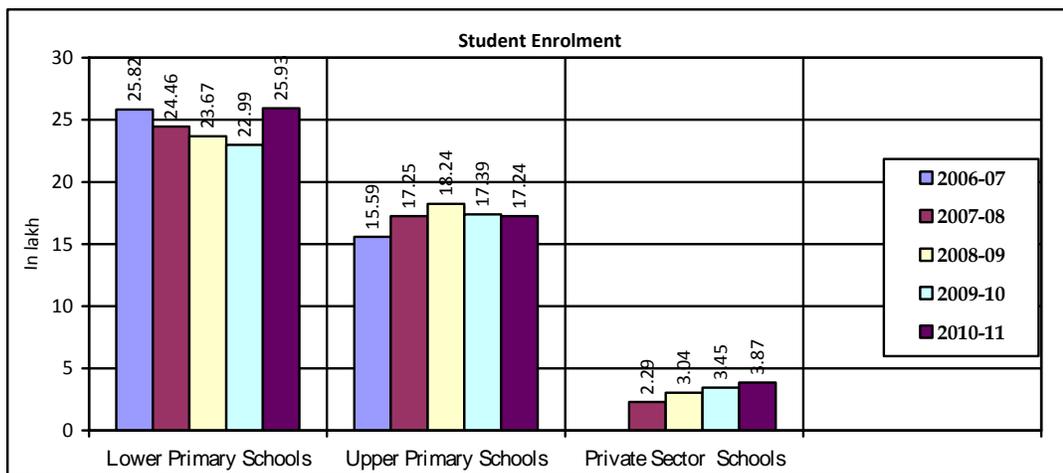
During exit conference (October 2011), Mission Director had accepted the audit observation.

1.2.10.2 Student enrolment

Neither the Department nor SSAM had conducted door to door survey to identify children in the age group of 6-14. SSAM adopted enrolment data generated by DISE, which also did not conduct any survey and prepared reports from information available in VER/WER and other records. Entries in VER/WER were not reliable because these were not updated regularly. Thus, authenticity of number of children of age group of 6-14 furnished by the Department remained doubtful.

The overall position of student enrolment during 2006-11 in elementary and private sectors schools are depicted in Chart-4 below:

Chart-4: Enrolment of students in Government run (LP and UP) and Private sector schools



Source: Information collected from SSAM.

Note: Enrolment during 2006-07 in private sector schools not available.

Even after establishing most of the schools within walkable distances (1 to 3 Km. LP and UP), providing various forms of incentives and assistance in terms of free MDM, text books, uniform, scholarship, etc., there was a gradual declining trend in enrolment in Government run LP schools during 2006-09. However, there was nominal increase in enrolment during 2010-11 because of upgradation of 5,017 EGS centers to regular primary schools. Mixed trend of enrolment in case of UPS were noticed. Above Chart disclosed that enrolment trend (2007-11) in private sector schools were gradually in an increasing trend.

Decreasing trend in student enrolment in Government run schools in spite of different interventions can be attributed to quality of education, deficient infrastructure, irrational deployment of teachers and quality of teachers training.

During the exit conference, the Mission Director stated (October 2011) that the declining trend was due to shortage of teachers coupled with aspiration of parents to get their children admitted in English medium schools which have better infrastructure facilities. The Commissioner Secretary (EE) also stated that the weak areas noticed in Government run schools were being addressed to attract more children in Government schools.

1.2.10.3 Out of school children

One of the objectives of the SSAM was to retain children in schools for eight years of schooling up to the age of 14 years. As per DISE 2010-11, altogether 1,24,577 'OOSC' representing 2.07 *per cent* of the total number of children were yet to be covered under SSAM as of March 2011 as shown in the Table-9 below:

Table-9: Position of child population and OOSC during 2006-07

Year	Population of children	OOSC	In School*	Percentage of 'out of school children'
2006-07	54,37,374	3,95,161	50,42,213	7.27
2007-08	54,37,756	3,39,100	50,98,656	6.24
2008-09	55,95,095	1,99,187	53,95,908	3.56
2009-10	57,77,987	59,446	57,18,541	1.03
2010-11	60,10,976	1,24,577	58,86,399	2.07

Source: Data furnished by SSAM.

***In school includes private sector schools.**

The position of OOSC decreased (31.53 *per cent*) from 3,95,161 in 2006-07 to 1,24,577 in 2010-11. However, number of OOSC significantly increased (109.56 *per cent*) from 59,446 in 2009-10 to 1,24,577 in 2010-11. Information furnished by the selected districts revealed that there were variations between district wise figures of OOSC projected by the SSAM and those furnished to Audit by the selected districts as detailed in *Appendix-1.10*.

It would be evident from the above that the data on OOSC projected by SSAM was not reliable and the process adopted for tracking and identification of OOSC was questionable. Reliability of the figures provided by SSAM in this regard was questioned by Project Approval Board (PAB) of SSAM, GOI which was of the opinion that data pertaining to OOSC projected by SSAM seemed to be incorrect in view of the fact that the dropout rates in both LPS (8.3 *per cent* in 2010-11) and UPS (15.2 *per cent*) were significantly higher according to the survey results of DISE.

In reply, SSAM stated (November 2011) that child tracking system was being introduced to tackle the situation.

1.2.10.4 Dropout of students

The position of enrolment, dropouts and percentage of dropouts during 2006-11 is indicated in Table-10 below:

Table-10: Year-wise position of enrolment and dropouts

Year	Total enrolment	Dropouts	Percentage of dropout
2006-07	41,40,558	5,02,405	12.13

2007-08	41,70,880	5,15,706	12.36
2008-09	41,91,501	4,91,072	11.72
2009-10	40,37,734	3,86,643	9.58
2010-11*	43,16,253	4,46,735	10.35
Total	2,08,56,926		

Source: Data furnished by DEE.

*Including enrollment of new schools (up-graded from EGS).

Dropout of students during 2006-11 varied between 9.58 to 12.36 per cent of the students in school. Reasons for high dropout percentage were not stated by the Department.

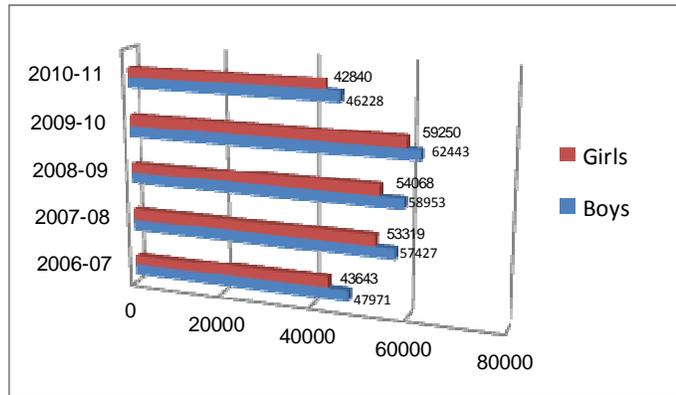
SSAM stated (November 2011) that dropout rate is high in higher age group and emphasized the need for setting up of new UPS.

Due to high dropouts rates the universal retention by 2010, as contemplated in the SSAM Objective had not been fulfilled.

1.2.10.5 Trend of repeaters

As per SSAM norm all children should be enrolled by 2005 and all children complete eight years of elementary schooling by 2010. Following data chart disclosed that this objective was not fulfilled.

Chart-5: Trend of repeaters



Source: Data furnished by SSAM.

As seen from Chart-5 above 2,73,022 boys and 2,53,120 girls of different categories of children had left school in the middle of academic sessions and got enrolled as repeaters in subsequent year/years during 2006-11. Large scale enrolment of students as repeaters in subsequent year/years indicated that DEE/SSAM failed to retain those students in schools till the end of a particular academic year and thereby failed to fulfill the objective of retention of students as stipulated in the norm.

In reply, SSAM stated (November 2011) that every year 0.1 per cent children was shown as repeaters due to re-admission, transfer and long absenteeism etc. The fact remains that universal retention was not achieved by 2010.

1.2.11 Programmes implemented by DEE

1.2.11.1 Status of availability of teachers

The position of sanctioned posts of teachers and men-in-position under elementary education sector as of March 2011 is shown in Table-11 below:

Table-11: State position of sanctioned posts and Man-in-roll there against

Creation of posts	Lower Primary			Upper Primary		
	Sanctioned strength	Men in roll as of March 2011	Vacant	Sanctioned posts	Men in roll as of March 2011	Vacant
Prior to 1981	39,583	63,031	4,558	33,508	41,918	17,498
1981 to 1990	9,247			10,148		
1991 onward to 2011	18,759			15,760		
Total*	67,589	63,031	4,558	59,416	41,918	17,498

Source: Data furnished by DEE.

* Excluding OBB.

There were 4,558 (6.74 per cent) and 17,498 (29.45 per cent) posts of school teachers in LP and UP respectively lying vacant as of March 2011. The posts were lying vacant for a long time. This indicated lack of initiative on the part of the Department to fill the posts.

1.2.11.2 Pupil Teacher Ratio

SSAM norms stipulate that the Pupil Teacher Ratio (PTR) is to be maintained at 40:1 (Pupils: Teacher). Tables-12 and 13 depicts the position in the state, districts and schools test checked in audit.

Table-12: State position of PTR during 2006-11

Year	Lower Primary			Upper Primary		
	Enrolment*	Total teacher	PTR	Enrolment*	Total teacher	PTR
2006-07	26,52,158	66,236	40:1	8,86,708	42,859	21:1
2007-08	25,30,273	64,337	39:1	9,50,220	42,545	22:1
2008-09	24,50,547	64,270	38:1	9,53,869	44,843	21:1
2009-10	23,86,820	63,041	38:1	8,98,913	41,422	22:1
2010-11	22,91,695	63,031	36:1	8,85,936	41,918	21:1

Source: Data furnished by DEE.

*Enrolment position for Government/Provincialised schools excluding the enrolment of recognised schools.

Table-13: PTR position in seven selected district during 2006-11

Name of district	Category of school	2006-07	2007-08	2008-09	2009-10	2010-11
BARPETA	LP	66:1	63:1	59:1	58:1	56:1
	UP	28:1	31:1	31:1	30:1	35:1
KAMRUP	LP	30:1	29:1	29:1	29:1	28:1

	UP	19:1	19:1	20:1	19:1	17:1
KARIMGANJ	LP	47:1	46:1	46:1	45:1	42:1
	UP	26:1	28:1	29:1	27:1	31:1
KOKRAJHAR	LP	33:1	37:1	37:1	43:1	40:1
	UP	26:1	31:1	33:1	35:1	33:1
MORIGAON	LP	51:1	51:1	51:1	50:1	49:1
	UP	23:1	25:1	26:1	26:1	25:1
NAGAON	LP	51:1	49:1	47:1	44:1	38:1
	UP	22:1	25:1	26:1	26:1	25:1
SIBSAGAR	LP	N/A	N/A	9:1	9:1	9:1
	UP	N/A	N/A	12:1	11:1	11:1

Source: Data furnished by the district offices.

Audit observed that:

- PTR position of the State as a whole in Government run schools in LPS ranged from 36:1 to 40:1. In respect of UPS, the position of PTR ranged from 21:1 to 22:1 i.e., almost 50 per cent below the prescribed norm of 40:1.
- PTR positions of seven selected districts were also not as per norms. In Barpeta, Karimganj, Morigaon and Nagaon the PTR in LPS were quite high ranging from 38:1 to 66:1 whereas in Kamrup, Kokrajhar and Sibsagar the position was found to be of mixed trend ranging from 9:1 to 43:1. PTR in UPS were quite low in all the seven selected districts which ranged from 11:1 to 35:1.

Scrutiny of records in 122 selected schools and analysis of data collected through prescribed format under seven selected districts disclosed that the position of PTR was alarming in single teacher schools consisting of five classes (*Ka-sreni* to Class-IV i.e., LP in rural area). Instances of 378 students being taught by one teacher at a time (Gagalhari LPS under the BEEO, Mayong, Morigaon in (2006-07) and 25 teachers teaching three classes (Class-V to Class-VII i.e., UP in urban area) with aggregate enrolment of only 59 students (Dhaiali MES under DIS, Sibsagar in 2007-08) were noticed. It was also noticed that, in urban area as many as 24 teachers were deployed to teach average enrolment of only 74 students (Dhaiali Girls MVS under DIS, Sibsagar) whereas one teacher was deployed to teach the average enrolment of 295 students (160 No Jherjheri Jr. Basic LPS under BEEO Patharkandi, Karimganj) in rural area. There was instance of 371 students enrolled in the academic year 2006 and taught by a lone teacher. Thus, the average PTR in urban areas ranged from minimum 3:1 (Dhaiali Girls MVS under the DIS Sibsagar) to maximum 55:1 (Morigaon MVS under DIS, Morigaon) and minimum 3:1 (Napam Bokajan MES under the BEEO Amguri, Sibsagar) to maximum 295:1 (160 No Jherjheri Jr. Basic LPS under the BEEO Patharkandi, Karimganj) in the rural area. Minimum and maximum PTR in seven selected districts are shown in **Appendix-1.11**.

Table-14 indicates departmental inaction to rationalise teachers posting in 122 selected schools which adversely affected teaching/learning process in the elementary sector.

Table-14: Uneven deployment of teachers in 122 selected schools

Name of the district	Total school selected	Pupil-Teacher Ratio (PTR) in 122 schools in seven selected districts							200 and above
		> 1 but < 20	> 20 but < 40	> 40 but < 60	> 60 but < 80	> 80 but < 100	>100 but <150	> 150 but < 200	
Kamrup	19	10	5	2	0	0	2	0	0
Barpeta	16	6	5	0	1	1	1	2	0
Morigaon	14	2	6	2	1	0	0	2	1
Karimganj	17	6	4	3	3	0	0	0	1
Kokrajhar	19	9	9	0	0	1	0	0	0
Sibsagar	18	15	3	0	0	0	0	0	0
Nagaon	19	5	6	1	2	2	1	1	1
Total	122	53	38	8	7	4	4	5	3

Source: Data collected from school format

No necessary effort was undertaken by the Department to rationalize PTR and to improve the effectiveness of teaching/learning process in elementary education. Following photographs captured during running classes which would indicate the poor PTR where 13 teachers were deployed against 52 students in a school in urban area (Govt. Sr. Basic School, Chatribari, Guwahati).



Poor PTR in three classes at Govt. Urban Sr. Basic at Chatribari, Guwahati
Dated: 06 June 2011

In reply and during exit conference, the Department stated (October 2011) that process of rationalization of school teachers commenced from August 2011 and in single teacher schools now two or more teachers are being posted.

SSAM also stated (November 2011) that the programme for rationalization of school teachers had already been taken up.

1.2.12 Quality education

1.2.12.1 Distribution of qualified teachers

GOA had not specified any educational qualification and yardstick for recruitment and deployment of school teachers. Test-check of records of 122 schools selected schools in seven selected districts revealed that 33 schools were running with only HSLC passed (19 nos.) teachers whereas 31 schools were running with graduate and post graduate (199 nos.) teachers. Instances of some schools, where disparity in deployment of higher qualified teachers were noticed, are shown in Table-15 below:

Table-15: Uneven distribution of higher qualified teacher in same schools

Name of the school	Educational Block	District	HSLC	PU	Graduate	Post graduate
1. D.Navjyoti MES	BEEO, Kokrajhar	Kokrajhar	-	-	6	1

2. Patbausi MV School	BEEO, Barpeta	Barpeta	-	3	4	2
3. Nagaon Government MVS	DIS, Nagaon	Nagaon	2	2	10	2
4. Dhaiali Girls MES	DIS, Sibsagar	Sibsagar	-	5	14	1
5. Lakiminagar MES	DIS, Sibsagar	Sibsagar	-	14	9	4
6. Morigaon MVS	DIS, Morigaon	Morigaon	3	5	11	2
7. Diajhijari Novajyoti MES	BEEO, Kokrajhar	Kokrajhar	-	6	6	1
8. Sishu Kalayan MVS	DIS, Kokrajhar	Kokrajhar	1	2	7	-
9. Tangapara MES	DIS, Kokrajhar	Kokrajhar	1	-	6	-
10. Govt. Urban Sr. Basic	DIS, Kamrup	Kamrup	-	3	8	2

Source: Data furnished by the selected schools.

In Adarkuna Pt-III LP School under BEEO Badarpur, two teachers were working with HSLC qualification. However, rest of the schools were running with teachers having the qualification of HSLC, PU, graduate and Post-graduate. The Department had not taken initiative to evenly distribute the teacher according to qualification.

1.2.12.2 Male-female teacher

The framework of SSAM envisaged that at least 50 per cent of teachers in elementary sector should be female and this norm was to be strictly followed. The position of male-female teachers in 2009-10 of the State as a whole for LPS was 64:36 and that of UPS was 77:23. Test-check of records of seven selected districts revealed that the ratio of male-female teachers of the districts ranged from 90:10 (Barpeta) to 52:48 (Sibsagar) during 2006-11 in LPS (Details shown in **Appendix-1.12**, which indicated that prescribed norm of male-female teachers' ratio in elementary section had not been followed.

SSAM stated (November 2011) that steps had already been taken for maintaining Male-Female teacher ratio.

1.2.12.3 Shortage of Science teachers

As per SSAM norms, every UP School should have one Science teacher for teaching Mathematics and Science subject. However, scrutiny of records disclosed that there were 5,863 Upper Primary schools (Primary with UP-944; UP-4,919) in Assam as of March 2011. However, 1482 composite schools are excluded from the total of elementary sector as these were attached to secondary schools. Against the total UP schools (5,862), Government sanctioned only 5,474 posts of science teachers against which 5,218 Science teachers were in roll. Thus, there was shortfall in sanctioned posts by 388 (5,862-5,474) and man-in-position by 644 (5,862-5,218). Thus, 644 (11 per cent) UPS in the State have been running without Science teachers, which had an adverse effect on the quality of science education in these schools.

In exit conference (October 2011), DEE stated that reply would be furnished after verification of data on Science teacher. However, no reply was furnished as of November 2011.

1.2.12.4 Teachers' Training

(i) Training organised by SSAM

SSAM norms stipulate that all teachers should be provided 20 days 'In-service' training every year, untrained teachers should be given refresher course for 60 days while newly recruited teachers are to be provided with 30 days orientation course. During the entire period of 2006-11, only in the year 2006-07, PAB approved ₹13.12 crore for 20 days In-service training course for 1,56,133 teachers at unit cost of ₹840 per teacher. Against this, SSAM imparted training to 3,78,338 teachers by spending ₹10.35 crore at a reduced unit cost of ₹274 per teacher. In course of scrutiny of records in seven selected DMCs, it was seen that no such training was imparted (20 days In-house). However, the DMCs imparted subject-wise training (Math, English, Language etc.) in a very piece-meal manner for duration ranging from 1 to 4 days. PAB also approved ₹3.64 crore for 60 days refresher course for 12,000 teachers at a unit cost of ₹3,033 per teacher in 2006-07. Against this, SSAM trained 65,876 teachers at a cost of ₹1.29 crore at an abnormally low unit cost of ₹196 per teacher. No fund was allotted for subsequent years (2007-11) for 60-days refresher course and PAB had not allotted any funds for 30-days Refresher course during the entire period of review (2006-11)

Thus, the SSAM had not followed the norms as stipulated in the SSAM framework. Training imparted by reducing unit cost by 67 *per cent* for 'In service' course and by 94 *per cent* for 60 days' Refresher course against the approved unit cost has raised serious doubts about the quality and effectiveness of such training.

(ii) Teachers' Training imparted by SCERT/TTIs with acute shortage of teaching staff

State Council of Educational Research and Training (SCERT) was set up in 1985 as a State level counterpart of National Council of Educational Research and Training (NCERT). Apart from implementing its own programmes, SCERT, Assam provides:

- Induction level training for newly recruited teachers
- Department-wise orientation of DIET faculties and
- Orientation on evaluation strategies of Teacher Training Institutes

The Director, SCERT had not furnished perspective plan for teacher training for the years 2006-11. No training was conducted during 2007-08 in any of the Teachers Training Institutes (TTIs). Besides, training imparted was also not at par with the existing intake capacity of TTIs. The Directorate had also no initial data on teachers to be trained in the beginning of the academic year. As such, number of teachers trained in comparison to intake capacity of the TTIs during 2006-11 was quite negligible as shown in Table-16 and **Appendix-1.13 (A and B)**. Table-16 also shows that as against the average men-in-position of 64,182 and 42,717 school teachers in LPS and UPS, only 5,620 (8.76 *per cent*) and 6,488 (15.19 *per cent*) teachers respectively were trained during 2006-11 in the various TTIs against the total annual intake capacity of 4,000. Thus, not only training imparted to the teachers was insufficient, but also SCERT directorate did not fully utilise its infrastructure and manpower due to improper planning.

Table-16: Position of teachers training during 2006-11 under elementary sector

Year	Lower Primary			Upper primary		
	Total teacher	Trained in BTC & Normal	Teacher not trained	Total teacher	Trained in DIET/DRC	Teacher not trained
2006-07	66,236	1224	65,012	42,859	1062	41,797
2007-08	64,337	0	64,337	42,545	0	42,545
2008-09	64,270	503	63,767	44,843	850	43,993
2009-10	63,041	495	62,546	41,422	281	41,141
2010-11	63,031	3398	59,633	41,918	4295	37,623
Total trained		5,620			6,488	

Source: Data furnished by DEE.

Further, 14²⁷ TTIs in seven selected districts were running with acute shortage of teaching staff. Out of fourteen sanctioned posts of Principals, only two Principals (14.29 per cent) were posted and all the seven posts of Vice-Principals were lying vacant during 2006-11. Similarly, posts of other category of teaching staff were lying vacant as of March 2011 as shown in Table-17 below. Acute shortage of teaching staff had adversely affected functioning of the TTIs and quality of training imparted.

Table-17: Position of shortage of staff in TTIs in seven selected districts

Category and no of selected TTI	Category of teaching staff	Sanctioned post	Men-in-position as of March 2011	No and percentage of vacancy
DIET (7)	Principal	7	2	5 (71.14)
	Vice-Principal (VP)	7	0	7 (100)
	Sr. Lecturer	48	14	34 (70.83)
BTC (7)	Principal	7	0	7 (100)
	Lecturer	10	9	1 (10)
	Graduate Instructor	23	18	5 (21.74)
	Science Graduate Instructor	5	2	3 (60)

Source: Compiled data of TTIs format.

The Director, SCERT, Assam failed to fully utilise the available manpower resources of TTIs in the districts also. As a result, the Department not only failed to achieve the objectives of the programme but also incurred huge expenditure towards pay and allowances of idle staff for conducting the training sessions sparingly.

1.2.12.5 Unauthorised occupation of buildings of TTIs

SCERT constructed (1995) a new DIET building under CSS at Howly, Barpeta for facilitating training to teachers at a total cost of ₹34 lakh. However, the District Administration, Barpeta had requisitioned the building before it was handed over to DIET. The building was occupied by CRPF personnel since August 2008, which meant that it was not utilised for the purpose for which it was constructed. Similarly, the teachers' hostel of Basic Training Centre (BTC) at Sonari was occupied by Army personnel from October 2008. In spite of repeated requests by the Training Centre, the hostel building was not vacated by the Army personnel as of July 2011. In the absence

²⁷ Seven District Institutes of Educational Training (DIETs) and seven Basic Training Centers (BTCs).

of accommodation facilities in the BTC hostel, trainees were forced to arrange accommodation for themselves in nearby private rented houses.

The Department did not furnish reply as of November 2011.

1.2.13 Strengthening of Integrated Child Development Service centers

‘Early Childhood Care and Education’ (ECCE) i.e., Pre-primary schooling is necessary for rapid physical and mental growth of children for proper access to beginning of education. As per SSAM framework, specific support was to be provided to existing Integrated Child Development Service (ICDS) centers from funds available under the head ‘Innovative Activity’. ECCE is a part of ICDS run by the Department of Social Welfare, GOA. Under the Directorate of Social Welfare, there are 59,695 ICDS centers of pre-school education for children in the age group of 3 to 5. However, no action plan was chalked out for strengthening the ICDS centers under Decentralised Elementary Educational Planning (DEEP). During the years 2006-07 and 2010-11, 7,883 and 21,208 teachers respectively from SSAM helped in pre-school education of children in ICDS centers. Neither fund was provided for ICDS centers nor perspective action plans prepared for pre-school education by DEE/SSAM. Thus, the Department or Mission had not undertaken any innovative pre-school activity towards ECCE as contemplated in SSAM guidelines.

In reply, SSAM stated (November 2011) that various comprehensive activities have been taken for development of ICDS within the limited budget. The reply is not tenable as the Director, Social Welfare admitted (May 2011) that SSAM helped in pre schooling only in two years (2006-07 and 2010-11).

1.2.14 Integrated education to Children with Special Needs (CWSN)

SSAM is to ensure that every ‘Children with Special Needs’ (CWSN), irrespective of the kind, category and degree of disability is to be provided education in an appropriate environment through home based education, itinerant teacher model, remedial teaching, part time classes, community based rehabilitations etc. Intensive teachers training should be imparted to sensitise regular teachers on effective classroom management of CWSN and resources deployment for recruitment of specially trained teachers.

Norms also provides financial assistance upto ₹1,200 per child per year which was subsequently enhanced to ₹3,000 from 2010-11. The interventions under SSAM for inclusive education are identification, functional and formal assessment, appropriate educational placement, preparation of individualized educational plan, provision of aids and appliances, teachers training for class room management, resource support, removal of architectural barriers, research, monitoring and evaluation. Details of identification, enrolment, aids and appliances and inclusion of CWSN in schools for the years 2006-11 are shown in Table-18 below:

Table-18: Identification of CWSN for providing appliances

Year	Total CWSN identified	CWSN enrolled in schools/EGS/HTR/HBE etc.	Medical assessment camp organized	No of CWSN medically assessed for providing appliance	No of CWSN medically not assessed (Per cent)
2006-07	106209	81384	Yes	20102	61282 (75)
2007-08	94560	76727	Yes	17564	62163 (81)
2008-09	96929	92358	Yes	14234	78124 (84)
2009-10	97801	97801	Yes	8346	89455 (91)
2010-11	99003	98117	Yes	12793	85324 (87)

Source: Data furnished by SSAM.

As seen from the table above that during 2006-11 except in the year 2009-10, there was shortfall in each year in enrolment of identified CWSN. There was shortfall in medical assessment of CWSN during 2006-11 ranging from 75 to 91 *per cent*. The main reasons for not assessing all the enrolled CWSN for providing appliances during 2006-11 was due to non-availability of technical manpower and shortage of fund. As a result of non-assessing the degree of disability, large number of CWSN left out from the intended benefits resulted in partial implementation of integrated and inclusive education for CWSN despite of expenditure of ₹51.28 crore on CWSN activities during 2006-11.

In reply, SSAM stated (November 2011) that efforts have been taken to provides aids and appliances to all remaining CWSN during 2011-12.

1.2.15 Student scholarships

GOA introduced various types of scholarships viz., (i) 'Merit Scholarship' for students of LPS and UPS at ₹50 and ₹75 per month for three continuous years, (ii) 'Attendance Scholarship' to SC/ST students (under SCSP and TSP²⁸) having attendance of above 60 *per cent* at ₹400 per annum, (iii) 'Special Scholarship' to SC/ST girl students of LPS and UPS having attendance of above 60 *per cent* at ₹480 per annum and (iv) 'Physically Handicapped Scholarship' at ₹50 and ₹75 per month for three continuous years.

The enrolment of SC/ST boys and girls during 2006-11 in the State as a whole was 24.10 lakh and 23.93 lakh respectively. Of these, Government awarded attendance scholarship of ₹1.37 lakh (5.60 *per cent*) to boys and special scholarship of ₹1.08 lakh (4.51 *per cent*) to girls. Similarly, against enrolment of 4.47 lakh physically handicapped students scholarship was awarded during 2006-11 to 3,470 students (0.78 *per cent*) only.

Details of scholarship released to six²⁹ out of seven selected districts by DEE during 2006-11 are indicated in Table-19 below:

Table-19: Budget allotment, lapsed of budget and uncovered position of student from scholarships

(₹ in lakh)

Category of scholarship	Category of	Budget	Amount	Target	Remained	PC of uncovered
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²⁸ Scheduled Caste Sub-plan and Tribal Sub-plan.

²⁹ Kamrup, Barpeta, Morigaon, Sibsagar, Karimganj and Nagaon.

	school/student	allotment	drawn	to cover	uncovered	students
1. Merit scholarship	LP	88.20	55.36	4900	1824	37.22
	UP	22.70	14.07	840	319	37.98
2. Attendance	ST/SC	176.85	96.37	44,213	20,186	83.79
3. Special Scholarship	ST/SC Girls	168.88	92.09	35,183	15,998	83.39
4. Physically handicapped	LP	9.59	5.62	589	221	37.52
	UP	13.41	6.37	541	482	89.09
Total		479.63	269.88	86,266	39,030	45.24

Source: Data furnished by DEEOs.

While GOA allotted ₹479.63 lakh to six districts under four categories of scholarships to cover 86,266 students, only an amount of ₹269.88 lakh (56.27 per cent) was drawn and funds amounting to ₹209.75 lakh (43.73 per cent) were not drawn as sanctions were either not received or received at the fag end of the year, which prevented the benefit of scholarship from reaching 39,030 targeted students (45.25 per cent).

Test-check of records further revealed that during 2007-08 and 2008-09, Bodo Territorial Autonomous District Council (BTADC), Kokrajhar released ₹1.60 lakh to DEEO, Kokrajhar for award of scholarship for attendance at ₹100 each to 1,602 SC/ST students and ₹2.13 lakh for awarding special scholarship at ₹300 each to 710 ST girl students. DEEO, Kokrajhar utilised only ₹0.50 lakh (31.25 per cent) and ₹0.78 lakh (36.62 per cent) as of 31 March 2011 leaving an unspent balance of ₹1.10 lakh and ₹1.35 lakh respectively. Thus, 1,102 and 450 students were deprived of the benefits of attendance and special scholarship respectively. Though, scholarships were to be awarded continuously for 2 to 3 years, BTADC awarded the same only for one month and that too was not fully disbursed.

Test-check of the records further revealed that before awarding the scholarships (except Merit scholarship), DEE had not prepared any database of actual eligible students. Proposal for funds was sent to GOA without ascertaining the actual requirement and selection was done on the basis of funds made available by GOA.

In reply, the DEE stated (October 2011) that due to lapse of funds the students targeted to be brought under scholarships scheme could not be fully covered. It indicated that after allotment/release of funds to DEEOs there was no monitoring by the DEE over implementation of the scheme.

1.2.16 Scheme for BPL students

Neither DEE nor SSAM had conducted any survey during 2006-11 for identification of BPL students enrolled in elementary education sector. Moreover, no survey report or records on number of BPL students were made available to Audit by the seven selected districts, despite having been called for.

(a) Supply of umbrella

With the objective to promoting welfare and equity in education and ensuring access and retention of BPL students in elementary schools, DEE took up schemes involving financial outlay of ₹8 crore during 2006-11 (March 2008 to December 2009). Rupees

1 crore was drawn (March 2008) under State Plan scheme for providing umbrellas to 76,923 BPL students (LPS and UPS) at the rate of ₹130 each. Records revealed that 73,056 umbrellas worth ₹94.97 lakh were supplied to schools for distribution amongst BPL students. Balance amount of ₹5.03 lakh in respect of 3,867 BPL students was lying unspent with DEE since 2007-08.

As there was no database of BPL students with the Department, the GOA, while sanctioning the funds directed the DEE to collect BPL student lists from the Panchayat and Rural Development and Food and Civil Supplies or Urban Development department. However, Department stated that apart from being in the BPL list, merit and attendance would be the criteria for preparing the list.

(b) Supply of school uniforms

Further, an amount of ₹7 crore sanctioned (December 2008 ₹3 crore and December 2009 ₹4 crore) for school uniforms against the target of 1,50,000 and 1,33,333 BPL students in 2008-09 and 2009-10 at the rate of ₹200 and ₹300 per uniform respectively. The amount was released to 20 DCs (March 2009 and February 2010) for implementation of the scheme. Scrutiny of records in three districts out of seven selected districts disclosed that ₹55.38 lakh had remained unutilised as of June 2011.

Neither DEE, District authorities nor DMCs could furnish the approved list of BPL beneficiaries to Audit. In the test-checked schools, only the acknowledgment of recipients was shown to Audit. Thus, not only there was retention of ₹60.41 lakh (Umbrella: ₹5.03 and Uniform: ₹55.38 lakh) in hand, there was no assurance that the umbrellas and school uniforms were distributed to actual BPL students. Consequently the objective of the scheme was not fulfilled as per prescribed guidelines.

During exit conference (October 2011) the Commissioner and Secretary, Education Department while admitting the facts stated that the data on BPL students might not be available with DEE but it must be available with the District level offices. However, the District levels offices of test-checked districts stated that the data were not available with them. Thus, there was no surety that BPL students get the benefits meant for them.

1.2.17 Mid-Day-Meal

1.2.17.1(i) Inflated enrolment

National Programme for Nutritional Support for Primary Education (NP-NSPE), popularly known as Mid-Day-Meal scheme (MDM), was launched (15 August 1995) by GOI to provide free cooked meal to every school going child studying in classes I to V. The scheme was subsequently extended to cover all students up to class VIII of elementary sector in phased manner for ten academic months at an average of 18 to 22 school days per month. The objective of the scheme was to boost universalisation of primary education by increasing enrolment, retention and improvement of attendance in classes as well as augmenting nutritional status of children.

Test-check of records revealed that DEE distributed ₹551.11 crore of cooking cost and 3,73,020.259 MT MDM rice against the average enrolment of 43,17,775 instead of actual average enrolment of 41,71,385 during 2006-11 (including Composite and Recognised schools). Thus, excess enrolment of 1,46,390 (43,17,775- 41,71,385) students was recorded during entire period covered by this audit.

(ii) Poor lifting of foodgrains

According to NP-NSPE 2006, rice at 100 and 150 grams per child per school day for LP and UP students respectively was to be provided under MDM scheme. Records of DEE revealed that during 2006-11, 2,04,90,176 (LPS:1,19,19,849 + UPS:85,70,327) children were enrolled requiring 51,67,049.673 qtls. of rice according to academic calendar of school during the five year span (2006-11). Detailed position of enrolment, requirement, allotment and lifting are shown in **Appendix-1.14 (A and B)**.

Audit noticed from the details given in **Appendix-1.14(A and B)** that:

- Except in 2006-07, allotment of MDM rice was less than the requirement. The shortfall in allotment of MDM rice ranged between 39.06 to 59.10 *per cent*.
- The shortfall in lifting with respect to allotment ranged between 12.15 to 38.12 *per cent*.
- The lifting of MDM rice with respect to requirement ranged between 32.91 to 83 *per cent*.

Thus, the average lifting with respect to requirement was only 48 *per cent* and with this lifted MDM rice the enrolled children could be provided cooked MDM for only 108 class days instead of average 226³⁰ class days in an academic year.

In reply, the Department admitted (November 2011) that there was shortfall in lifting. Thus, implementation of MDM in the State was partial as only 48 *per cent* of class days could be covered under MDM.

(iii) Expenditure on cooking of MDM

Cost of cooking under MDM was to be shared in the ratio of 90:10 between GOI and GOA. Details of funds sanctioned by GOI, released to DEE and State share are shown in Table-20 below:

Table-20: Year wise fund released by GOI/GOA, expenditure and balance position of cooking cost

(₹ in lakh)								
Year	Category of school	Opening Balance	GOI Released to GOA	GOA released to DEE	State share released	Available fund (3+5+6)	Expenditure	Closing Balance (7-8)
1	2	3	4	5	6	7	8	9
2006-07	LP	3151.75	5869.90	5462.37	1568.14	10,182.26	6469.47	3712.79
	UP	0	0	0	0	0	0	0

³⁰ 2006-07: 227 days; 2007-08: 237 days; 2008-09: 229 days; 2009-10: 218 days and 2010-11: 222 days Average: 226.

2007-08	LP	3712.79	5857.86	6261.39*	1530.00	11,504.18	7438.04	4066.14
	UP	0	1953.48	1953.48	169.87	2123.35	0	2123.35
2008-09	LP	4066.14	8599.81	8599.81	1000.29	13,666.24	5856.39	7809.85
	UP	2123.35	7124.59	7124.59	756.31	10,004.25	2123.35	7880.90
2009-10	LP	7809.85	2351.72	2351.72	1385.10	11,546.67	5065.15	6481.52
	UP	7880.90	1670.88	1670.88	1112.35	10,664.13	3580.82	7083.31
2010-11	LP	6481.52	10,355.13	9686.24	1696.31	17,864.07	14,741.35	3122.72
	UP	7083.31	6164.20	3999.24	803.69	11,886.24	7832.78	4053.46
Total	LP		33,034.42	32,361.53	7179.84		39,570.40	
	UP		16,913.15	14,748.19	2842.22		13,536.95	
G. Total			49,947.57	47,109.72	10,022.06		53,107.35	7,176.18

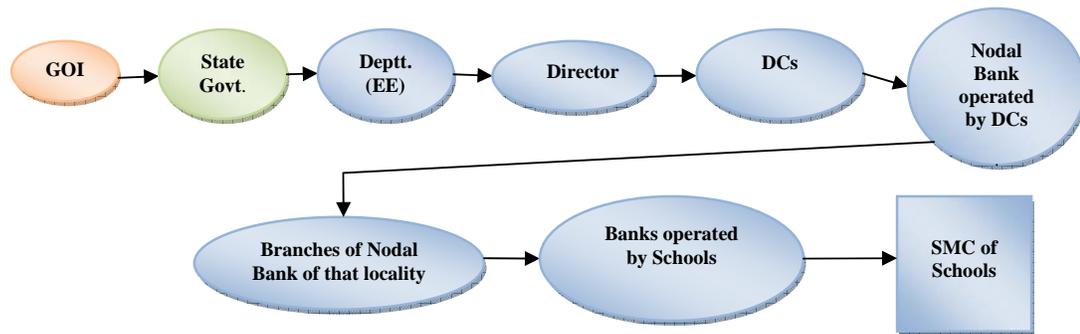
Source: Data furnished by DEE.

Audit observed that:

- GOI released ₹499.48 crore against which GOA released ₹471.10 crore to DEE retaining the balance ₹28.38 crore. Reasons for non-release of balance fund were not ascertainable from the records produced to Audit. In reply, the Department stated (November 2011) that unreleased amount of ₹28.38 crore had been released and disbursed in June 2011 after getting clearance from Finance Department.
- Against the requirement of release of State share of ₹49.95 crore, GOA released ₹100.22 crore. Even if non-released GOI share of ₹28.38 crore is adjusted against this excess State share, there would still be excess release of ₹21.89 crore (₹100.22 crore – ₹49.95 crore – ₹28.38 crore). Reasons for this excess release were not available in the records produced for audit.
- Against available balance of ₹602.84 crore (₹471.10 crore + 100.22 crore + OB 31.52 crore), DEE released ₹531.07 crore towards the cost of cooking and retained the balance of ₹71.77 crore.

Test-check of records in seven selected districts also revealed that there were unspent balances totaling ₹12.97 crore lying with the DCs (Barpeta: ₹2.09; Morigaon: ₹5.01 and Nagaon: ₹5.67 crore). Thus, cooking cost was not only partially disbursed but there was abnormal delay in transferring the funds to the implementing agencies. Flow chart below shows the long path in transfer of funds that caused the abnormal delay.

Chart-6: Long path to reach cooking cost to schools



The Head Masters/Mistress of 116 (95 *per cent*) out of 122 test-checked schools stated (April-August) that cooking costs were received with a delay of three to six months. As a result of delayed receipt of cooking cost in schools, most of the school authorities were either compelled to temporarily suspend serving cooked food or simply distribute the rice to children. Thus, these delays were responsible for the damage of 333.33 quintals of MDM rice allotted against 25 schools and for forced distribution of 9.25 quintals of MDM rice amongst students in two schools in test-checked 122 selected schools.

Admitting the audit observation, the Department stated (November 2011) that release of cooking cost is being simplified and process is under active consideration to release fund through bank transfer system.

1.2.17.2 Other health intervention

NP-NSPE 2006 envisaged supply of micronutrients like Vitamin-A supplementation, weekly Iron Folic Acid and Zinc supplement and supplementation of local area specific deficiencies besides cooked mid day meals. Health intervention, such as deworming and periodical test of refractive error was also to be contemplated under the scheme.

Test-check of the records revealed that neither DEE nor SSAM allocated any fund for these purposes. Out of 122 test checked schools only in sixteen schools (13 *per cent*) test screening of refractive error was conducted only in the year 2010-11. No other health interventions were carried out during the entire period covered by audit. Impact evaluation of the nutritional status of the children was never conducted.

The Department/SSAM had not furnished any reply on other health interventions as of November 2011.

1.2.18 Free Text Books

(i) Belated supply of FTBs

According to SSAM framework, all FTBs were to reach district headquarters by middle of December every year and distribution of FTBs from DIS/BEEEO office should be started from 29 December to 3rd week of January and process of distribution to students was to be completed latest by 21 January of each year.

Records made available to Audit revealed that agreements were signed every year between SSAM (1st party) and Assam State Textbook Printing and Publication Corporation (ASTPPC Ltd). (2nd party) wherein it was agreed that the 1st party will place preliminary order to 2nd party on or before 30 June of every year followed by Manuscript Camera Ready (MCR) copy by 31 July of each year. Contrary to this agreement, Audit noticed that SSAM had failed to place order as per stipulated dates which resulted in abnormal delay in distribution of FTBs to students.

The SSAM frame work provided Free Text Books (FTBs) including Work Books to girls and SC/ST students within a cost limit of ₹150 per students up to class VIII. However, as per Cabinet (GOA) decision held on 22 June 2007 this facility of FTBs was extended to all students up to class VIII.

According to norms, FTBs were to be stocked in all district headquarters by second week of December so that the same were possible to be made available to students by first week of January of each academic year commencing from January. Details of delayed supply of FTBs to seven selected districts are shown in Table-21 below:

Table-21: Delayed position in distribution of FTBs

Districts	Academic year	Month of distribution	Delay in distribution (in months)
Kamrup	2007	May 2007	5 months
	2008	June 2008	6 months
Barpeta	2009	May 2009	5 months
	2010	April 2010	4 months
Sivasagar	2008	May 2008	5 months
	2009	May 2009	5 months
	2010	March 2010	3 months
Karimganj	2009	April 2009	4 months
Kokrajhar	2006	May 2006	5 months
	2008	June 2008	6 months
	2009	April 2009	4 months
	2010	May 2010	5 months
Nagaon	2006-09	Not available	
	2010	April 2010	4 months

Source: Data furnished by the DMCs.

Moreover, information/data collected from the ASTPPC and district level offices of the seven selected districts revealed that there were discrepancies between numbers of FTBs supplied by ASTPPC and those actually received by the DMCs of the selected districts.

Out of seven selected districts, two districts³¹ reported receipt of less number of FTBs than those stated to have been supplied, whereas remaining five districts³² received more FTBs than stated to have been actually supplied. No reconciliation was carried out at any level. It was evident from photographs captured during field audit (29 June 2011) that large numbers of FTBs were lying undistributed and stored unscientifically till the end of middle of academic year 2011.



Huge number of FTBs lying undisbursed to schools at godown of DMC, Morigaon.
(Dated 29 June 2011)



Unscientific storage of FTBs at DMC, Morigaon.
(Dated 29 June 2011)

Not only do the discrepancies indicate weak internal control mechanism but also underline a more significant deficiency as delayed supply of FTBs deprived the students from the benefits of timely commencement of their studies which had an overall adverse effect on teaching-learning process.

In the exit conference SSAM stated (October 2011) that delay in supply of FTBs were occurred only in academic year 2011. However, clarification given by the Department was not tenable as the delayed supply of FTBs occurred in other academic years also as shown in table above.

(ii) Excess payment for Hindi FTBs

Modalities for printing/distribution of FTBs are illustrated in the preceding paragraph. Costs of printing including Hindi FTBs are to be borne by SSAM from their own allocated fund as envisaged in the SSAM framework. Cross examination of the records of DEE with those of SSAM revealed that DEE paid an amount of ₹3.97 crore (January 2010) to Assam Rastra Bhasa Prasar Samiti (ARBPS) for printing of Hindi FTBs from the fund made available to DEE under TFC (2009-10). As per information furnished by SSAM (August 2011), it was disclosed that all outstanding bills of ARBPS had already been cleared and no pending bill was lying with SSAM for payments. Thus, payment of ₹3.97 crore by DEE to ARPS was doubtful.

In reply, DEE stated (November 2011) that the amount was pending since 1996-99 and prior to creation of SSAM. However, the details of liabilities could not be made available in course of audit and it was stated that it would be furnished by SSAM. SSAM, however, had not furnished any reply. The matter requires investigation.

³¹ Nagaon: 13.82 lakh and Karimganj: 35.66 lakh.

³² Barpeta: 22.39 lakh, Kamrup: 3.03 lakh, Kokrajhar: 13.65 lakh, Morigaon: 16.53 lakh and Sibsagari: 6.83 lakh.

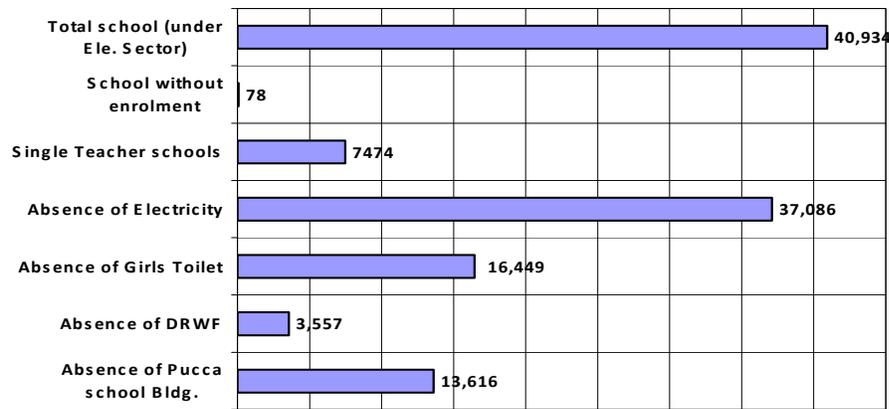
1.2.19 Infrastructure and other amenities

1.2.19.1 Infrastructure

The primary condition of access to education is the availability of educational institution within walkable distances. But such availability does not ensure that schools were being utilised and that minimum facilities were being provided to the students.

As of March 2011, there were total 40,934 primary schools³³ (excluding composite schools which fall under Secondary Education) under elementary education sector functioning in the State. Details of amenities in these schools where deficient are shown in the Chart-7 below:

Chart-7: Deficiency of various amenities in schools as of March 2011



Source: Data furnished by DEE.

Audit observed that:

- The Department was yet to convert 33.26 per cent (13,616 nos.) school building in to *Pucca* structures.
- 8.69 per cent (3,557) schools were not provided with Drinking Water Facility (DRWF);
- 90.60 per cent (37,086) schools were not supplied with electricity;
- 40.18 per cent (16,449) schools had no girls' toilet;
- To maintain teaching/learning environment, separate class room for each class is of utmost necessity, but contrary to this, there are 18.26 per cent (7,474) single teacher LPS where teaching was imparted to five classes (*Ka-shreni* to Class-IV) in a single hall type room by single teacher and
- There were 78 schools (Seventy seven LP + one UP) as of March 2011 running without enrolment. Out of 78 schools, 18 schools had 33 teachers on roll.

³³ LP: 30,054; LP with UP: 944; UP: 4,919; and 5,017 newly upgraded EGS to regular LPS during 2010-11.

Information of rest 60 schools was not available with SSAM. The authority had not ascertained the reasons for not having any student in these schools. Details of schools without enrolment are shown in **Appendix-1.15**.

Test-check of records of the 122 schools with regard to availability of infrastructure disclosed that:

- No toilet facility was available in 15.57 per cent schools;
- Boundary wall was absent in 72.95 per cent schools;
- Drinking water facility was not available in 18.85 per cent schools;
- Electricity was absent in 59.89 per cent schools;
- Furniture was not adequate in 86.89 per cent schools
- Separate common room for Heads of institution in UPS was not available in 59.62 per cent schools and
- School Library was not available in 94.26 per cent schools;

Thus, absence of essential amenities and supporting facilities not only diluted the quality of education in schools but also contributed towards decreasing trend of enrolment of students.

Admitting the shortfall in providing basic amenities, SSAM stated (November 2011) that these would be provided on priority basis in accordance with the MHRD norms.

1.2.19.2 Various grants to schools

The financial norms and conditions of various major interventions for which grants were provided to schools annually in accordance with Chapter-I of SSAM Framework 1.8 are depicted in the Table-22 below:

Table-22: Norm and conditions under major interventions

Major intervention	Norms (₹ per annum)	Condition for release of funds
Annual Maintenance and Repairing grant	5,000	Against the specific proposal from SMC (through SMC/VEC).
Teaching Learning Equipments (TLE)	10,000	Upgradation of EGS to regular school or setting up of a new primary school as per State norm.
School grants	2,000	For LP & UP for replacement of non-functional school equipment. (Enhanced to ₹5,000 (LP) and ₹7,000 (UP) from 2009-10).
Teacher grant (TLM)	500	Per teacher to both LPS & UPS

Source: SSAM Framework.

Out of 122 schools in seven selected districts, 115 schools furnished required data. Scrutiny/analysis of furnished data with that of cash book and Bank pass book of 115

schools revealed that SSAM had not provided funds under major interventions to all schools. Year-wise position of schools which had not received funds under major interventions is shown in Table-23 below:

Table-23: Position of non-receipt of various school grants

Year	No of school furnished data	Annual Maintenance and Repairing grant		School grants		Teacher grant (TLM)	
		Not received	Percentage	Not received	Percentage	Not received	Percentage
2006-07	115	34	29.57	67	58.26	21	18.26
2007-08	115	34	29.57	68	59.13	19	16.52
2008-09	115	21	18.26	67	58.26	13	11.30
2009-10	115	17	14.78	67	58.26	11	9.57
2010-11	115	16	13.91	68	59.13	12	10.43
Average*		24	21	67	59	15	13

Source: Data furnished by the schools.

* Rounded off

Audit observed that:

- 21 per cent (24 nos.) schools did not receive Annual Maintenance and Repairing grant;
- 59 per cent (67 nos.) schools did not receive School grant and
- 13 per cent (15 nos.) schools did not receive teachers (TLM) grant.

As per norms, funds for Teaching Learning Equipment (TLE) were to be released to regular schools upgraded from EGS or newly set up primary schools. However, scrutiny of records revealed that DMC of respective districts irregularly released TLE to five LPS and eight UPS which were neither newly upgraded nor were new primary schools.

Besides, SSAM credited funds to the bank account of SMCs through 'core banking' system without intimating the purpose of sending the fund. Most SMCs came to know about receipt of some funds when they turned up for updating their bank pass book without actually knowing the purpose for which such fund was received. Moreover, SMCs were maintaining a single Cash Book in which all transactions (Govt./SSAM etc.) were entered. Most of the test checked schools failed to furnish expenditure vouchers.

As such, proper utilisation of funds received under major interventions could not be checked at school level due to improper maintenance of records. The above position indicated that while on the one hand fund for various grants were not distributed to all schools, on the other hand there were difficulties in utilizing fund by the schools as the latter were not aware of the purpose for which the fund was sent. Steps taken for removal of such anomalies were not furnished, though called for. Utilisation of funds

by SMCs also could not be verified due to gaps in information system between SSAM and SMCs.

1.2.19.3 Kitchen-cum-Store-Room

Kitchen-cum-Store Room (KSR) is an integral part of the MDM scheme. As per guidelines, KSR should be separate from class rooms, preferably located at a safe but accessible distance with proper ventilation, storage and locking facilities to check pilferage. KSR should not have thatched roof or roofs made with other inflammable material like straw, bamboo or any kind of synthetic materials.

During 2006-11, GOI released ₹365.37 crore to GOA for construction of KSRs against which GOA released ₹325.89 crore to Department keeping ₹39.48 crore (10.81 per cent) in Government exchequer. Out of released amount of ₹325.89 crore Department could spend only ₹240.69 crore (73.86 per cent) as of March 2011.

Test-checked of the records revealed that the work was unilaterally allotted to two government undertaking organisations without inviting NIT. GOI circulated Plan and Estimate of a Prototype KSR at a unit cost of ₹60,000 per KSR.

However, the Department had made drastic changes in the original Prototype Plan and Estimate (P&E) curtailing some integral parts like separate store room with extra door, one chulha, ventilation, pre sorting/washing area, water provision, serving veranda etc., without corresponding decrease in unit cost of ₹60,000. Work orders were issued to both the organisations with curtailed plan and estimate of KSRs. As a result of non-execution of those integral parts, an amount of ₹34.78 crore was paid in excess of admissible amount as computed in Table-24 below:

Table-24: Approximate excess payment against non-executed of some integral parts of KSRs

Name of the organisation	No. of KSR completed	Approximate cost as per P&E authenticated by DEE during Phase-I			Total (In ₹)	Excess payment [2 X (3+4+5)] (₹ in crore)
		Chula (In ₹)	Wall of the Store room (In ₹)	Door (₹ per unit)		
HOUSEFED	26,243	2,632	1,158*	4,004	7,794	20.45
ASHB	18,382	2,632	1,158*	4,004	7,794	14.33
Total	44,625					34.78

Source: Data furnished by DEE.

*4,015 m² x 288.50 per m²

Apart from the excess expenditure, the usefulness of the KSRs was reduced to a considerable extent due to non-construction of some integral components mentioned above.

Physical verification of few KSRs, revealed the following deficiencies:

- The Department allowed construction of KSR in violation of guidelines *i.e.* KSR constructed attached to main school building/class room. Photographs captured during field visit (dt.1 August 2011; 29 and 16 June 2011) would disclosed construction of KSRs in violation of revised guidelines of NP-NSPE 2006.



Construction of KSR attached to Main School buildings in violation of norm at (1) Government MV School, Nagaon (01 August 2011) (2) Morigaon Town MES, Morigaon (29 June 2011) (3) Rajdhani LP School, Dispur (16 June 2011)

- Due to non-construction of separate Store room, chulha, some schools stored the MDM rice in their office room and cooked MDM rice in very unhygienic manner. Photographs captured during field visit (dt.10 June 2011 and 29 June 11) disclosed non-construction of separate store room and chulla.



Storage of rice in office room for want of separate Store Room at Rajdhani LP School, Dispur (10 June 2011)



KSR without Chulla at S.S. MES, Morigaon (29 June 2011)

- The Department had also not prioritized construction of KSR in schools with larger enrolment as some such schools with large enrolment were yet to be provided with a hygienic KSR, as of March 2011. Photographs captured during field visit (29 June 2011) disclosed absence of KSR in Govt. run school.



Unhygienic cooking shed at Government MVS, Morigaon where no KSR was provided by the Department. (29 June 2011)

- The agencies constructed inferior quality of KSR because of which the DEEO, Kamrup was compelled to stop construction. This causes the school authority to cook MDM rice in their office room for a long time. Photographs captured during field visit (dt.6 June 2011) disclosed substandard construction and non-availability KSR that compelled the school authority to cook MDM rice in teachers' office common room.



One abandoned KSR (far left), one newly constructed incomplete KSR construction of which stopped by DEEO, Kamrup for substandard construction (in front of abandoned KSR) and preparation of MDM rice (right) in Teachers' common room for want of KSR at Govt. Urban Sr. Basic, Chatribari, Guwahati (06 June 2011)

The Department stated (November 2011) that constructions were done as per revised plan. Reply of the Department is not tenable because the serviceability status and utility of KSRs were reduced due to non-construction of integral parts of KSRs. In addition, approval of GOI was not obtained for revised estimates before modifying the construction.

1.2.19.4 Construction of Additional Class Room (ACR)

According to SSAM 'Framework for Implementation', there should be a room for every grade/class. Moreover, provision should be made with two class rooms and a *verandah* for every Primary school with at least two teachers.

SSAM had incurred considerable expenditure towards civil works i.e., construction of New School Building (NSB), Additional Class Rooms (ACR), Repair and Maintenance etc. Position of available fund, fund spent towards civil works and percentage of expenditure against available funds is shown in Table-25 below:

Table-25: Year-wise position of expenditure on Civil works against the available fund (₹ in crore)

Year	Available fund during the year including unspent balance of previous year	Expenditure on Civil works	Percentage of expenditure
2006-07	717.18	211.21	29.45
2007-08	640.99	295.51	46.10
2008-09	579.29	269.51	46.52
2009-10	586.62	174.21	29.69
2010-11	879.69	213.52	24.27
	3,403.77	1,163.96	34.20

Source: Annual Audited Report.

Test-check of the records in regard to construction of ACRs revealed that during 2006-11, SSAM had targeted and constructed 38,888 ACRs at a total cost of ₹882.42 crore.

Further scrutiny of records in six out of seven selected districts revealed that, 14,319 ACRs were targeted to be constructed during 2006-11 at a total cost of ₹322.55 crore. Details of target, physical and financial achievements are shown in Table-26 below:

Table-26: Position of requirement, physical and financial achievement in construction of ACRs
(₹ in crore)

Name of District	Requirement	Target		Achievements		Total release
		Physical	Financial	Physical	Financial	
Barpeta	N/A	2648	59.50	2384	58.06	58.06
Kamrup	N/A	3138	69.99	2778	69.99	69.99
Karimganj	N/A	1366	32.03	1318	25.24	32.03
Kokrajhar	3792	1727	37.02	1658	37.02	37.02
Morigaon	N/A					
Nagaon	5334	3203	73.10	2942	72.84	72.84
Sivsagar	2237	2237	50.91	2156	50.91	50.91
Total		14319	322.55	13236	314.06	320.85

Source: Data furnished by DMCs of seven districts.

SSAM stated that the targeted ACRs had already been completed by March 2011 whereas information collected from districts as shown in the Table above reveals that there were 1,083 ACRs yet to be completed as on 31 March 2011. This indicated that there was lack of co-ordination between the SSAM and district level offices.

Further scrutiny of the records and data collected from 122 schools under seven selected districts disclosed that the SSAM authority had not surveyed the requirement of the ACRs in schools considering the extent of existing accommodation available in those schools. There were some schools where ACRs were provided though sufficient accommodation was already available for class rooms. Again, in certain other schools, there was a dearth of accommodation but these schools were not provided with ACRs. Some illustrative examples are given in **Appendix-1.16** where ACRs were constructed without any justification and not constructed where ACRs were actually needed.

This indicated that the SSAM had not conducted proper survey and assessment before construction of ACRs.

In reply, SSAM stated (November 2011) that ACRs were constructed as per SSAM framework but the fact remains that during construction of ACR, availability of existing accommodation vis-à-vis enrolled students was not taken into account and as a result new ACRs were lying unused.

1.2.19.5 Computer Aided Learning (CAL)

‘Computer Aided Learning’ (CAL) was introduced (February 2004) in the State with the objective to introduce use of computers in UPS as an ‘aid to learning’. Test-check of records disclosed that during 2003-04, 500 UPS in 23 districts were covered under

Phase-I of CAL. During 2009-11, 575 and 890 UPS were inducted under Phase-II and Phase-III respectively of CAL.

Test-checked UPSs of rural areas reported acute shortage of power and low voltage energy which hampered implementation of CAL. SSAM had provided contingency fund at the rate of ₹10,000 per 'Smart School' from the year 2009-10 and generator to only 885³⁴ schools as of March 2011, leaving 1,080 schools uncovered.

In Kokrajhar district, total 39 schools were converted to Smart schools in Phase-III for implementation of the scheme in 2010-11, of which 15 schools had no electricity connection and five schools had applied for electricity. Besides, machines supplied to 39 schools were lying idle as installation was yet to be completed (July 2011). This indicated that implementation of CAL in Kokrajhar district had not yet started.

In reply, SSAM stated (November 2011) that generators would be provided in a phased manner. In the case of Kokrajhar district it was stated that BTC would be carrying out electrification very shortly.

1.2.20 Award of funds under 12th Finance Commission (TFC)

Details of fund received under the award of TFC and utilisation thereof in various schemes for the years 2006-10 are indicated in Table-27 below:

Table-27: Position of draw and utilisation of fund received under 12th FC

(₹ In crore)					
Year	Amount drawn	Utilised for SSA	Utilised for MDM	Utilised for schemes ³⁵	Balance as of 31.3.11
2006-07	91.34	56.77	8.00	26.57	0
2007-08	58.89	31.80	0	2.55	24.54
2008-09	20.00	17.00	0	2.26	0.74
2009-10	61.00	21.97	0	4.62	34.41
Total	231.23	127.54	8.00	36.00	59.69

Source: Data furnished by DEE.

Related audit findings of different schemes under TFC awards are indicated in succeeding Paragraphs.

1.2.20.1 Science Kits to Upper Primary Schools

For providing quality education on the subjects of Science and Mathematics and to popularise the Information and Communication Technology (ICT) education, the High Level Committee headed by the Chief Secretary, GOA approved ₹22crore³⁶ for implementation of the scheme "Science Kits to Upper Primary Schools" in November 2007 from the TFC award (2007-08). The Department decided to procure 5,024 'Science kits' and 5,472 'Steel Almirah' for preservation of science items. Funds were drawn in March 2008 but ₹18.16 crore earmarked for science kits were kept in DCR by the DEE till May 2011.

³⁴ 341 during 2008-09 and 544 in 2009-10.

³⁵ Providing TLM to PS, R&R of 44 DI office building, providing desk-bench to schools etc.

³⁶ ₹18.16 crore for Science Kits + ₹3.84 crore for steel Almirah.

There were 5,863 (excluding composite schools under Secondary education) UPS in the State under elementary sector as of March 2011, out of which the Department provided 'Science kits' to only 472 schools (8.05 per cent) in Phase-I (2005-06). In Phase-II, department planned to cover another 5,024 schools but the scheme was not implemented because of litigation pending in the Court as of November 2011. Thus, supply of 'science kits' had not materialised till November 2011 depriving students of 5,024 UPS in the State of 'Science education'. The Department had not provided Science kits to remaining 367 UPS as of November 2011. Thus, 5391 UPS were running without Science kits denying the student community from the Science knowledge.

In reply, the Department stated (November 2011) that the matter is 'sub-judice' and pending in the Hon'ble Gauhati High court.

1.2.20.2 Implementation of School Information Database, Elementary (SIDE)

With the objective to capture accurate statistical data on elementary education, the 12th Finance Commission (TFC) accorded sanction of ₹1.26 crore in March 2008 for infrastructural development (Hardware) at the Data Centre to be set up in the office of the Commissioner and Secretary (EE) and the Directorate for printing, District Reports of School Information Database, Elementary (SIDE).

DEE had a statistical branch with 12 officials for preparation of school information. GOA, however, barred SIDE Directorate from generating schools' data (April 2003) for reporting incorrect/absurd data. Preparation of statistical data on school information was entrusted to SSAM, since then.

Test-check of records disclosed that process for implementation of the project was initiated by the DEE only in February 2011 *i.e.*, after 34 months of sanction and after spending ₹90.37 lakh for purchase of Computer Hardware³⁷. The defunct statistical branch in the Directorate was not revived and thus, ₹90.37 lakh was spent unfruitfully on purchase of Computer Hardware. Meanwhile, ₹85.32 lakh was spent by DEE towards pay and allowances of the officials in defunct statistical branch/cell in last five years without utilising those man power for the purpose for which they were appointed.

Thus, in spite of having manpower and resources, the DEE failed to generate accurate statistical data on school information, of their own.

In reply, the Department stated (November 2011) that process of implementation of the said scheme is going on. This indicated that there was lack of proper planning to complete a programme in time, and derive the intended benefits, without delay.

1.2.20.3 e-Governance

Aiming to improve exchange of various information/data in elementary education sector through electronic database (e-Governance), the 12th FC (2007-08) awarded an

³⁷ Desktop, Printer, UPS, Computer, Table and Chair.

amount of ₹1.83 crore in March 2008 for infrastructure development in the office of the DEE and subordinate offices under its jurisdiction.

Test-check of the records disclosed that to implement the project, the DEE took initiative only in February 2011 i.e., after a lapse of 35 months to develop the infrastructure by obtaining hardware, software etc., but the project could not be made functional till August 2011. Reasons for non implementation of scheme were not furnished by DEE, though called for.

In reply, the Department stated (November 2011) that district Morigaon was taken up as a pilot project for e-Governance. Thus, work commenced only in a single district after a lapse of more than three years, and unless all districts are connected, the actual purpose of e-Governance would not be served.

1.2.20.4 Procurement of Fire Extinguishers

In accordance with the directives (April 2009) of Hon'ble Supreme Court, MD, SSAM directed (October 2009) heads of all schools of elementary sector in Assam to install good quality Fire Extinguisher (FE) as specified in National Building Code 2005 out of their annual infrastructure and maintenance grant. Test-check of the records disclosed that out of 122 selected schools, 108 (89 per cent) schools installed FEs as of July 2011.

Test-check of the records of DEE revealed that GOA sanctioned ₹12.60 crore (February 2010) for procurement and installation of 36,978 FEs at the rate of ₹3,407 per FE. However, DEE placed supply order (February 2011) for 63,797 FEs to Assam Government Marketing Corporation (AGMC) at a unit cost of ₹1,975 to cover 57,934 schools (LP: 37,873 + UP: 20,061). The process of supplying FEs to districts started from June 2011. As of August 2011, ₹91.92 lakh was paid to the supplier for installation of 4,654 FEs and balance amount of ₹11.68 crore was lying unutilised (August 2011).

While most of the schools had already been supplied with FEs with the funds released by SSAM, further procurement of FEs by DEE was unnecessary. This underlines the facts that there was lack of co-ordination between GOA and SSAM.

While sanction was for 36,978 FEs, the basis of increasing the numbers of FEs by reducing the unit cost and reasons as to how the number of schools was arrived at was not stated by DEE.

In reply, the DEE stated (October 2011) that the number of FEs was increased as the price quoted by the tenderer was lower than estimated cost. This indicated that the Department had initiated proposal for sanction of amounts hastily without ascertaining the actual requirement of FEs and price of the equipment.

1.2.20.5 Mobile Laboratory and Library

To popularize the subject of Information and Communication Technology (ICT), Science and Mathematics and also to develop creativity amongst the children of rural areas, a pilot project viz., "Mobile Laboratory and Library" was proposed (2007-08)

by DEE. GOA sanctioned ₹18.61 lakh (March 2008) for purchase of air conditioned vehicle and ₹15 lakh (March 2010) for purchase of equipment for implementation of the project.

Test-check of records revealed that the released amount of ₹33.61 lakh remained un-utilised in the form of DCR with the DEE. Thus, the pilot project did not take off even after lapse of three years, since it was sanctioned. The Department stated (May 2011) that due to some unavoidable circumstances project could not be started but they did not explain the circumstances.

In summation of implementation of various programmes, Audit observed that access to primary education to the children of all habitants has not yet been achieved, more than two *per cent* of children remained out of school, more than ten *per cent* children dropped out from school, rationalisation through equitable distribution of teachers in all schools has not been achieved, capacity building through teacher's training was negligible, departmental efforts to grant scholarship was dismal scanty efforts were made to supply umbrellas and school uniforms to poor students and regarding MDM, it was doubtful whether the benefits reached the targeted students as only 48 *per cent* class days could be covered, FTBs were supplied after three to six months from the beginning of the academic year; infrastructure and other amenities were deficient and there was no planned effort to utilise TFC award for primary education. Thus, there was lack of concerted planned initiative towards implementation of various programmes.

1.2.21 Satisfaction level evaluation of Heads of Institutions

Audit sought opinion of the Principals of Training Institutions and Head Masters/Mistresses of LP and UP schools in seven selected districts as to the adequacy of infrastructure, textbooks, cooking costs and availability of teachers. The feedback received by Audit is summarized below:

- Infrastructural facilities like toilet, drinking water, library, boundary wall, separate common room for teachers and Head Master, electricity etc., were deficient and should be provided at the earliest.
- Free Text Books should reach schools in the last week of December so that these can be distributed among the students in the first week of January i.e., commencement of new academic year.
- Teachers may be relieved from the duty of arranging MDM by adopting alternative arrangement.
- Adequate numbers of teachers are to be appointed immediately.
- Earlier system of examinations should be continued to make the students more sincere towards education.
- Cooking cost should be made available to SMCs in time.

- Various school grants under major interventions may be released in accordance with guidelines.

Feedbacks received from the heads of the Institutions underline the need for concerted and planned efforts to provide necessary infrastructural support, timely distribution of text book, minimum resource support in time and rationalisation of posting of teachers.

Miscellaneous

1.2.22 Research and Development

The approved budget for Research and Development (R&D) activities for 2006-07 to 2010-11 was ₹688.02 lakh, out of which SSAM spent ₹434.54 lakh leaving a balance of ₹253.48 lakh. This indicated that some of R&D activities were not undertaken as per PAB. During 2006-10, 16 projects were assigned to 16 different NGOs, out of which only one project (total amount ₹1.50 lakh) was completed and another (amount spent ₹2.09 lakh) was ongoing. As the performance reports of remaining 14 projects undertaken during 2007-09 (upto date expenditure ₹40.38 lakh) were not satisfactory, Mission Director, SSAM stopped further release of fund. Thus, 14 projects stood abandoned rendering the expenditure of ₹40.38 lakh wasteful.

In reply, SSAM stated (November 2011) that all the 16 projects were successful. However, reply is not tenable in audit as the information furnished by SSAM earlier stated that 14 projects undertaken during 2007-09 were not satisfactory.

1.2.23 Internal Audit

Internal audit system was not very encouraging in the Directorate. There was only one Auditor without supporting staff in the Directorate and districts. Records showing inspection done by them or any inspection report towards conduct of field audit were not produced. Annual work plan, frequency of audit in sub-divisional offices and schools were also not fixed by DEE. Though the SSAM has their own internal audit system, the man power was inadequate to cover all the field units. Besides, annual work plan of units to be audited was not prepared well ahead and frequency of audit was low and irregular.

1.2.24 Monitoring

As per organisational structure of DEE, 14 separate cells were opened/established with man power to look after the various activities of the Directorate, but no separate Monitoring Cell was created/established to monitor/look after the various schemes implemented during 2006-11. Some illustrative examples are cited below that occurred because of weak monitoring system in the Department:

- Excess funds under salary component were released to district level offices;
- Savings were never surrendered as per Assam Budget Manual;

- Huge schematic funds were lying either with DEE, District level offices or District Administration;
- Huge numbers of Kitchen-cum-Store room were constructed by curtailment of the original Plan and Estimate of GOI/approved by DEE;
- The Department was not aware of the position of distribution of scholarships disbursed at district level and released subsequent funds without obtaining UCs;
- Benefits to BPL students were being extended without proper survey;

On the other hand, though SSA Mission has a monitoring system in place, details of action taken to rectify the lacunae pointed out in monitoring reports, however, were not produced, though called for.

1.2.25 Conclusion

Department as well as SSAM had not formulated the Planning and AWB&P taking the inputs from the field level offices and habitation levels. Fund management system was not effectively monitored resulting in excess/less release of funds than demand and withdrawal of funds in advance of requirement just to avoid lapse of budget grant resulting in accumulation of huge unspent balances. There was weak financial management and lack of control in utilization of funds as evident from fraudulent transfers, unnecessary blockade of funds. Department had not fixed any time schedule to complete various programmes which led to delay in extending the intended benefits to the student community. In spite of spending ₹12,631.47 crore (₹425.92 crore + ₹9,425.58 crore + ₹2,779.97 crore) during 2006-11 the Department/SSAM did not achieve the main objectives to enroll all children of age group of 6-14 years in school, complete five years of primary schooling by 2007 and eight years of elementary schooling to all the children by 2010. Inadequate basic amenities and deficient infrastructure, adverse normative PTR, inadequate training to teachers, shortages of Upper Primary Schools, untimely supply of FTBs inadequate nutritional support etc., were the other bottlenecks in improving the quality of education and occurrence of gradual decreasing trend of enrolment in government run schools.

1.2.26 Recommendations

- Adequate involvement of the community in formulation and implementation of annual plans should be put in place to make the State and SSAM planning more effective.
- Budget allotment should be realistic based on meticulous planning so as to negate recurrent savings at the end of the year. Financial discipline should be imposed to avoid unnecessary blockade of funds, fraudulent transfers etc.
- To attain the main objectives of Elementary Education, effective mechanism may be evolved and all round efforts need to be undertaken to ensure better identification and tracking of OOSC through community participation by

regular updating of VERs/WERs and developing online tracking systems. Further, provision of optimum aids and appliances to CWSN, strengthening ICDS centers and timely supply of FTBs and other benefits admissible to students may be ensured, through specific action with time lines.

- Effective measures for rationalization in deployment of teachers need to be taken up immediately to bring uniform pupil teacher ratio both in urban and rural area as per stipulated norms. More emphasis may be given to impart training to all teachers. Here also close monitoring and notifying responsibility centers could be useful.
- Nutritional support to Primary children should be revamped effectively by providing requisite quota of MDM rice during all school days with timely release of cooking cost and establishing serviceable Kitchen cum Store Room facilities etc.
- Steps need to be taken to overcome the deficiencies in infrastructural facilities, and shortages of UPS through a periodical implementable strategy with time lines.
- Internal control and monitoring system should be strengthened and corrective measures taken so that the financial discipline and accountability are achieved in more effective, economic and efficient manner.

Guwahati Development Department

1.3 Performance Audit of Public Private Partnership (PPP) in Solid Waste Management (SWM) in Guwahati

Guwahati Municipal Corporation (GMC) is responsible for management of solid waste generated in Guwahati city. Municipal Solid Waste (Management and Handling) Rules 2000 envisaged mandatory setting up of infrastructure facility and servicing of Solid Waste Management (SWM) by 31 December 2003. Consequent upon fixation of the specified dead line for setting up of processing and disposal of waste, GMC proceeded to implement a SWM system in PPP mode through a private developer with approval of the Ministry of Urban Development, Government of India (MoUD). The objective was to improve public health and hygiene through scientific collection, transportation, processing and disposal of Municipal Solid Waste (MSW) with provision for recycling the waste and achieving savings in expenses. Preparation of defective Detailed Project Report (DPR) and execution of agreement based on an unapproved DPR (DPR-II) had put the implementation of the project and sustainability of the arrangement in doubt. Lack of proper planning led to non achievement of the objectives of reduction of air, water, environmental and land pollution, improvement of public health, recycling of the waste and achieving savings in expenses. The future of the project itself is in jeopardy as the solid waste dumping site and sanitary land fill area has been established in a national wetland area and is required to be shifted according to Wetland Rules, 2010.

Highlights

The land provided for setting up of the project did not comply fully with applicable parameters stipulated by Central Public Health and Environmental Engineering Organisation (CPHEEO).

(Paragraph – 1.3.9)

Waste to energy technology was not considered feasible in the approved DPR but included in the unapproved DPR II. However, this component was included in the concession agreement.

(Paragraphs – 1.3.11 and 1.3.12)

Excess release of grant of ₹7.99 crore was made to the developer beyond the norms of concession agreement.

(Paragraph – 1.3.15.4)

Expenditure of GMC doubled after commencement of the project in comparison to the expenditure incurred prior to commencement of implementation of the project without commensurate benefits or achievement of objectives.

(Paragraph –1.3.22)

GWMCPL failed to take appropriate measures against pollution of air, water and land.

(Paragraph –1.3.20.3)

The Boragaon landfill site shares a common boundary with a national wetland, which has a linkage with world heritage site of ‘Deepor Beel’ and pollution through seepage endangered the fish and migratory birds in the Wetland. The future of SWM project is in jeopardy as the site is in close vicinity of a national wetland, is in violation of Wetland Rules, 2010.

(Paragraph – 1.3.23.1)

1.3.1 Introduction

1.3.1.1 Definition of waste

Wastes are substances or objects intended to be disposed of or required to be disposed by the provision of national laws³⁸. Items like household rubbish, sewage sludge, waste from manufacturing activities, packaging items, discarded cars, old television, garden waste etc., can be considered as waste. There are different kinds of waste:

- Municipal waste generated by households consisting of paper, organic waste, metals etc;
- Hazardous waste generated by production processes, households and commercial activities and
- Bio-medical waste generated by hospitals other health providers consisting of discarded drugs, microbiology and biotechnology waste, human anatomical waste, animal waste etc.

Waste represents a threat to the environment and human health if not handled or disposed of properly. Only management of municipal solid waste by Guwahati Municipal Corporation (GMC) in Guwahati city has been considered in this performance audit.

1.3.1.2 Background

Guwahati, the capital city of Assam, is situated on the banks of the river Brahmaputra with an area of 216 sq km. Estimated population of the city was 9.84 lakh involving 1,84,454 households till 2006. GMC have estimated (2006) that total generation of waste of the city was 317 tonnes per day (TPD) and 322 gm per head. Total population of the city is 12.60 lakh (2011 Census) while generation of waste is projected by GMC at 435 TPD.

Solid Waste Management (SWM) by Guwahati Municipal Corporation (GMC) had inherent deficiencies like limited door to door collection, insufficient secondary collection points, carriage of waste in open trucks, absence of segregation, absence of processing facilities, crude dumping in land fill sites etc. Collection efficiency of waste by GMC was only 59 per cent (2006).

³⁸ According to Basel Convention.

According to United Nations Environment Programme (UNEP), strategy for waste disposal was to focus on waste prevention and minimisation through three Rs- 'Reduce, Reuse and Recycle'.

In line with the above, the Ministry of Environment and Forest, GOI issued (September 2000) MSW (M&H) Rules 2000 (Rules) under the Environment Protection Act 1986. These Rules stipulate seven steps of SWM comprising primary collection, waste segregation and storage at source, street sweeping, secondary waste storage, transportation, treatment and recycling and final disposal. The Rules, made it mandatory for all municipal authorities to create infrastructure facilities and services for SWM by 31 December 2003 including improvement of existing landfill sites, identification of landfill sites for future use and making sites ready for operation, setting up waste processing and disposal facilities and finally monitoring the performance of waste processing and disposal facilities.

Activities of collection, transportation and disposal of solid waste were shifted to a private developer in July 2008 as per Letter of Intent (LOI) for implementation of SWM project in Public Private Partnership (PPP) mode which started functioning effectively only from November 2008. Thus, there was delay of 59 months in setting up the SWM project from the stipulated date (31 December 2003). However, the Department stated (November 2011) that the delay was attributed to longer monsoon during last three years, bad site conditions, non-availability of specialised equipments in local markets, delay in release of funds and delay in finalisation of waste to energy technology.

The reasons stated by the Department is not correct because initiation of the project was delayed due to belated preparation of DPR-1 (December 2006) and DPR-II (January 2008).

During 2005-09 (up to November 2008), prior to starting of the project in PPP mode, GMC incurred an average monthly expenditure of ₹ 0.29³⁹ crore towards SWM.

1.3.2 Management of waste in Public Private Partnership (PPP) mode

In order to overcome financing constraints such as incurring large capital expenditure and to meet the demand for 'state of the art' technologies, public sector entities, sometimes, go for Public Private Partnership (PPP) arrangements. This is a contractual arrangement whereby the private proponent or developer undertakes the

39

(₹ in crore)			
Year	No. of months	Amount	Average monthly expenditure
2005-06	12	2.88	0.24
2006-07	12	3.16	0.26
2007-08	12	4.12	0.34
2008-09 (Up to November 2008)	8	2.44	0.30
Total	44	12.60	0.29

construction including financing of a given infrastructural facility and operation and maintenance thereof. The private proponent operates the facility over a fixed term during which it is allowed to charge appropriate fees from users not exceeding those proposed in the bid or as negotiated and incorporated in the contract to enable him to recover his investment and operating and maintenance expenses in the project. The private proponent transfers the facility to the statutory or public sector entity at the end of the fixed term that shall not exceed, generally 50 years. Standard documents for PPP project are as under:

- Process documents: Request for proposal (RFP) for selection of consultant, request for qualification (RFQ) documents for pre-qualification of bidders and RFP for financial bids.
- Substantive documents: Concession agreement, manual of specification and standards and rules for user charges;

Besides, special purpose vehicle (SPV) or a special purpose company is to be set up under the relevant provision of Companies Act 1956 in whose name, land is to be transferred and other statutory clearances for the project are to be obtained. The SPV so set up should select the private partner through a transparent competitive bidding process.

The private partner would take over the company or SPV by purchasing its share for the duration of concession period and implement the project. On completion of concession period, the SPV along with the facilities created would revert back to Government or statutory entity.

The steps in entering into PPP arrangements, in general, are identification of the project/services and right type of PPP arrangement, preparation of feasibility report, selection of consultant through competitive bidding process, preparation of Detailed Project Report (DPR), project appraisal and approval by competent authorities, setting up of SPV, obtaining necessary statutory clearances, concession agreement with SPV, selection of private partner through international competitive bidding process and entering into agreement with selected private partner.

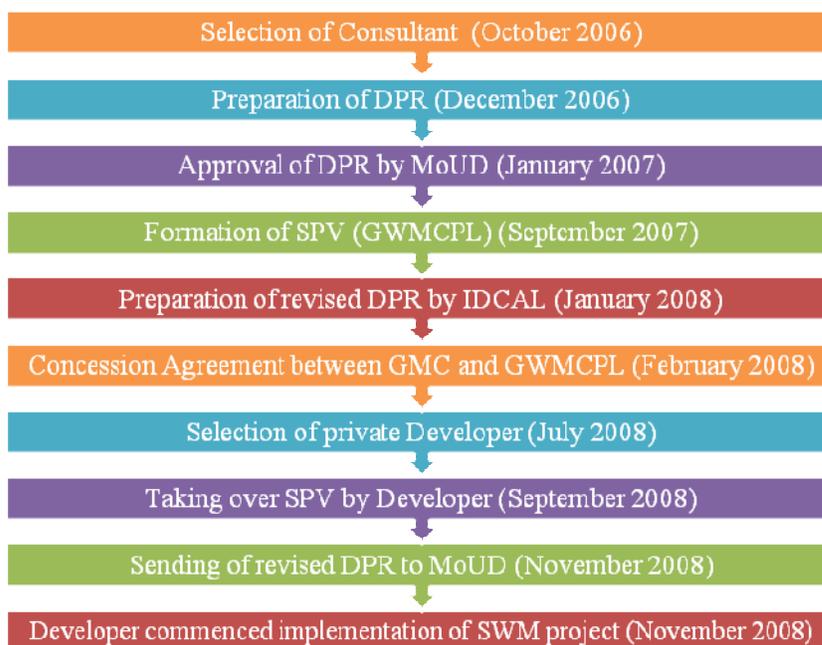
GMC conceived the idea of setting up SWM project in PPP mode on the basis of suggestion (October 2005) of the Ministry of Urban Development (MoUD), GOI and proposal (September 2006) for its financing by the Ministry of Finance, GOI. Accordingly, GMC in consultation with Government of Assam (GOA) prepared a DPR (hereafter called DPR-I) by a private company (IL&FS) for setting up SWM project in PPP mode, in December 2006. MoUD, GOI approved (January 2007) the project as provided in DPR-I at a total cost of ₹51.67 crore.

As envisaged in the PPP frame work, a consultant, Infrastructure Development Corporation Assam Limited (IDCAL⁴⁰) was selected (October 2006) by Guwahati Development Department (GDD), Government of Assam (GOA), for project

⁴⁰ IDCAL is a joint venture company of Guwahati Metropolitan Development Authority (GMDA) and Infrastructure Leasing and Financial Services Limited (IL&FS) Limited.

development assistance. Selection of consultant was done without inviting tender. GMC signed a Memorandum of Agreement (MoA) with IDCAL in August 2007. Thereafter, a SPV by the name of Guwahati Waste Management Company Private Limited (GWMCPL) was registered (September 2007) under Companies Act 1956, for implementation of the project. In the meantime, GMC realized that the concept of conversion of waste to compost as proposed in DPR-I submitted to MoUD was not economically viable due to 'high cost of production and 'lack of marketability' of the product. The consultant IDCAL, therefore, was asked to prepare a DPR-II (hereafter called DPR-II), which was completed in January 2008. The DPR-II was sent to MOUD, GOI which was, however, not approved as of November 2011. A concession agreement based on unapproved DPR-II was executed (February 2008) between GMC and GWMCPL to establish operate and maintain SWM system for a period of 20 years from the date of commissioning of the project. Subsequently, a private developer (M/S Ramky Enviro Engineers Limited) selected on single bid took over (September 2008) GWMCPL with its entire equity share holding, rights and responsibilities vested as per the concession agreement. The chronological order of the process involved in setting up the PPP project is shown in Chart-1.

Chart-1: Chronology of implementation of SWM project in PPP mode



Source: Departmental records.

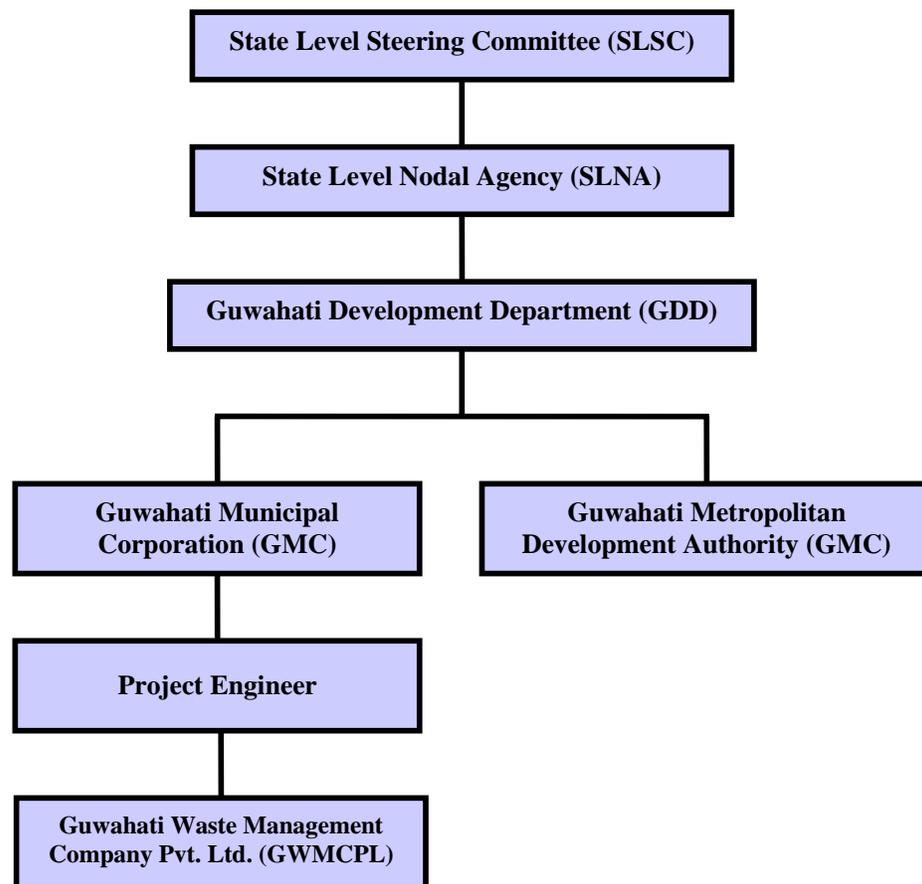
Details of pre-implementation arrangements and status and progress of implementation of the project which started functioning from November 2008 in PPP mode, are discussed under 'Audit Findings' in subsequent paragraphs.

1.3.3 Organizational set up

The SWM project was recommended to the Central Sanctioning and Monitoring Committee under Ministry of Urban Development (MoUD) constituted by GOI, for

sanction, by the State Level Steering Committee (SLSC) comprising Chief Minister as chairman and nine other members. A State Level Nodal Agency (SLNA) was constituted within Guwahati Metropolitan Development Authority (GMDA) with Secretary to the Government of Assam (GOA), Guwahati Development Department (GDD) as chairman and five other members. SLNA is responsible for assisting GMC for preparation of Detailed Project Report (DPR), obtaining sanction from SLSC, management and release of grants received from GOI and GOA, management of revolving fund and monitoring of the project for its smooth implementation. The organisational set up for approval and implementation of SWM project in PPP mode is shown in Chart-2:

Chart-2



Source: Departmental records.

1.3.4 Scope of audit

Performance Audit of the SWM project was carried out during May and June 2011 through a test-check of records relating to its implementation, in the offices of the Commissioner and Secretary, Guwahati Development Department (GDD); Chief Executive Officer, Guwahati Metropolitan Development Agency (GMDA); Commissioner, Guwahati Municipal Corporation (GMC); Project Implementing Unit

(PIU) and Project Monitoring Unit (PMU) of JNNURM, Government of India (GOI). The project was sanctioned (January 2007) at a total cost of ₹ 51.67 crore. Funding to the extent of ₹36.34 crore of the project cost was to be provided by GOI and GOA in the ratio of 90:10, while the developer was to contribute ₹ 15.33 crore. An amount of ₹ 17.58 crore (GOI: ₹ 15.82 crore, GOA: ₹ 1.76 crore) was released to the developer between April 2008 and December 2009 and expenditure incurred thereagainst is covered in this performance audit.

In addition, payment of user charges, tipping charges and other miscellaneous charges paid to the developer till March 2011 amounting to ₹17.38 crore⁴¹ was also covered in audit.

1.3.5 Audit objectives

Main objectives of the performance audit were to assess whether:

- The PPP model of SWM was based on well defined and structured feasibility studies and DPR;
- All applicable Rules/Laws were followed;
- Selection of site was made properly and with due care;
- Approvals were obtained to DPRs and for operation of the project from competent authorities;
- Bidding process was adequate and selection of Consultant, Special Purpose Vehicle (SPV) and Developer was done in fair and transparent manner;
- Agreements were framed properly after considering all aspects of approved DPR and relevant clauses were defined properly;
- Release of grants and payment of charges to Developer were done in accordance with the approved terms;
- The project was implemented efficiently, effectively and economically leading to achievement of targeted outcomes and results;
- Project was implemented in accordance with statutory provisions and there was no adverse impact on human, animal, avian and aquatic life including environment; and
- Monitoring system was adequate and effective.

1.3.6 Audit criteria

Audit findings were benchmarked against the following criteria:

- MSW Rules 2000, guidelines and rules of pollution control framed by competent authority;

⁴¹ User charge for primary collection: ₹8.16 crore + desilting of drain: ₹1.78 crore + desilting vehicle: ₹1.97 crore + secondary collection charge: ₹4.60 crore + Non recovery of POL charges: ₹0.64 crore + non-recovery of vehicle repairing charges: ₹0.23 crore.

- Mandatory instructions of GOA/GOI and various other statutory bodies/authorities;
- Correspondence /Minutes of different Committees, Concession agreements;
- Feasibility study reports, Detailed Project Report (DPR), Report of Project Engineer and
- Wetland Rules 2010.

1.3.7 Audit methodology

The performance audit commenced with an entry conference in June 2011 with the Dy. Secretary, Guwahati Development Department; GOA, Commissioner, Guwahati Municipal Corporation (GMC); Project Engineer and Officer on Special Duty, Project Implementing Unit, in which the audit objectives, criteria and methodology including visit to project sites and obtaining photographs of projects by audit were discussed. An exit conference was held with the Commissioner and Secretary to the Government of Assam, Guwahati Development Department and Commissioner of GMC on 04 November 2011 wherein the audit findings and recommendations were discussed. Replies of GMC wherever received have been suitably incorporated in the report. In the exit conference (04 November 2011), the Department assured to send para-wise replies, which was, however, not received (November 2011).

Audit findings

Audit findings are discussed in the succeeding paragraphs.

Pre-implementation arrangements

1.3.8 Selection of consultant

Selection of consultant was not done by inviting 'request for proposals (RFP)' from technically competent entities. Guwahati Development Department (GDD), GOA unilaterally selected (October 2006) Infrastructure Development Corporation Assam Limited (IDCAL), as consultant for the project. Consequently, the best available technical expertise as well as competitive rates were not availed of in selection of the consultant. Reasons for unilateral selection of consultant were not available in records, nor stated. GMC entered into a Memorandum of Agreement (MoA) in August 2007 with IDCAL for Project Development Assistance.

1.3.9 Selection of site for SWM project

Selection of suitable site for the project is of utmost importance, as improper selection could lead to health hazard and environmental pollution, especially through surface and ground water contamination. GMC considered the following three sites for setting up the SWM project initially which were rejected for the reasons mentioned in Table-1.

Table-1

Sl. No	Name of the site and its location	Reasons for rejection
1.	Sachal, Narangi, eight Km away from the city centre.	The location was unsuitable because of its close proximity to habitation and public complaints of odour, mosquitoes and garbage related menaces.
2.	Panikhaiti, 25 Km away from the city centre	This was a low lying flood plain of Brahmaputra river with risk of flooding and risk of ground and surface water contamination
3.	Garchuk, 12 Km away from the city centre	The location is in the foothills with risk of flooding from runoff water from the hills. It has a water body near the site with risk of surface water contamination

Source: GMC records.

GMC finally selected (2006) a site located at Paschim Boragaon, 12 Km away from the city centre having an area of 24.12 hectares for setting up SWM project. The site is in the flood plains of Brahmaputra and close to a small stream (mora nalha) which was streaming from Garchuk village and thereafter joining world heritage 'Deepor Beel' (location map alongside). Further, the land/site selected did not fully comply with prescribed parameters stipulated by Central Public Health and Environmental Engineering Organisation (CPHEEO), a regulatory authority, as indicated in Table-2.

MAP OF GUWAHATI

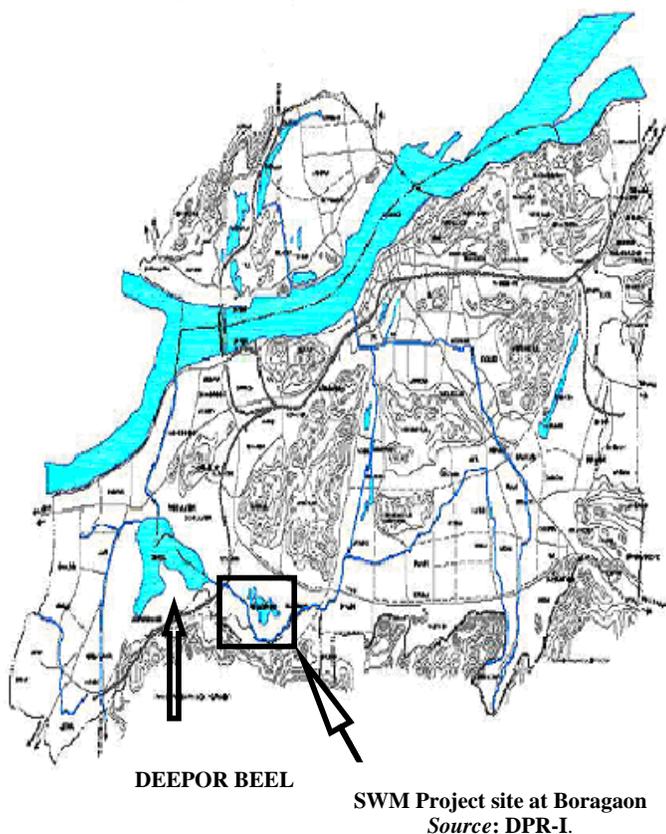


Table-2
Non compliance of SWM Project with CPHEEO criteria

Criteria of Project (Location of)	As per CPHEEO norms	Violation of norms
River/Stream	The project site should be 100 m away from any river/stream	A Small stream passes through the site
Flood Plain	No landfill within a 100 year flood plain	The landfill site is within flood plain
Wetlands	No land fill within wet land	The landfill site is Wetland
Ground Water table	Ground water table to be more than 2 m	The ground water table is at the ground level
Airport	No land fill within 20 Km	The project site is within 10 Km of Airport

Source: GWMCPL records.

The site (photograph below) finally selected for setting up SWM project, thus, had the same defects for which the three other sites located at Sachal, Panikhaiti and Garchuk were initially rejected. GMC replied (November 2011) that as no other suitable land was available, the low land was selected to avoid delay in implementation of the project. Thus, the selection of site was done at the peril of air, water and environmental pollution. Besides, the selected site is in close proximity of a world heritage site and a national wetland.



SWM PROJECT ABUTTING THE DEEPOR BEEL

1.3.10 Detailed Project Report

GMC prepared (December 2006) Detailed Project Report (DPR-I) by engaging a private company “Infrastructure Leasing and Financial Services Limited (IL&FS),

Ecosmart, New Delhi”. This was prepared by accommodating the seven steps⁴² of SWM stipulated in MSW (M&H) Rules 2000. Recycling of 200 TPD of waste to manure was considered at the initial stage, which was to be enhanced to 500 TPD capacity (at developer’s cost) in the ninth year of 20 years project period. Yearly growth of population and per capita generation of waste were projected at 3.97 *per cent* and 1.41 *per cent* respectively over the years during the project period. The project cost of ₹51.67 crore was to be shared by GOI/GOA (₹ 36.34 crore) and selected developer (₹ 15.33 crore). Yearly operation cost of the developer was estimated at ₹12.63 crore to be recovered as collection fees (₹ six crore), tipping charges (₹ 1.99 crore) and sale of power and manure (₹4.64 crore). Approval to DPR-I, submitted (December 2006) by GDD, GOA, was accorded by the Ministry of Urban Development (MoUD), GOI in January 2007.

Scrutiny in audit revealed that DPR-I had inherent deficiencies as detailed below:

- (i) opinion of technical consultants in support of feasibility of project was not on record,
- (ii) utilisation of existing infrastructure (vehicles, equipments etc.) and manpower of GMC was not detailed;
- (iii) methodology for complete segregation of waste at primary and secondary collection points was not spelt out;
- (iv) manual of specification and standard of services was not prepared separately or included as a part of DPR;
- (v) neither viability of the project nor return on investment was defined/calculated and
- (vi) no contingency plan was drawn up to operate the facilities on termination of the contract.

1.3.11 Revised DPR (DPR II)

Although DPR-I was approved and first instalment of central share of funding also released (January 2007) by MoUD, GMC prepared (January 2008) a revised DPR (DPR II) through the consultant on the ground that the concept of waste to compost (as proposed in DPR-I) was not economically viable due to ‘high cost of production and lack of marketability of the product’. In the exit conference (November 2011), it was also stated that one of the reason for preparing DPR-II was availability of grant of ₹10 crore from Ministry of Renewable Energy (MNRE), if conversion of waste to energy was adopted in the DPR. To accommodate this factor, characteristics of waste generated in the city were radically changed in DPR-II from what was shown in the DPR-I. However, there were no reasons on record to show how the characteristics of waste had changed between December 2006 and January 2008. In the DPR-I, the

⁴² (1) Primary collection, (2) waste segregation and storage at source, (3) street sweeping, (4) secondary waste storage, (5) transpiration, (6) treatment and recycling and (7) final disposal.

concept of 'Waste to Energy' was completely ruled out due to less calorific value and high contents of moisture in the waste and the land was also found not suitable for setting up turbine generators for generation of power. By showing higher calorific value of the contents of the waste, in the DPR-II, energy generation from waste was shown as feasible. Accordingly, DPR-I was revised by adding provisions for setting up of 'Refuse Derived Fuel (RDF)' plant of 500 TPD capacity, power generation unit of six MW capacity and the capacity of compost plant was reduced from 200 TPD to 50 TPD. The project cost was enhanced to ₹ 102.15 crore in which developer's share was increased to ₹ 65.81 crore keeping the share of GOI/GOA at the original amount of ₹ 36.34 crore. Details of differences in the features of DPR-I and DPR-II are given in Table-3.

Table-3

Components	DPR-I	DPR-II	Remark
Project cost	₹ 51.67 crore	₹ 102.15 crore	-
Compost Plant	200 TPD in first year and to be enhanced to 500 TPD in 11 th Year	50 TPD only	As per DPR-II waste to compost concept is not economically viable.
RDF Plant	Nil	500 TPD	
Power generation	Nil	6 MW	The concept of conversion of waste to energy was ruled out in DPR-I due to high contention of moisture and less calorific value in the waste of Guwahati.
Characteristics of waste			
Fuel	0	43 per cent	
Organic	61.45 per cent	37.62 per cent	There were large variations in the characteristics of waste as indicated in the original DPR-I and DPR-II.
Inert	12.54 per cent	18.71 per cent	
Recyclables	25.56 per cent	0.62 per cent	
Others	0.45 per cent	0.04 per cent	
Total	100 per cent	100 per cent	
Calorific Value	800-1000 Kcal/Kg	1,400-4,043 Kcal/Kg	

Source: Departmental records.

1.3.12 Non-approval of DPR-II by MoUD

As of June 2011, the DPR-II had not been approved by MoUD, GOI due to large variation in the characteristics of MSW in DPR-II compared to that in DPR-I. Since variation in the calorific value in waste was considered to be alarming, the MoUD, *inter-alia* suggested (May 2009) to GOA that the component be verified through an independent Government Institution, as calorific value of waste would be the key factor for success of energy generation project. MoUD also asked GOA to clarify as to how the balance organic content of waste would be processed and disposed because of reduction of capacity of compost plant. Further, the deficiencies of first DPR remained unaddressed.

Thus, the viability of the project as well as sustainability of PPP arrangement became uncertain due to revision of the originally approved DPR and execution of concession agreement on revised but unapproved DPR-II.

1.3.13 Concession Agreement

Although DPR-II had not been approved by MoUD, GOI, a concession agreement based on this unapproved DPR-II was executed (February 2008) between GMC and GWMCPL (SPV) to establish, operate and maintain SWM system for a period of 20 years from the date of its commissioning with the following time frame for various project aspects to be maintained by selected developer. The letter of Intent (LOI) was issued to the developer in July 2008.

Table-4: Time frame for completion of different components of project

Project components	Time for completion
Waste collection and transportation	6 months from the date of LOI.
Processing of Waste	One year from the date of issue of LOI
Landfill facilities	One year from the date of issue of LOI.
Power generation	Two years from the date of issue of LOI.

Source: GMC records.

GMC replied that the DPR was not revised but, only a supplementary component was added to it and only in-principle approval was sought so that the GOI recognizes the existence of the IMSWP in Assam. Moreover, the agreement was signed in order to kick-start the solid waste management work. GMC's reply is not acceptable because in the second DPR the capacity of the compost plant was reduced to 50 TPD from 500 TPD (200TPD in first year and 300 TPD in 11th year) as proposed in the first DPR and setting up of RDF plant of 500 TPD and power generation of 6 MW were added and the cost of the project was enhanced to ₹ 102.15 crore from ₹ 51.67 crore. The consultant opted for second DPR as the first DPR was not economically viable. The MoUD also did not approve the second DPR for having variations in characteristics of waste between the two DPRs.

The concession agreement provided for payment of tipping charges⁴³ by GMC to developer of ₹130 per TPD to be escalated by four *per cent* annually, recovery of ₹50 per month by the developer from each household towards collection charges, while collection fees from bulk generators⁴⁴ of waste would be mutually negotiated between the developer and the waste generator based on quality and quantity of waste generated. The developer would be entitled to retain all income from sale of power/product, processing of waste and other recyclables.

Audit scrutiny revealed the following deficiencies in concession agreement:

- the agreement did not contain any enforceable performance standard or bench mark;
- there was no clause for payment of compensation by the developer for its failure to adhere to the time schedule for project completion;

⁴³ Tipping charges: Transportation cost of waste from secondary collection point to project site.

⁴⁴ Bulk generators: Commercial establishments, Hotels, Markets etc.

- there was no clause for levy of penalty in case of shortfall in achieving targets of collection, transportation and processing of waste;
- neither any specification of output was mentioned nor quality of service prescribed; and
- there was no justification indicated for payment of tipping charges of ₹ 130 per TPD by GMC after investment of substantial amount, as pointed out by MoUD, GOI.

1.3.14 Selection of Private Developer

The consultant (IDCAL) floated 'Expression of Interest (EOI)' with eligibility criteria of technical capability based on project experience and financial capacity of the bidders in leading daily news papers in November 2007. This EOI was issued on the basis of DPR-I approved in January 2007 by MoUD, GOI at ₹ 51.67 crore. In response to EOI, 13 Request for Quotations (RFQ) were received. Sub-committee constituted by IDCAL, considered and recommended nine firms to the core committee for short listing for issue of RFQ. Four firms were rejected as they did not meet the prescribed eligibility criteria.

RFQ was, however, issued (March 2008) to nine eligible bidders adding a new component/request of conversion of waste to energy based on DPR-II that was not yet approved by MoUD, GOI. This enhanced the financial cost of the project to ₹ 102.15 crore. Thus, the share of the developer increased to ₹ 65.81 crore⁴⁵ from ₹ 15.33 crore⁴⁶ in the DPR-I on which bids were invited in November 2007. It would appear that as a result of increase in the developer's share in financing the cost of the project because of inclusion of new parameter of conversion of waste to energy, only one bidder i.e. Ramky Enviro Engineers Limited, a Hyderabad based private company submitted their proposal.

Instead of going for retendering to ascertain the lowest competitive rate, GWMCPL accepted the tariff based bidding of the single bidder at negotiated per unit levelised tariff of ₹ 4.10 per unit of energy and selected Ramky Limited in July 2008 to operate the project on BOOT⁴⁷ basis. The Department failed to furnish any specific reply justifying the reasons for non exploration of retendering process, though called for.

As ultimately only a single bid was received and accepted, GWMCPL did not derive the benefit expected out of the bidding process in terms of availing the service of the most technically capable agency, especially as the project involved a challenging requirement of conversion of waste to energy which was not included in the DPR

⁴⁵ ₹ 65.81 crore=₹ 102.15 crore (Project cost) - ₹ 36.34 crore (Government contribution).

⁴⁶ ₹ 15.33 crore= ₹ 51.67crore (Original project cost) - ₹ 36.34 crore (Government contribution).

⁴⁷ Build-Own-Operate-and-Transfer (BOOT) shall mean a project based on the granting of a concession by a Principal (the Union or Government or a local authority) to the concessionaire, who is responsible for the construction, financing, operation and maintenance of a facility over the period of the concession before finally transferring the facility, at no cost to the Principal, a fully operational facility. During the concession period the promoter owns and operates the facility and collects revenue in order to repay the financing and investment costs, maintain and operate the facility and make a margin of profit

approved by MoUD in January 2007. No reasons for adding the energy component, midway in the tendering process, was furnished to audit, though called for.

It is thus clear that public private partnership in SWM was taken up without well defined and structured feasibility studies. A candid and fundamental document such as DPR-II was not approved by GOI for the last two and half years because of potent inconsistencies and avoidable shortcomings. Moreover, selection of dumping site was not made with due care as the site is in prohibited wetland. Bidding process for selection of developer did not generate adequate competition and transparency was lacking.

1.3.15 Financial management

Details of sanction and release of funds towards the project, expenditure incurred thereagainst and irregularities noticed in utilisation of funds are discussed below:

1.3.15.1 Sanction and release of funds

The Ministry of Urban Development (MoUD), GOI, approved the project at ₹ 51.67 crore which was to be shared by GOI and GOA (₹36.34 crore) in the proportion of 90:10 and by the selected developer (₹ 15.33 crore).

MoUD, GOI, sanctioned ₹ 35.16 crore in January 2007 as grant-in-aid for the project after adjusting ₹ 1.18 crore already released (2006) as award of 12th Finance Commission for SWM. Out of ₹ 35.16 crore, ₹ 15.82 crore was released (till June 2011) in two equal installments in April 2008 and December 2009 to GOA, which, in turn, released ₹ 17.58 crore including ₹ 1.76 crore as state share to GMC through GMDA (SLNA) for implementation of the project. Details of funds received and released to GMC for the SWM project and amount paid to the developer are shown in Table-5.

Table-5

(₹ in crore)

Year	Fund released by GOI	Fund released by GOA to GMC			Opening balance with GMC	Receipt of interest on Term Deposit	Total fund available with GMC	Fund released by GMC to GWMPCL	Closing balance of central share with GOA	Closing balance with GMC
		Central share	State share	Total						
2007-08	7.91	0	0	0	0	0	0	7.91	0	
2008-09	0	7.91	0.88	8.79	0	0.17	8.96	7.76	0	1.20
2009-10	7.91	7.91	0.88	8.79	1.20	0.20	10.19	9.82	0	0.37
2010-11	0	0	0	0	0.37	0.01	0.38	0		0.38
Total	15.82	15.82	1.76	17.58		0.38		17.58		

Source: GMC records.

No further grant was released by GOI as the DPR-II is yet to be approved by MoUD, GOI (November 2011). In the exit conference also it was stated (04 November 2011) by the Department that release of further fund depends on approval of DPR-II by MOUD.

1.3.15.2 Diversion of project funds

₹1.18 crore released (March 2006) under 12th Finance Commission award was decided (January 2007) by MoUD, GOI to be treated as part of the project finance/cost of ₹51.67 crore. Scrutiny of the records revealed that out of ₹ 1.18 crore,

₹21.86 lakh and ₹6.27 lakh were utilised by GMC for purchase of computer and repairing of a bus terminus respectively, which were beyond the scope of SWM activities. The balance funds was utilised for purchase of one Bulldozer (₹63.50 lakh) and one Excavator loader with Sweeper broom and unloader blade (₹26 lakh). These assets were neither transferred to SWM project nor did the GMC provide equal funds for the project. Details of utilisation of the said assets for the progress of SWM were also not on record. Thus, ₹117.63 lakh was not available for SWM. The department accepted (04 November 2011) the audit observation and stated that the assets acquired with the 12th F.C funds were retained and used by the GMC.

1.3.15.3 Inflated Utilisation Certificate

The first installment of grant from Jawaharlal Nehru National Urban Renewed Mission (JNNURM) amounting to ₹ 8.79 crore was received by GOA on 29 April 2008 from MoUD, GOI. Submission of Utilisation Certificate (UC) was a pre-condition for release of second installment. Scrutiny of the records revealed that UC for the entire amount was submitted (May 2009) by GMC though the developer spent only ₹6.93 crore till the date of submission of UC, which meant that UC was inflated to the extent of ₹1.86 crore. The Department stated (November 2011) that the errors if any would be rectified.

1.3.15.4 Excess release of grant

Clause 5.3.2(b) under Article-5 of the Concession Agreement stipulated that the developer should at first invest 20 per cent of the differential cost of total Project cost and only thereafter grant should be released on *pro-rata* basis to the total project cost according to the following formulae:

$$\text{Grant disbursement} = \frac{\text{Bills approved} \times \text{approved cost}}{\text{Approved cost} + 80 \text{ per cent of differential cost}}$$

Scrutiny of the records revealed that

- An amount of ₹6.93 crore was released by GMC to the developer before initial investment of ₹ 13.23⁴⁸ crore was made by the developer,
- Out of total bill value amounting to ₹45 crore submitted (May 2010) by the developer, bills amounting to ₹19.41 crore was approved and payment of ₹17.58 crore released thereagainst by February 2010. As, the total project cost had been enhanced to ₹102.51 crore, an amount of only ₹9.59⁴⁹ crore was to be released. An amount of ₹7.99⁵⁰ crore was, thus, released in excess of stipulation of the

⁴⁸ {20 per cent of (₹102.51 crore-₹36.34 crore)}

⁴⁹ Grants to be released= $\frac{\text{Bills approved} \times \text{Approved Cost}}{\text{Approved Cost} + 80 \text{ per cent of Differential Cost}}$
 $= \frac{₹19.41 \text{ crore} \times ₹51.67 \text{ crore}}{₹51.67 \text{ crore} + 80 \text{ per cent of } (₹102.51 \text{ crore} - ₹36.34 \text{ crore})}$
 $= \frac{₹1002.91 \text{ crore}}{₹51.67 \text{ crore} + ₹ 52.94 \text{ crore}}$
 $= \frac{₹1002.91 \text{ crore}}{₹104.61 \text{ crore}}$
 $= ₹9.59 \text{ crore.}$

⁵⁰ Excess of grants released=₹7.99 crore (₹17.58 crore-₹9.59 crore).

agreement. As of March 2011, the developer submitted bills for ₹45 crore, out of which bills worth ₹25.59 crore were neither measured/quantified nor site verification done by the Project Engineer. Thus, veracity of this expenditure could not be ascertained in audit.

1.3.15.5 Irregular release of advance for purchase of equipment

There was no provision in the Concession Agreement for payment of advance for purchase of equipment. However, in contravention of the terms and conditions for release of grant, ₹4.76 crore was paid (July 2008) by GMC to the developer as advance for purchase of collection and transportation equipment. It is pertinent to mention here that the agreement was executed with Ramky in September 2008, whereas the advance of ₹4.76 crore was provided irregularly to the developer in July 2008 itself. The developer submitted the adjustment bill thereagainst in November 2009. Though the bill of ₹4.76 crore for the equipment was passed by GMC for adjustment, the supporting documents viz, invoices etc., were not made available to audit, in the absence of which the authenticity of expenditure could not be verified in audit. The department stated (November 2011) that the advance was released to the developer in public interest and due to urgency. The reply is not tenable because the PPP concept was conceived to attract private capital so as to save scarce public resources.

1.3.15.6 Excess release of funds to developer on purchase of equipment

From the part statement of equipment purchased by GWMPCL, as available with GMC, it was observed that unit rates of certain Collection and Transportation (C&T) equipment were estimated at a much higher value in the DPR compared to actual unit cost of procurement made by the developer. This resulted in excess release of ₹44.05 lakh⁵¹ to the developer on purchase of C&T equipment.

1.3.15.7 Missing vehicles

Report of physical verification conducted by the Commissioner of GMC in April 2010, revealed that three Twin Bin dumper placer vehicles worth ₹ 37.50 lakh procured (November 2009) out of the grant amount released by GMC to the developer, were neither found in the project site nor were under repair. Despite issue of instructions to GMC by the GOA to take stern action against the developer for violation of agreement in this respect, GMC did not initiate any penal action against the developer (August 2011). While accepting the audit observation the

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Item	Quantity supplied (in number)	Rate per unit as per DPR (In ₹)	Rate per unit as per GWMPCL (In ₹)	Difference of rate (In ₹)	Excess expenditure (₹ in lakh)
1	2	3	4	5	6 (Col.2XCol-5)
Container TRY Cycle	219	15,000	10,400	4,600	10.07
Dumper Vehicle	25	12,50,000	11,14,085	1,35,915	33.98
Total					44.05

department stated (04 November 2011) that appropriate action would be taken if any deficiency was found. However, no reply from the Department was received (November 2011).

Thus, there was diversion of project funds, utilization certificates were given for inflated amounts, payments made to the developer outside the scope of the PPP arrangement, the developer did not bring in its share of financing the PPP arrangement in advance as stipulated and undue financial benefit was extended to the developer. These instances point to unprofessional and deficient financial management of a prestigious PPP arrangement.

Implementation of the project

1.3.16 Site Development

As per DPR-I, total area of 24.12 Hectare (180 Bigha) of land was allotted for the development of integrated facility for the management of MSW in Guwahati. Following works were required to be done for site development:

- Part-1: 9 Ha (90, 000 sq m) for the development of compost plant of 200 TPD capacity in phase-1 (in the first year) and 300 TPD capacity plant in second phase (in eleventh year),
- Part-2: 15.12 Ha (1,51,200 sq m) for the development of sanitary landfill,
- An approach road of length 1300 m was to be constructed to the project site; and
- RCC retaining wall of 8 M height around the sanitary land fill area was to be constructed.

Observation on different works connected with site development are indicated in the succeeding paragraphs.

1.3.16.1 Compost Plant

The site development of compost plant were to conform to the following two requirements:

- As the project site was in flood plain, the height of the plant site was required to be raised above highest flood level (48.56 m). To achieve this height the land was required to be filled up to a height of eight meter,

To construct compost plant of 500 TPD capacity, the size of the filled in plot was required to be 6.2 hectare (62,000 sq m). Filling up of land was to be done in a trapezium shape in the proportion of 1:3 (with reference to height) and base dimension of the plot would be 9 hectare (90,000 sq m).

Against the above requirement, the developer developed a total area of 38,500 sq m (220 m X 175 m) for 200 TPD compost plant (shown in photograph). Out of this, 24,500 sq m (175 m X 140 m) was filled up to a height of 6 meters and the balance 14,000 sq m (175 m X 80 m) was filled, up to a height of five meters instead of stipulated eight meters. Thus, the total volume of earthwork done was 2,17,000 cum (175 X 140 X 6 + 175 X 80 X 5). Earth filling below the highest flood level would not ensure protection of the project from flood damage. Though the compost bed was developed for the 200 TPD capacity, the plant (shown in photograph) of only 50 TPD capacity had been installed in February 2011. The initial level (base dimension) of the site developed for compost plant was not recorded



AREA OF COMPOST PLANT DEVELOPED
(July 2011)



COMPOST PLANT (July 2011)

in the Measurement Book. Besides, the Measurement Book on the basis of which payment of ₹2.72 crore was released, could not be made available to audit (June 2011). Thus, basis of payment of ₹2.72 crore could not be verified in audit and it was not clear as to how GMC had satisfied itself regarding the correctness of the quantum of payment and the quality and quantity of the execution of work.

Details of length and breadth of base and top including height of the elevated area were required to be indicated in MBs for calculating quantity of earth filled in. However, measurements against earth filling were recorded in MBs without taking into account the actual breadth of the top and base. As a result, the ratio maintained for construction of the base with reference to height and area of top of the compost plant, could not be ascertained and verified. Thus, the measurements recorded in the MBs were defective and payments unverifiable. Possibility of excess payment could not be ruled out. Reasons for non production of the MB and basis of calculation of quantity was not furnished, though called for.

1.3.16.2 Land development other than Compost Plant

Out of 15.12 Ha of land earmarked for sanitary land filling in the DPR-I, 8.04 Ha were used as dumping ground for MSW. Remaining 7.08 Ha were taken up for development through land filling up to a height of two meters. As of March 2011, land filling of the whole area was yet to be completed. A total of 2,62,569.84 cum of earth filling was completed. Thus, a total volume of 4,79,569.84 cum (2,17,000+2,62,569.84) of earthwork was executed. Incidentally ₹262 per cum was the rate of earth filling adopted in the DPR which was found much higher than the rate of earth filling as per Assam Public Works Department (APWD) Schedule of Rate (SOR) 2007-08 of ₹168 per cum. However, payments were released at the higher

rate of DPR. Compared to the APWD, SOR rate of ₹168 per cum, there was an extra avoidable expenditure of ₹4.51 crore⁵².

1.3.16.3 Approach Road

As per DPR-I an access road with metalling and black topping of length 1,300 m was required to be constructed at a cost of ₹4.53 crore as per DPR-I. The cost of the proposed access road was reduced to ₹1.99 crore as per recommendation of CPHEEO, as 300 m metal road and kachcha roads already existed around the project site. Thus, the average unit rate for construction of the access road should have been ₹15,308 per running meter.

Scrutiny of records disclosed that the developer was paid ₹117.76 lakh (@ ₹24,279.60 per running meter) for construction of 485 m of kachcha road, which resulted in excess payment of ₹43.51 lakh⁵³. GMC stated (November 2011) that a re-verification would be undertaken and adjustment would be made from the pending bills in case of overpayment.

Moreover, smooth transportation of MSW in rainy season became difficult due to non-completion of the access road.

1.3.16.4 Construction of Retaining Wall/Earthen Bundh

According to DPR-I a RCC retaining wall of a height of eight meter was recommended for construction around the periphery of 15.12 Ha of the allocated land for sanitary land fill (SLF) with a view to protecting the project site and stopping contamination of adjacent wetland and surrounding area. CPHEEO also recommended construction of 1,546 running meters of retaining wall around the SLF site.

Scrutiny of the records revealed that instead of retaining wall around the periphery, an earthen bundh was taken up for construction and a bundh (shown in photographs) of 590 m with five meters breadth and four meters height was completed around the Compost Plant, incurring an expenditure of ₹78.08 lakh as of March 2011. This was in deviation from the DPR-I and the objectives of protecting the project site as well as contamination of adjacent wet land could not be achieved.



EARTHEN BUNDH AROUND THE COMPOST PLANT
(July 2011)



EARTHEN BUNDH AROUND SLF AREA (July 2011)

⁵² (₹262-₹168)X4,79,569.84=₹4,50,79,564.96.

⁵³ (₹24,279.60-₹15,308)X485=₹43,51,226.

Despite the allotment/handing over of the entire project alongwith site to the private developer on BOOT basis, the GMC unauthorisedly incurred an expenditure of ₹1.30 crore towards construction of earthen bundh in the project site through a private contractor which amounted to extending unauthorised financial aid to the developer. Reasons for extending such unauthorised aid to the developer was not furnished, though called for. GMC stated (November 2011) that a re-verification would be undertaken and adjustment if any would be made from the pending bills. However, no further reply from GMC was received (November 2011).

Management of waste

1.3.17 Generation of waste

Proper assessment of quantity and characteristic of waste generated is essential for correct planning and successful implementation of solid waste management (SWM) project. Table-6 shows estimate of generation of solid waste in Guwahati as projected in approved (original) DPR.

Table-6

Year	Population	Per capita generation gm/day	Projected generation as per DPR TPD
2006	9,84,083	321.73	316.61
2011	12,60,419*	345.06	434.92

*Population as per Census Report 2011.

Source: Departmental records.

According to DPR-I, 200 TPD waste was to be processed in the compost plant. Concession agreement was based on DPR-II wherein 500 TPD and 50 TPD of waste were to be processed for Refuse Derived Fuel (RDF) plant and compost plant respectively. Subsequently GOA intimated MoUD in February 2011 that the capacity of compost plant would be maintained at 200 TPD as proposed in the DPR-I. Thus, a total of 700 TPD of waste was required for both the plants, whereas estimated generation of waste was only 434.92 TPD as of 2011. For optimum utilisation of the capacity of the plants, as per DPR the project is to wait till the year 2021 when generation of waste would be 700 TPD. This indicated that the DPR-II was prepared without ascertaining the ground reality of generation of waste. Besides, fuel derived power generation as mentioned in the DPR-I did not appear possible, with the available characteristic of the waste.

1.3.18 Primary collection

In accordance with the provisions of approved DPR and Article 5.10 and 5.11 of the Concession Agreement, the private developer was responsible for:

- segregated collection of MSW from each household;
- segregated collection of MSW from bulk generators like hotels, markets, malls etc;

- street sweeping on a regular basis including drain desiltation and
- create public awareness regarding segregated disposal of waste, payment of user fees etc. through cable network, newspaper and other means of communications.

Regarding payment of fees to the developer, as stipulated in schedule IX of the concession agreement and mandate issued by GMC in July 2008, the developer was authorised

- to directly collect collection fees of ₹50 per month from each household and
- for bulk generators, amount of collection fees would be settled through negotiation between generators and the developer, depending on the quantity of waste.

Primary collection of solid waste commenced from November 2008 and the developer recovered collection fee from each household up to June 2009.

Scrutiny of the records revealed that violating the provisions of Concession Agreement, GOA, GDD, relieved the developer from July 2009 from the responsibility of collection of user fees from households. Instead, GOA instructed GMC to pay a fixed amount of ₹45 lakh per month for coverage of one lakh households, provided the developer submitted coupons of satisfactory service signed by the households visited by the developer. The developer was also required to ensure drain desilting and street sweeping, etc. GMC was also instructed to enter into a written agreement to this effect with the developer. No such agreement was available in records provided to Audit. While admitting the audit observation the department stated (November 2011) that the agreement would be finalised after the bench marking of the service level agreement between the GMC and the private partner. The service level bench marks have been identified in accordance with the MoUD guidelines.



GARBAGE AT JUTIKUCHI (12 August 2011)



GARBAGE AT BIHARBARI (11 October 2011)

A total amount of ₹8.16⁵⁴ crore was paid to developer for primary collection during the period from July 2009 to March 2011, which was in contravention of the

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Period	Amount paid (₹ in crore)
July 2009 to March 2010	3.56
April 2010 to March 2011	4.60
Total	8.16

Concession Agreement. Thus, the payment would amount to extension of undue financial aid to the developer (photograph above showed garbage lying roadside).

Further, scrutiny of records revealed that the payment was made based on arbitrary assessment of performance certified by the Divisional Engineers of GMC, and it was not based on verifiable parameter of submission of coupons by households in support of satisfactory services by the developer. The performance certificate issued by the GMC Divisional Engineers revealed that the monthly coverage of the households by the developer towards primary collection was 61 to 80 *per cent* against one lakh households.

Thus, the performance of the developer towards primary collection against stipulated 1,84,454 households would be 33 to 43⁵⁵ *per cent* only. Payments were however released to the developer uniformly for 80 *per cent* coverage against one lakh households as per recommendation of GMC Divisional Engineers. Thus, certificates issued in support of satisfactory performance were not based on verifiable parameters rendering the entire exercise non-transparent.

Further, though desilting of drain and street sweeping were the duties of the developer, GMC incurred expenditure of ₹1.78 crore for desilting of drains and ₹1.97 crore towards procurement of street sweeping and desilting vehicles in 2010-11. Thus, there was a total undue financial aid of ₹11.91 crore⁵⁶ to the developer as of 31 March 2011. Besides, the developer was further benefitted by saving the cost of manpower otherwise required to be engaged for collection.

Despite providing inadmissible financial aid in addition to the due payments to the developer, primary collection of waste was not only much below per (33 to 43 *per cent*), but failed to protect the environment as per findings of State Pollution Control Board as well as complaints of dissatisfaction, raised by the public.

1.3.19 Secondary collection

Relevant Clause⁵⁷ of concession agreement stipulated that developer would be solely responsible for transportation of segregated waste from the Secondary Collection Point to the land fill /Project Site on payment of monthly tipping charges of ₹130 per ton with four *per cent* yearly escalation.

The agreement further stated that weighbridge should be installed by the developer at the site with video surveillance, to ensure maximum possible accuracy for weighing the trucks to determine the weight of each consignment and other details.

Though, concession agreement provided for payment of carrying charge from secondary collection point to project site @ ₹ 130 per TPD, GOA revised it on two occasions:

⁵⁵ 33% = (61,000/184454 X 100), 43%=(80,000/184454 X 100).

⁵⁶ ₹8.16 crore + ₹1.78 crore + ₹1.97 crore=₹11.91 crore.

⁵⁷ Clauses 5.13, 6.1 (d) and 7.1 (a) of the concession agreement.

- Mandate issued in July 2008 provided monthly fee of ₹ 24.45 lakh assuming carriage of 350 TPD of waste by developer,
- In the order issued in July 2009, GOA reduced the monthly rate to ₹13 lakh.

In actual practice, installation of weighbridge, which was mandatory, was not done till November 2010 by the developer. Thereafter, though it was installed but it could not be utilised for stated errors in readings. Thus, payments were made till March 2011 on transportation without weighing the waste, violating the relevant clause of the agreement.

Collection and transportation commenced in November 2008 and rates of payment for transportation from November 2008 to March 2011 were as under:

- From November 2008 to June 2009 payments were on lump sum basis @ ₹24.45 lakh pm assuming that the developer transported 350 TPD with token deductions in each month for less carriage,
- From July 2009 to September 2009 payments were also on lump sum basis @ ₹13 lakh pm,
- From October 2009 to March 2011, payments were released by determining weight on estimated carrying capacity of trucks and collection bins.

Table-7 contains details of transportation charges paid during the period November 2008 to March 2011.

Table-7

Period	Amount paid (in crore)	Total quantity of MSW transported (in MT)	No of days	Daily transportation made (TPD)	Daily average generation of MSW as per DPR (TPD)	Actual accumulation of waste at secondary point ⁵⁸ (TPD)	Percentage of accumulation against generation	Excess transportation shown (TPD)	Excess payment (₹130 X Column-4 X Column-9) (₹ in lakh)
1	2	3	4	5	6	7	8	9	10
November 2008 to June 2009	1.8	Not recorded	242	Payment made on lump sum basis.					
July 2009 to March 2010	1.12	83,923.80	273	307	371	255.43	69	51.57	18.30
April 2010 to March 2011	1.68	1,22,639.10	365	336	391	269.16	69	66.84	31.72
Total	4.6								50.02

Source: GMC and GWMCPL records.

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Year	Projected generation TPD	Increase of generation of waste in comparison to 2006	Percentage of increase of waste in comparison to generation in 2006	Actual collection at secondary point TPD	Percentage of accumulation of waste at secondary point
2006	316.61			218.45	69
2009	371	54.39	17	255.43	69
2010	391	74.39	23	269.16	69

Note: Actual generation of waste at secondary point during 2006 is calculated considering accumulation of waste against coverage of domestic household 43 per cent and others 100 per cent. Detail calculations are given in *Appendix-I.17*.

In the absence of arrangements for accurate measurement in weighbridge claim of daily transportation (shown in photograph) made by developer shown in the table (column-5) above had actually no basis. The depiction of daily transportation shown to have done was based on assumptions rather than measurements. Calculation on estimated carrying capacity of trucks and bins was also not accurate because it was subject to manipulation as trucks and bins may be half filled and shown as full.



HALF FILLED TRUCK CARRYING WASTE
(July 2011)

Further, as discussed in Para-1.3.18, there was 33 to 43 *per cent* coverage of primary collection of waste from domestic households to secondary point, the total collection of waste at secondary point could not exceed 69 *per cent*, even if 100 *per cent* accumulation of waste as projected in the DPR (Detailed in **Appendix-1.17**) from the bulk generators and other source was added with the waste collected from the domestic households covered under primary collection. Details are shown in Table-7. Thus, the estimated weights/quantity as recorded on the transportation bills of the developer were higher than the actual quantity transported. As a result, there was an excess payment of ₹50.02 lakh to the developer towards transportation charge considering 69 *per cent* carriage of waste (as accumulated at secondary point) to dumping site.

Further, for the period from May 2010 to March 2011, instead of paying at a fixed rate of ₹13 lakh per month, payments in 11 months was made by applying agreement rate on quantity estimated to be transported which had exceeded the rate fixed by GOA. This resulted in over payment of ₹12.32⁵⁹ lakh.

As such, the payment of transportation charge was not transparent.

Other observations made in this regard are as follows:

- During the period from November 2008 to June 2009 a total payment of ₹1.80 crore was made to the developer on lump sum basis (approximately @ ₹24.45 lakh per month) considering that the developer carried 350 TPD of waste during the period. Again, at the agreed rate of ₹130 per TPD according to concession agreement, the total cost during this period amounted to ₹1.10 crore (₹130X242 days X350 TPD). Thus, the developer was irregularly paid ₹0.70 crore (₹1.80 crore-₹1.10 crore) during the period.
- The developer was to bear all expenses incurred for collection and transportation of MSW and was entitled to get monthly payment as stipulated in the

⁵⁹ {Amount paid: ₹155.32 lakh- amount payable: ₹143 lakh (₹13 lakh X 11 months)}= ₹12.32 lakh.

mandate/order/ concession agreement. GMC provided vehicles including POL to developer for secondary collection of waste. The cost of collection (POL, maintenance, etc.) was to be borne by the developer. Accordingly, for providing GMC vehicles including POL, the cost of POL was recovered till March 2010 with a short recovery of ₹ 21.63⁶⁰ lakh. However, for subsequent period no recovery towards POL cost was made. This resulted in undue financial aid to the developer to the tune of ₹63.91⁶¹ lakh during November 2008 to March 2011. While accepting the audit observation GMC stated (November 2011) that appropriate action would be taken.

- Expenditure of ₹22.96 lakh incurred by GMC during October 2008 to March 2011 towards repairing charges of vehicles utilised by the developer was also not recovered from the developer.

1.3.20 Processing and disposal of waste to Sanitary Land Fill

According to the concession agreement, processing of waste was to start after completion of one year from the date of issue of LOI and all other activities including generation of power were to be completed within two years of the date of issue of LOI. Since LOI was issued to developer in July 2008, processing of waste and generation of power should have commenced from July 2009 and July 2010 respectively. Achievements in this regard till March 2011 were as follows:

1.3.20.1 Composting of waste

In violation of the approval of MoUD for installation of 200 TPD capacity of compost plant in first phase in view of high content of organic component (61 *per cent*) in the waste, a compost plant of reduced capacity of 50 TPD was commissioned in February 2011 and a meagre quantity of five TPD of manure was being produced. The developer applied for fertiliser clearance certificate from Agricultural Department in June 2011. No manure could be sold due to non-receipt of fertilizer clearance certificate from Agricultural Department. In the exit conference (04 November 2011), the Department stated that in accordance with provisions of DPR-I additional capacity of compost plant of 150 TPD would be installed from December 2011.

1.3.20.2 RDF and power generating unit

As GMC did not obtain certificate/report of a Government Institution on the characteristic of the waste, no works for setting up of RDF plant to process 500 TPD of waste and power unit to produce 6 MW of Electricity were taken up (March 2011).

⁶⁰ Total expenditure made by GMC towards POL: ₹ 49.36 lakh (15.38 +33.98) in 2008-09 & 2009-10.
Less amount recovered by GMC from developer : ₹ 27.73 lakh (9.82+17.71) in 2008-09 & 2009-10.

⁶¹ Short recovery made : ₹ 21.63 lakh.

Period	Amount (₹ in lakh)
Short recovery of POL	21.63
Non-recovery of POL	
April 2010 to March 2011	42.29
Total	63.92

1.3.20.3 Disposal of waste to Sanitary Land Fill (SLF)

Out of 15.12 Ha (1,51,200 sq m) land earmarked for SLF in the DPR-I, 93,548 sq m (514 m X 182 m) was taken up, of which 38,220 sq m (182 m X 210 m) was developed through earth filling (photograph below) at an average height of two meters. Work on earth filling in SLF area was in progress (August 2011).



LAND FILL AREA IN WET LAND (August 2011)



SANITARY LAND FILL AREA (August 2011)

There were abnormal delays in setting up waste disposal mechanism. Meanwhile entire unprocessed waste was dumped at land fill site as was done under the earlier system causing severe adverse impact on air, environment, land and wet land areas. In the exit conference (04 November 2011), the Department stated that unprocessed waste already accumulated at project site would be compacted with soil and would be used for growing trees at project site. Until that time, unprocessed waste continued to be dumped at project site.

1.3.21 Delay in implementation of the SWM project

Memorandum of Agreement (MoA) was executed between GMC and the consultant IDCAL in August 2007 for Project Development Assistance and Letter of Intent (LOI) was issued to the developer in July 2008. Delays in implementation of the SWM project on the part of the Consultant and private developer beyond the date stipulated in concession agreement are given in Table-8 below:

Table-8

Component	Time Schedule for completion	Present status/ month of completion	Period of delay	Remark
Delays on the part of the Consultant in significant activities				
Selection of developer	February 2008	July 2008	Four months	
Transfer of SPV	2 nd week of March 2008	September 2008	Five months	
Delays on the part of the developer				
Processing of waste	July 2009	February 2011	18 months	50 TPD compost plant commissioned only
Landfill facilities	July 2009	Not yet completed		
Power generation	July 2010	Not yet completed		

Source: GWMCP and Departmental records.

There were inordinate delays in the fulfilment of different activities and completion of the different components of the project on the part of the consultant and developer

respectively. No action could be initiated (November 2011) against the consultant and the developer due to absence of any penalty clause in the MoA and concession agreement executed with the consultant and developer respectively.

1.3.22 Non-reduction of expenditure of GMC

Despite extending financial support of ₹17.58 crore received under JNNURM to the developer and transfer of the duties and responsibilities of collection of MSW under PPP to the developer, GMC failed to reduce its expenditure towards primary and secondary collection in comparison to the period prior to commencement of the project, as depicted in Table-9.

Table-9

(₹ in crore)

Expenditure prior to commencement of SWM project				Expenditure after commencement of SWM project			
Period	Months	Total expenditure	Average monthly expenditure	Period	Months	Total expenditure ⁶²	Average monthly expenditure
2005-06	12	2.88	0.24	2008-09 (11/08)	5	1.18	0.24
2006-07	12	3.16	0.26	2009-10	12	6.64	0.55
2007-08	12	4.12	0.34	2010-11	12	9.54	0.80
2008-09	8	2.44	0.30				
Total	44	12.60			29	17.36	

Source: GMC records.

During the period of implementation (November 2008 to March 2011) of the project, average monthly expenditure on SWM incurred by GMC was more than double in comparison to that incurred in the earlier period (April 2005 to October 2008). Thus, one of the main objectives of PPP project i.e., “savings in expenses’ was not fulfilled.

Thus, implementation was deficient to the extent that site development was not according to DPR, percolation of leachate to adjacent wetland not arrested, collection efficiency of waste much below par, irregular payment of user charge and tipping charges, processing of compost of negligible quantity, non-transformation of waste to energy and non-reduction of the expenditure of GMC.

1.3.23 Compliance to Rules and impact assessment

1.3.23.1 Impact of waste on health and environment

Waste represents a threat to the environment and human health if not handled or disposed of properly. Surface and ground water contamination takes place when waste reaches water bodies. A specific environmental hazard caused by waste is leachate,

⁶² Details of expenditure towards primary collection, secondary collection, desilting, POL and Vehicles.

Year	Primary Collection	Secondary Collection	Desilting	POL	Vehicle Purchase	Vehicle maintenance	Total
2008-09 (from November 2008)	0	1.09	0	0.05	0	0.04	1.18
2009-10 (from July 2009)	3.56	1.83	0.93	0.16	0	0.16	6.64
2010-11	4.60	1.68	0.85	0.42	1.97	0.02	9.54

which is the liquid that forms, as water trickles through contaminated areas leaching out the chemicals. Movement of leachate from sanitary landfills may result in hazardous substances entering surface water, ground water or soil. Thus, improper management of waste has consequences both on the environment as well as health of people.

Rule 4 and 5 of Municipal Solid Waste (M&H) Rules 2000 allocated responsibilities to State Governments and Municipal authorities for proper management of municipal solid waste. These rules further stipulated that all waste processing and disposal facilities should be set up after authorisation from the State PCB, MoEF and Airport Authority.

Violation of the aforesaid Rules and its impact on health and environment were as under:

- An examination of records of GDD/GMC revealed that MoEF and State PCB, granted ex-post facto conditional authorisation in August 2009 and February 2010 respectively insisting on (i) compliance to MSW (M&H) Rules 2000 and (ii) taking special care to prevent any over flow, seepage and leakage of affluent in low lying areas. GMC, however, did not ensure that the developer adhered to both the conditions. Further, Airport Authority had not issued authorisation (July 2011).
- The implementation schedule (Schedule-II) of the Rules specified activities to be taken up by the operators to ensure that all waste generated in the Municipality is collected. Audit observed that only 69 *per cent* of the generated waste, projected as per DPR (Ref: Para-1.3.19) was collected by the developer. The remaining quantity of 31 *per cent* solid waste is polluting the environment posing serious health hazards thus frustrating the primary objective of setting up of SWM project.
- According to the assessments (September 2009) of local public representative, various organisations/committees, senior citizens and eminent dignitaries' of Guwahati, the performance of the developer was not satisfactory. Garbage was piled up for days together allowing it to decay and emitting unbearable foul smell. The State Pollution Control Board (SPCB), Assam also ratified (July 2011) the views of city dwellers and termed the initiatives taken by GMC as inappropriate. SPCB asked GMC (July 2011) to make the garbage collection and disposal system in the city more efficient by taking appropriate measures. Some photographs showing accumulation of garbage in different parts of Guwahati city are given below:



GARBAGE AT MALIGAON (October 2011)



GARBAGE AT ABC POINT, GS ROAD (October 2011)



GARBAGE AT BHANGAGARH (14 October 2011)



GARBAGE AT NARIKAL BASTI POINT, ZOO NRRENGI ROAD (14 October 2011)



GARBAGE AT HATIGAON (13 October 2011)



GARBAGE AT NARENGI (14 October 2011)



GARBAGE AT GEETANAGAR (14 October 2011)



GARBAGE AT CHRISTANBASTI (14 October 2011)

The photographs amply illustrate the point that the piling up of garbage is prevalent in all localities of Guwahati.

- Audit observed that segregation of waste at source was not done, leading to different kinds of waste being mixed together for dumping. This limited the possibility for processing the recyclable waste and in the event of processing un-segregated waste for composting, the suitability of its use in agricultural activities would be doubtful.

- Waste was being transported in open trucks (photograph alongside) as well as in bins in unhygienic manner causing environmental pollution and health hazards.



TRANSPORTATION OF WASTE IN OPEN TRUCK (June 2011)

- Against the stipulation to process 200 TPD for composting and 500 TPD for RDF for energy generation, the operator is processing only 50 TPD of waste for composting on trial basis and the remaining unprocessed waste was dumped (photograph alongside) in landfill areas and open dumping space.



OPEN DUMPING OF WASTE (June 2011)

- The site selected (photograph alongside) for dumping and disposal of waste did not satisfy a few vital parameters fixed in MSW Rules 2000 {as discussed in Para-1.3.9}. It is also located adjacent to world heritage 'Deepor Beel', a wetland of international importance. An expert team constituted by the Planning Commission, GOI to review the status of implementation of the National Wetland



DUMPING AREA IN WELL (July 2011)

Convention and Management programme during their visit to 'Deepor Beel' observed (August 2008) that garbage dumping yard was abutting the margin of the Beel.

Thus, there was every possibility of the solid and liquid waste leaching into the Beel during rainy season. An Independent Public Committee constituted (September 2010) by the Government, also observed (November 2010) that 'Boragaon landfill site' is not suitable from environmental safety point of view as it is located at a place having common boundary with world heritage 'Deepor Beel'. Movement of leachate may result in hazardous substance entering surface water, ground water and soil and endanger not only fish, migratory birds and the whole ecosystem of the 'Deepor Beel', but would affect environment and human health also. Some photographs of linkage of SWM project site and world heritage 'Deepor beel' are given below:



VIEW FROM THE SWM PROJECT SITE



SWM PROJECT VIEW FROM DEEPOP BEEL



VIEW FROM THE DEEPOP BEEL SITE



SWM PROJECT VIEW FROM DEEPOP BEEL

Audit also observed that the wet land adjacent to sanitary land fill (SLF) area and garbage dumping ground (photograph alongside), which has linkage with the Deepor Beel through a tributary could not be isolated completely even though measures such as providing storm water drains, leachate management, raising the ground level above Highest Flood Level etc. were considered in the project.

DUMPING OF UNPROCESSED MSW IN LOW AREA
(July 2011)

Unprocessed MSW continued to be dumped in the open low lying area (60 bigha approx.) adjacent to wetland in violation of MSW Rules 2000.

- Wetland (Conservation and Management) Rules, 2010 published by Ministry of Environment and Forests, GOI, Notification no. G.S.R.252 (E) dated 24 March 2011, states that 'Deepor Beel' was categorised as Ramsar Wetland of International Importance under the Ramsar Convention. According to Rule 4(i) (iv) of the Rules *ibid*-“the existing practice of solid waste dumping, if any, that existed before the commencement of these rules should be phased out within a period not exceeding six months from the commencement of these rules.

Thus, the future of the entire project would be in jeopardy as the solid waste dumping site and sanitary landfill area are required to be shifted in near future.

1.3.24 Monitoring and evaluation

(i) At the State Government level

As per Gazette Notification (Government of Assam) dated February 2008, PPP Cell was set up for monitoring and evaluation of PPP Projects in the State. Scrutiny of the records revealed that as the Cell was formed belatedly, it was never approached and consulted in preparing pre-feasibility report relating to PPP Project on Solid Waste Management (SWM), submission of SWM project proposals/DPR for approval of Empowered Committee/Apex authority including bidding process and technical assistance. Details of works done by Project Monitoring Unit of State Government under JNNURM on SWM project were also not on record.

(ii) At SPCB level

According to Article 6 of MSW Rules 2000, State PCB shall monitor the compliance of the standards regarding ground water, ambient air, leachate quality and compost quality as specified under the rules. This was required to make sure that waste disposal methods did not lead to contamination of air, ground water and surface waters.

SPCB issued ex-post facto conditional authorisation to the developer to run SWM project in February 2010. Tests to check ground water, leachate quality and sample of waste quality were performed by SPCB during January –February 2009 and February-March 2010. SPCB stated (July 2011) that collection and disposal of MSW in Guwahati Municipal area was not satisfactory and required to be revamped. Details of remedial action, if any, taken by the developer was not on record.

1.3.25 Conclusions

The principal objectives of SWM project in ‘PPP’ mode implemented through a private developer was to improve public health and hygiene through scientific collection, transportation, processing and disposal of MSW besides recycling the waste and achieving savings in expenses none of these objectives was achieved. The project was ill conceived from the very beginning due to inherent defects in processing like selection of technical consultant, preparation of two DPRs, one of which remained unapproved by GOI, selection of site, selection of private partner (developer), concession agreement etc.

The DPR approved by fund sanctioning authority (MoUD) was not adopted. Concession agreement based on DPR-II was signed by GMC and GWMCP. Resultantly, MoUD, GOI stopped funding after initial disbursement. The private developer was selected on single bid. Public interest was not safeguarded while preparing concession agreement. Consequently, the developer was relieved of the responsibility of adhering to the time schedule or maintaining performance standards and continued to be paid inadmissible amount towards user and tipping charges by GMC, which was not covered by PPP arrangement for SWM. Selection of site for project in wetland was done violating MSW Rules 2000 and Wetland Rules 2010

putting the future of the project in jeopardy. There were financial irregularities and the user charges/tipping charges paid to the developer were not based on any measurable parameters and therefore non-transparent. Therefore, the intended objective to reduce expenditure on SWM also could not be achieved.

There was no basic improvement in the service provided compared to that which existed before the project period. The present system had so far failed to protect the environment and the wetland from leachate contamination. Power plant stipulated to be set up by July 2010 was not yet started as of November 2011. Instead of 200 TPD capacity compost plant, a meager quantity of five TPD compost was produced on trial basis.

Thus, the objective of improving health and hygiene through scientific collection and transportation with provision for recycling was not achieved under PPP arrangement.

The PPP in SWM undertaken by GMC suffered from lack of clarity in selection of consultant and developer, poor strategic plans and other associated activities, which led to avoidable extra expenditure, extension of undue financial benefit to the developer, delay in project implementation, low service quality and adverse impact on environment and health.

1.3.26 Recommendations

- Realistic and authentic DPR should be prepared based on survey and structured feasibility studies.
- Proper assessment of generation and characteristic of MSW should be made before proceeding towards implementation of the project.
- Public interest should be safeguarded while framing clauses of concession agreement and provisions of the clauses of concession agreement should be strictly adhered to.
- The financial arrangements of payment of user charges and tipping charges should be transparent.
- Waste processing should be made mandatory by the developer and it should be impressed upon the developer to improve the existing dumpsites to make them more sanitary and aesthetic.
- In view of the alarming possibility of contamination of surface water, ground water and soil for setting up the project site in wetland in violation of MSW rules 2000 and Wetland Rules 2010, the State Government should consider remedial measures urgently.
- The SPCB should draw up comprehensive schedules for sustained monitoring of compost plants, landfill sites and other installations.

Public Works Department (PWD)

1.4 Information Technology Audit of Assam PWD Computerisation Project (APCP)

The Assam PWD Computerisation Project was implemented for improving the operational efficiency and transparency in the functioning of the department so that the services of public works can be delivered timely, transparently and cost effectively for socio-economic development of the state. However, due to inadequate monitoring and lack of involvement of the departmental staff at the post implementation stage, the desired benefits from the project could not be availed by the Department even after five years of its implementation since April 2006 and after incurring an expenditure of ₹14.46 crore (Project Implementation expenditure: ₹8.59 crore and Annual Maintenance expenditure: ₹5.87 crore). The software did not serve the objectives and needed major modifications to ensure data security, integrity and completeness. Some of the significant audit findings are highlighted below:

Highlights

Lack of dedicated IT Cell resulted in improper implementation of the APWD Computerisation Project.

(Paragraph 1.4.7.1)

Poor mobilization of trained personnel resulted in unproductive training imparted to 1,200 employees.

(Paragraph 1.4.7.2)

Entry of APCP modules data by a data entry operator from TCS other than the employees of the department compromised data security.

(Paragraph 1.4.7.3)

Inadequate monitoring of the progress and use of application of the Project resulted in poor usage of APWD online system.

(Paragraph 1.4.7.4)

Expenditure of ₹71.06 lakh was incurred on procurement of VSAT equipment and Bandwidth charges, that were not used.

(Paragraph 1.4.7.5)

Lack of proper Input Control resulted in incomplete/irregular database in respect of Contractors Registration, Human Resource and Building.

(Paragraph 1.4.8.1, 1.4.8.2 and 1.4.8.4)

The server based anti virus software used for protecting PCs was ineffective and as a result the client PCs were not well protected from dangerous virus programs.

(Paragraph 1.4.9.1)

1.4.1 Introduction

The Public Works Department (PWD), Government of Assam (GOA) plays a dominant role in the field of construction and maintenance of road network, bridges and assigned buildings throughout the state. To automate business operations and strengthen financial management, GOA entered (August 2004) into a Participation Agreement with the Department of Economic Affairs (DEA), Government of India (GOI) for availing Technical Assistance on Economic Reforms.

Computerisation Process

GOA sent (April 2002) a concept note to Ministry of Road Transport & Highways (MoRT & H), GOI for computerization of PWD, which was forwarded by DEA (April 2002) to World Bank which confirmed (May 2002) eligibility of the project for funding under 'Technical Assistance on Economic Reforms'. DEA communicated (July 2004) approval to funding of ₹8.59 crore of Sub Project Implementation plan and Participation Agreement was signed (August 2004) with the GOA. In the meantime, GOA, PWD engaged M/s. Global Consulting Solutions (GCS), NOIDA to determine the parameters for areas to be computerized and entered into a formal agreement (September 2005) for Programme Management in selected remote sites of the Assam PWD Computerisation Project (APCP) for a sum of ₹ 0.56 crore. GCS was responsible for (i) detailed study of the Sub Implementation Plan; (ii) developing high-level IT solution and to estimate sizing of each component including hardware, networking, software, training, data entry and maintenance; (iii) development of the detailed Request for Proposal (RFP) documents for hardware, networking, software application, data entry and training including background information on PWD; (iv) Technical evaluation criteria including parameters for evaluation and their weightage in final evaluation; and (v) finalizing commercial terms and conditions in consultation with GOA and World Bank for activities listed in RFP.

GOA entered (September 2005) into another agreement with M/s Tata Consultancy Services (TCS) for a sum of ₹7.95 crore for development of application software and supply of hardware and networking equipments. An amount of ₹5.87 crore was paid for Annual Maintenance Contract (AMC) for three years from 2007-08 to 2009-10.

TCS was responsible for (i) design, development, testing and implementation support of application software; (ii) supply delivery and installation of hardware at the specific locations; (iii) setting up a communication network consisting of network hardware and accessories; (iv) provide warranty support (12 months) and annual maintenance (12 months) for both hardware and application software and (v) general awareness training and specialized application software training to the officials of

PWD. The Project Implementation Cell in the office of the Chief Engineer, PWD headed by Chief Engineer, Roads was to supervise implementation of the project, with assistance from the Project management consultant, TCS. The APWD software consisted of 12 modules based on their functionality viz., (i) Project Contract, (ii) Purchasing, (iii) Project Management, (iv) Finance and Accounting, (v) Measurement Book and Payment, (vi) Inventory & Store, (vii) Quality Control, (viii) Road Maintenance and Management System (RMMS), (ix) Human Resource Management, (x) Online Learning Management, (xi) Suppliers & (xii) Fixed Assets. Besides, another module viz., Geographic Information System (GIS) was also planned to be developed which would be integrated with the RMMS module.

The work of computerisation was planned to be completed in the following two phases:

A. Phase-I

- i. Training program would be conducted to train the officials before the system was put to use.
- ii. Commissioner's office and Chief Engineer's office along with the 15 remote sites had to be selected for providing the hardware set up apart from the existing hardware available in PWD offices. Subsequently, it was revised to 12 remote sites.
- iii. 12 Software modules and GIS selected during technical evaluation would be developed and rolled out at all the sites.
- iv. The web site for PWD Assam would be developed during this phase and hosted at a server so designated for this purpose at the office of the Chief Engineer.
- v. The PWD sites which have hardware and network capability during the first phase would be connected to the web server through local Internet service provider.

B. Phase-II

- i. Remaining divisional offices would be computerised exactly on the lines of the first phase implementation.
- ii. The rest of the modules, which could not be developed during Phase one due to budgetary constraints of the application software would be developed and implemented at the sites.
- iii. All Divisional offices would be connected.
- iv. The circle offices would be connected to the central office in Guwahati and all data would be saved at the central server in the office of the Chief Engineer.

The proposed architecture of the computerised system was built on three tier architecture (Presentation, Application and Data Tiers) based on client-server configuration with local area network at each location for transfer of data between different locations through VSAT link. The main operating system was to be R-11 built on the platform HP-UX-PARISC (64 bit) with Oracle 9i database. The

application software mainly included the COTS package Oracle E-business Suite-11i version 11.5.10.2 interfaced with Primavera Enterprise 5.0 through OP3 and configured with the Project Management databases using Cetrix. Trend Neat Suite II (Trend Micro) was installed as the antivirus software. Lotus Notes was to be used for intranet email solutions.

1.4.2 Organisational set up

The Assam PWD has its Headquarters in the GOA Secretariat and has a Directorate reporting to it. The Secretariat is headed by a Commissioner and Special Secretary and a Secretary. They are assisted by an OSD in the rank of Chief Engineer, four Deputy Secretaries and seven under Secretaries from Assam Engineering Service and one under Secretary from Secretariat Administrative Service. The Directorate of the Department is headed by a Chief Engineer, who is assisted by Additional Chief Engineers at the eight Zonal level, Superintendent Engineers at the thirty one Circle office level, Executive Engineers at the one hundred ten Division level followed by Assistant Executive Engineers at the two hundred eighty one Sub-divisions.

1.4.3 Benefits of Computerisation

Following benefits were envisaged to accrue from the proposed APCP:

- Standardized work activities,
- Efficient work flow process for approvals, lesser paper work, clear lines of communication and information dissipation,
- Database with easy accessibility both by the Directorate and field offices for all project related information and reporting,
- Improved project management including planning, scheduling, contract supervision, execution and resource utilization,
- Improved Road Maintenance Management,
- Improved procurement and vendor management,
- Reduction in geographical movement within the state for frequent meetings and report submission particularly for the Executive Engineers and Superintendent Engineers,
- Transparency in the activities of the Department with provision for enabling public interface,
- Improved services to the other GOA Departments and Administration.

1.4.4 Audit Objectives

The objectives of IT Audit were to ascertain whether:

- (i) development and implementation of the APCP with respect to achievements of the organizational goals of computerization with efficient use of resources was proper,

- (ii) evaluation of General Controls were accurate and comprehensive,
- (iii) Application Controls and IT Security Controls in place during the implementation of the Project were functioning efficiently and effectively; and
- (iv) efficiency and effectiveness of the system in deriving the benefits as envisaged was adequate.

1.4.5 Audit Criteria

The criteria adopted for the Information Technology Audit were based on:

- scheme guidelines and objectives of APCP;
- relevant Government orders and circulars;
- documented and approved IT strategy of the Department;
- existing user requirement specification (URS), system requirement specification (SRS), system design document (SDD) etc.;
- existing IT security policy of the Department; and
- existing general controls, application controls and IT security controls.

1.4.6 Scope of Audit

Audit of the records relating to APCP along with discussions with various officers, visit to some selected divisions, analysis of database relating to some specific modules, issue of audit requisitions from time to time, use of IDEA 7.1 and PL/SQL Developer ver. 5.1.3.704 and MS-Access for data downloading and analysis purpose were done in the office of the Chief Engineer, Roads (PWD) during September and October 2010 and from 9 May 2011 to 13 May 2011 to evaluate the effectiveness of the development and implementation of the computerisation project with reference to the stated objectives. An Entry as well as Exit conference was held on 3 May 2011 and 14 November 2011 for discussing various issues of pre and post audit scenario respectively and the replies of the Department have been incorporated in the appropriate places.

Audit findings

The important points noticed in audit are discussed in the succeeding paragraphs.

1.4.7 General controls

General Controls create the environment in which IT applications and related controls operate.

1.4.7.1 Lack of dedicated IT Cell

The Project Implementation Cell (PIC) in the office of the Chief Engineer, Roads oversaw the implementation of the project with assistance from the Project

Management consultant M/s GCS, NOIDA. Scrutiny of records revealed that verification of the progress of APC Project was not done regularly and only an officer of the rank of Assistant Executive Engineer was looking after the IT related work of Assam PWD Computerisation Project. In exit conference (14 November 2011), the Department accepted the audit observation and stated that one IT Cell would be set up to streamline implementation of the project.

1.4.7.2 Unproductive training

As per Annual Administrative Report of the PWD for 2009-10, total number of employees in the department was 14,673 out of which 1,200 employees (3,400 man days) were trained for using APCP online software. It was, however, found that only one data entry operator from TCS was entering data related to HR, DPR, Contractors' Registration, Road, Building etc. This indicated that though the responsibility of entering HR data lay with the PWD personnel, a data entry operator from TCS was entering the data which put a question mark on the utility and effectiveness of the whole process and outcome derived from training imparted to 1,200 officials. In exit conference (November 2011), the Department accepted the audit observation.

1.4.7.3 Weak data security

(a) Data entry for various modules was to be done online by the authorized data entry operators from various Headquarter/Circles/Divisions/Sub-divisions offices. Verification in Audit of selected locations revealed that none of the Circles/Divisions/Sub-divisions was entering data online for various modules. Rather a sole data entry operator from TCS was entering data related to different modules viz., Human Resource, Draft Project Report, Contractors registration, Road, Building etc using 'user id login' and 'password' meant for departmental officers. Doubtful or erroneous data entry could not, therefore, be ruled out.

(b) Data Base Administrator (DBA) performing an important function in any RDBMS environment and preferably the responsibility of DBA should remain with the implementing department in the interest of better data security. Scrutiny in audit revealed that the role of DBA was being performed by an official through a remote based login system from office of TCS situated at Kolkata. Thus, whenever a need for modification of any module such as creation of any 'User ID' and 'Password' would arise, the same was being reported to DBA who, in turn, was to access the server situated in the Data Centre remotely for making the change. This unfiltered access to only a single person who is a non-official is fraught with the risk of manipulation of data and has exposed the APCP in an entirely avoidable risk. In exit conference (14 November 2011), the Department accepted the audit observation.

1.4.7.4 Inadequate usage of the system

(a) APCP was required to be capable of handling all the processes of the PWD. Scrutiny in audit of 9 out of 45 divisions (claimed to have been connected and used) however, revealed the following position:

Name of the RRL/Circle/ Division	Name of the modules to be used	No. of modules actually used	No. of authorised users	Remark
1	2	3	4	5
Secretariat, Dispur	1. Project Contract. 2. Human Resources. 3. Online Learning Management.	NIL	3	No modules have been used at Secretariat level. Data in respect of 2,492 employees' have been entered by the Data Centre; details of transfer/posting of those employees were not updated. Two PCs which were allocated were not stationed in the required locations.
Chief Engineer (Building), Chandmari	1. Fixed Assets. 2 Inventory 3. Suppliers.	NIL	4	The PC allocated was never used for entering data through various modules. Check of the module of Fixed Assets revealed that the last 'log in' was in 2006.
RRL, Fatashil, Guwahati	1. Online Learning Management. 2. Quality Control.	NIL	1	Connectivity was not used.
Guwahati NH Division, Fancy Bazar.	1. Project Contract 2. RMMS	NIL	NIL	No connectivity.
Guwahati City Division –I, Bamunimaidan	1. Project Contract 2. RMMS	NIL	12	Connectivity was not used.
Guwahati City Division II, Bamunimaidan	1. Project Contract 2. Fixed Assets	NIL	14	Connectivity was not used.
Guwahati Building Circle – II, Chandmari	1. Project Contract 2. Fixed Assets	NIL	NIL	No connectivity.
Guwahati Electrical Division, Chandmari	1. Project Contract 2. Fixed Assets	NIL	1	Connectivity was not used.
Guwahati Mechanical Division, Ulubari	1. Project Contract 2. Fixed Assets	NIL	1	Connectivity was not used.

Source: Departmental records.

Out of nine selected units, two units did not have any connectivity and the rest seven were not using the available connectivity. The computer provided in office of the Chief Engineer (Building) was not used at all for APCP, since inception of the project. Thus, non-usage/inadequate usage of the connectivity was indicative of the fact that the desired benefit of implementing the project is yet to be derived even after five years of its implementation.

(b) The Commissioner and Special Secretary to GOA issued (28 April 2006) an order according to which Executive Engineers in 14 divisions were asked to utilize the online system for preparation of DPRs/CARs, all transactions viz., recording of MBs, Bill Preparation, Project Monitoring etc. It was also specified in the same order that manually prepared DPRs and other business transaction documents of 14 Divisions would not be entertained from the date of issue of the order, at any level. However, the Government order was not followed at all due to lack of proper monitoring.

1.4.7.5 Injudicious expenditure on procurement of VSAT equipment and Bandwidth charges

As per Contract No. CE/APCP/1/2004/147, dated 9 August 2005, TCS was required to provide communication facility for APCP as well as install equipment and facility for bandwidth.

Sl. No.	Item	Amount (₹)	Remarks
1.	VSAT equipment	16,19,000	
2.	Bandwidth charges		
	April 2006 to March 2007	13,80,000	
	April 2007 to March 2008	41,06,729	
	April 2008 to March 2009	NIL	Connectivity discontinued due to high cost.
	April 2009 to March 2010	NIL	
	Total	71,05,729	

Total expenditure of ₹71.06 lakh was incurred for procuring VSAT equipment and bandwidth charges. The equipment was lying idle from April 2008 defeating the purpose of procurement of VSAT equipment at a cost of ₹16.19 lakh. The department stated (November 2011) that due to high maintenance and bandwidth cost, it has opted for a shift to optical fibre cable concept instead of VSAT. Selection of VSAT was, thus, based on impractical considerations and the expenditure of ₹71.06 lakh was not only injudicious but also infructuous.

1.4.7.6 Lack of usage of intranet e-mail facility

The office of the Chief Engineer (Roads), Chandmari, was using a 'Mail Server' using 'Lotus Notes' software for facilitating intranet email services within Assam PWD. Verification of some of the officer's mail box on their nodes revealed that they were not using the intra e-mail facility since its inception, (April 2006) whereas expenditure on AMC for the mail server and maintenance of Lotus Notes software is being incurred every year which is included in total AMC cost of ₹ 5.87 crore as per agreement with the TCS Limited. In exit conference (14 November 2011), the Department accepted the audit observation.

1.4.8 Application Controls

Application Controls ensure that the transactions are processed according to the rules and regulations governing them without compromising confidentiality, integrity and

availability of data. Application controls are particular to an application and may have a direct impact on the processing of individual transactions. These controls are used to provide assurance that all transactions are valid, authorized and recorded.

1.4.8.1 Incomplete/Irregular Contractors Registration database

Analysis of APWD_PO_VENDOR_DETAILS table which contains the details of contractors depending on monetary value of contracts transacted and VAT; PAN No. etc revealed the following deficiencies.

- Information in respect of contractors of category Class 1A, Class 1B and Class 1C containing 3,932 records had been entered whereas the table did not contain any record related to Class 2 and Class 3 contractors. This showed that the database in respect of registration of contractors was incomplete.
- 90 records did not have PAN
- 194 records did not have VAT number.
- Some PANs were found to be of unusual format viz., 2482, 2101-4964, 06/03/1962, 026783453 and some were of 11 digit alphanumeric numbers.

Analysis of APWD_VENDOR_REGISTRATION table in respect of 3,932 records revealed that only two contractors were registered under 'building' wing in August and November 2010.

Analysis of APWD_CONTRACTORS_MASTER table which contained 96 records revealed that the 'Address' field, which is a vital field, was totally blank. Moreover, one record did not contain contractor's name and the Table, as a whole, was not updated as of July 2009. This indicated that there was no validation control in the Master table and database was incomplete. The updating process was also not done sincerely which clearly defeats the purpose of APCP. In exit conference (14 November 2011), the Department accepted the audit observation.

1.4.8.2 Incomplete Human Resource database

Analysis of "APPS_APWD_EMP_DETAILS" which contains 2,215 records of employees revealed the following deficiencies.

- 1196 records did not have PAN.
- There were 35 duplicate sets of Employee Number.

Mere data entry was made which did not help the purposes of Human Resource Development. In exit conference (14 November 2011), the Department accepted the audit observation.

1.4.8.3 Inefficient use of RMMS

The main functions of the Road Maintenance and Management System (RMMS) were to (i) create inventory of roads, (ii) set up periodic maintenance activities on road/road

segment, (iii) finalize maintenance works and ensure judicial distribution of maintenance budget and (iv) economic analysis of maintenance project of road segment. Analysis of one of the important tables viz., “APPS_APCP_RMMS_ROADS” which stores information related to roads like road name, road type, road length etc., revealed that total length of roads entered was 29,475 kms, whereas as per Annual Administrative Report of PWD 2009-10 the road length was 40,566 kms. This showed that the RMMS database was not complete and not updated.

Analysis also revealed that 6,996 out of 7,038 records did not have any data in the field ‘year_of_construction’. Four records did not have any information regarding Road Length. Consequently GIS Module remained unimplemented. In exit conference (14 November 2011), the Department accepted the audit observation.

1.4.8.4 Irregular Building database

Analysis of data relating to APWD_BUILD_RCC_CIVIL table from 2006 to 2010 against 369 records revealed the following irregularities.

- In 66 records, ‘cost of construction’ was shown as a uniform figure of ₹5,555 which only underlined its absurdity.
- In 119 records, the ‘cost per square meter’ information is zero which was also unusual.
- In 318 records, the year of sanction was blank.

Analysis of data relating to APWD_BUILD_RCC table containing 4,151 records revealed the following irregularities.

- In 1,329 records, there was no information regarding the Building Names.
- In 3,537 records, the 'CREATED_BY' column showed the same number of 1,329 as user ID, which indicated that the data was entered by a single user.

Thus the data entered in the Building database was irregular/incomplete. Online data entry was not done from the respective building division which defeated the purpose for which APCP was launched. In exit conference (14 November 2011), the Department accepted the audit observation.

1.4.8.5 Irregular Measurement Book database

Measurement Book is a very important record to be maintained by the PWD to track the progress of various works being executed by the contractor. Depending upon the progress, payment to the contractor is made for various types of work executed. Analysis of three tables viz., “APPS_APWD_MBOOK_HEADER_V” created for capturing data related to Project Name, Project Number, Contractor Name etc.; “APPS_APWD_MBOOK_TASK_V created for capturing data related to Task Number, Task Name etc., and “APPS_APWD_MBOOK_DETAILS_V” created for capturing data related to Item Description, Measurement Date, Measured By, Measured Qty, Measured Value etc., revealed that there was 'no data' at all, in any of

the tables. This showed that the software developed and put to use from 24 April 2006 did not provide any MIS as none of the connected divisions used the module for recording the Measurement Book data. This indicated that the department totally failed to implement one of the important modules of the APCP and the benefit of total computerisation project could not be achieved.

1.4.9 IT Security (Protection against computer viruses)

1.4.9.1 Ineffective Antivirus software

A server based anti-virus software Trend Neat Suite (Trend Micro) was installed in the server in the Data Centre of the Chief Engineer (Roads), Chandmari. All client systems were supposed to be protected through this anti-virus software. Analysis of some of the client systems in audit revealed that the anti-virus software was not running at its best and most of the systems were infected with various types of virus including the dangerous 'Trojans'. At present, the management is using the freeware 'Avira' anti-virus software without any license which was not effective and as a result, the client PCs were not well protected from dangerous viruses.

1.4.10 Others

1.4.10.1 Non-furnishing of complete information against audit requisition

One of the important objectives of APCP was to prepare DPRs using the work flow automation system of APWD online software. Against an audit requisition (September 2010) for furnishing information regarding division-wise, year-wise and scheme-wise number of DPRs for those divisions which were connected under Phase-I (Pilot stage) of APCP, out of 45 divisions the department furnished (May 2011) DPRs of only six divisions. Thus, the department failed to furnish complete information and as a result audit could not ascertain the deviations from actual number of DPRs prepared and implemented.

1.4.10.2 Lack of proper documentation

There was lack of proper maintenance and preservation of required documents like User Requirement Specification elaborating the module wise flow of work, Software Requirement Specification, Manual of each modules and functions at each stages of software, Draft Project Report, Authorisation and Delegation of Power etc. In absence of proper documentation requirements of business continuity, transparency and e-governance were frustrated.

1.4.11 Conclusion

Non-involvement of top management, lack of dedicated IT cell and improper monitoring of the project resulted in unsynchronized and incomplete operations. Lack of input controls led to inaccurate and incomplete data which became unreliable. Though APCP went live practically on 25 April 2006, the Department could not derive full benefits from the software/application (November 2011) as it did not

utilize all the available features in the software/application and continued with parallel manual operation. The macro objectives of the project remained unfulfilled even after spending ₹14.46 crore during the period 2005-2011.

1.4.12 Recommendation

- The Department should establish a dedicated IT cell with well defined delegation of powers and officials posted in the cell need to have good IT knowledge.
- The system developed under APCP is capable of handling the functions of the Department, but the use of the system needs to be improved. The involvement of higher authorities in PWD may be ensured to use the system which may be monitored through regular steering committee meetings at the Government level. An IT Action Plan needs to be prepared for moving over to the IT environment.
- The Contractor registration approval process for Class-I contractors through the system should be established and the database made functional. A plan should be finalized to phase out the manual process within a definite time frame. The system should also be extended so that the Class-II contractors are also registered through the system and their records are available in the database.
- The Department must ensure that HR data available in the system are complete. The Establishment Branch in the Secretariat should make a conscious effort to undertake transfer and posting through the system so that the database of officers and details of their postings are updated and information can be provided readily from the system whenever required.
- The database of every module should have proper validation control so that irregular data entry can be eliminated. Database should be checked at regular intervals so that it contains all relevant details of each of the modules.
- The Department may consider having a proper procedure for updation of the software to combat the changes in internal and external environment.

CHAPTER-II

AUDIT OF TRANSACTIONS

2.1 Cases of fraud/misappropriation/losses

Guwahati Development Department

2.1.1 Loss due to non-levy of interest

Guwahati Municipal Corporation incurred a loss of ₹1.22 crore for not levying interest on mobilization advance given to contractors.

While entering into agreements with contractors/suppliers, Government entity/Departments are required to safeguard Government's interest. Predetermined norms and standards prescribed through codes and manuals of Central and State Governments, forms the basis of such safeguards.

Though there was no provision for granting mobilization advance in APWD code, Para 31.6 of Central Public Works Department Manual provides for release of Mobilisation Advance (MA) to contractors at 10 *per cent* of the estimated cost or tendered value or ₹one crore whichever is less, on which simple interest at 10 *per cent* is to be paid by the contractor.

Government of Assam, Guwahati Development Department accorded Administrative Approval of ₹53.95 crore (November 2008) and ₹54.49 crore (October 2009) for construction of 1,232 (Phase I) and 1,028 (Phase II) dwelling units respectively under "Jawaharlal Nehru National Urban Renewal Mission (JNNURM)", a centrally sponsored scheme. The works of Phase I were divided into two packages and package I (1,104 units for ₹51.80 crore) was awarded (January 2009) to firm A¹ and package II (128 units for ₹9.11 crore) was awarded (February 2009) to firm B². Again, entire work of Phase II (1,028 units for ₹54.49 crore) was also awarded to firm A with the stipulation to complete all the works (two packages of Phase I and entire work of Phase II) within 15 months from the date of signing of agreement, i.e. by April 2011.

Audit scrutiny (August 2010 to October 2010) of the records of Guwahati Municipal Corporation (GMC) revealed that GMC paid (February 2009 to January 2010) interest free MA @ 10 *per cent* of the contract value amounting to ₹10.68 crore³ and ₹91 lakh to firms A and B respectively though there was no provision for payment of MA in the tender documents. Allowance of MA after floating tender vitiated the entire tendering process. Besides, GMC had not followed any norm or standard in granting MA to firms to safeguard the interest of the Government. Existing provisions of

¹ M/s Nyimi Enterprise Private Limited.

² M/s Hi Rise Infratech Private Limited.

³ ₹5.18 crore for Package I of phase I and ₹5.50 crore for Phase II was paid to Firm A as MA.

CPWD codes envisaged recovery of interest from the contractors @ 10 per cent per annum on MA released. Non-levy of interest from the contractors, thus, resulted in a loss of ₹1.22 crore (*Appendix-2.1*). As of September 2010, total recoveries of ₹1.25 crore and ₹0.05 crore were made from firm A and firm B respectively leaving outstanding balance of MA of ₹10.29 crore (Firm A: ₹9.42 crore and Firm B: ₹87 lakh).

In reply, Commissioner, GMC stated (August 2011) that though no provision was made in the tender document for payment of MA, it was agreed in the pre-bid meetings, chaired by Commissioner, GMC, to pay interest free MA at 10 per cent of the contract value. The reply is not tenable as agreements made or concessions given to contractors should follow certain norms and standards which are generally specified in manuals and codes of Government. Violating the existing provisions of manuals/codes, GMC paid interest free MA of ₹11.59 crore to Firms A and B which resulted in a loss of ₹1.22 crore.

The matter was reported to Government (June 2011); their reply had not been received (September 2011).

Irrigation Department

2.1.2 Loss of Government money

Non-adjustment of advances paid to the contractors even after a lapse of six years from the date of payment resulted in loss of ₹97.78 lakh.

For reconstruction⁴ of Bordikorai Irrigation Project, State Government accorded (February 2005) administrative approval (AA) at a cost of ₹47.22 crore. As of March 2009, Itakhola Irrigation Division and Tezpur Mechanical Division incurred expenditure of ₹19.23 crore and ₹4.23 crore respectively on the project aggregating to a total expenditure of ₹23.46 crore (*Appendix-2.2*).

As per Section 32 of CPWD Manual Vol II and Rule 329 of APWD Manual, advance payment to contractors against 'on account' bills received and under check in the Division may be made which should not exceed 75 per cent of the net amount of the bill and after obtaining a certificate from an officer not below the rank of Sub-Divisional Officer to the effect that the quantity of work paid for has actually been done. It should be followed by detailed measurement within two months with a view to adjust the advances within three months.

Scrutiny (January–July 2009) of the records in connection with reconstruction of Bordikorai Irrigation Project revealed that the Executive Engineer (EE), Itakhola

⁴ 1. Re-construction of Headwork's and its components.
2. De-siltation, land leveling, clearing up of water way etc.
3. Buildings, roads and compound walls.
4. Re-construction of canals and their structures.

Irrigation Division released advance payments of ₹97.78 lakh to the contractors in contravention of rules. The details of advance payment to six contractors against advance bills for work done are given below.

Table-1: Details of advance payment made to six contractors

Sl. No.	Particulars of work	Date of work order	Date of commencement of work	Bill date and amount	Progress of work shown (In per cent)	Advance paid (₹in lakh)	Remarks
1.	"Removal of deposited silt from the bed of Main Canal from Ch. 3007M to 4193 M (Group 68)"	18-2-05	19-2-05	19-2-05 for ₹21 lakh	95	14.00	Paid on 21-3-05 without recording in MB.
2.	"Removal of deposited silt from the bed of Main Canal from Ch. 240M to 396 M"	18-2-05	19-2-05	18-2-05 for ₹9.5 lakh	95	5.00	Paid on 19-3-05 without recording in MB.
3.	(a) Removal of deposited silt from the bed of Main Canal from Ch.2406M to 2471M	7/2/05	21/2/2005	19/2/05 for ₹0.71lakh	95	0.64	Paid on 19-3-05.
	(b) Re-equipment of Breach Closing in Main Canal from Ch. 2309M to 2336M	10/2/05	16/2/2005	18/2/05 for ₹2.82 lakh	90	2.77	Paid on 18-3-05.
	(c) Re-equipment of Breach Closing in Main Canal from Ch. 719M to 792M	9/2/05	17/2/2005	18/2/05 for ₹5.80 lakh	95	4.06	Paid on 18-3-05.
4.	"Restoration of Flared Out Wall of Barrage of B.I.S."	9-2-05	15-2-05	18-2-05 for ₹54.50 lakh	Not available	53.87	Paid on 18-3-05.
5.	"Removal of deposited silt from the bed of Main Canal from Ch. 0M to 240 M (Group 55)"	18-2-05	20-2-05	18-2-05 for ₹18.36 lakh	Not available	17.44	Paid on 18-3-05.
TOTAL						97.78	

Source: Departmental records.

Advances were, thus, paid to contractors not on the basis of work actually done by them as the bills were submitted by the contractors on the same day and within one to two days after commencement of the works and in three cases, prior to commencement of works. The fact of achievement of physical progress of 90-95 per cent within one to two days of commencement of works or even prior to commencement of works not only raises doubt about the actual execution of works but also on the authenticity of the certificate given by the authority on the body of the bill. Government has, thus, been burdened with an entirely avoidable loss of ₹97.78 lakh.

The Government in its reply (December 2010) stated that advance payment would be adjusted after receiving the necessary documents from the CID authority, who is investigating the matter. The reply is not tenable because the Department had erred on

two counts. Firstly, the granting of advance, without execution of work was irregular and secondly, it was not adjusted violating the provisions of CPWD and APWD Manual wherein it was categorically stated to adjust the advance within three months.

Public Works Department

2.1.3 Loss of Government money

Executive Engineer, Public Works Department, City Division II, Guwahati incurred expenditure of ₹43 lakh towards price escalation before execution of the work, resulting in loss to Government.

The State Government accorded (September 2005) administrative approval (AA) for ₹46.67 crore for construction of flyover at Six Mile Junction of Guwahati Shillong Road and Rupkonwar Jyotiprasad Agarwalla Road in Guwahati. The work was awarded (03 October 2005) to M/s Simplex Concrete and Piles (India) Limited at a tendered value of ₹40.70 crore with the stipulation to complete the work within 18 months i.e. before 03 April 2007. The sub-soil investigation, which was carried out by the Department during September-October 2005, was not accepted by the consultant⁵ who requested the Department to re-investigate the sub-soil. However, fresh sub-soil investigation (February 2006) indicated variation in quantity of work to be executed, which enhanced the estimated cost from ₹46.67 crore to ₹76.08 crore. The AA and sanction for the additional amount was accorded in December 2008. Accordingly, the tender was revised from ₹40.70 crore to ₹58.54 crore. The terms of the contract *inter-alia* provided for payment of price escalation for increase in rates of labour, materials, fuels and lubricants. The work was completed (May 2010) at an expenditure of ₹56.38 crore.

Scrutiny (May-June 2010) of the records of the Executive Engineer (EE), Public Works Department, City Division II, Guwahati revealed that although the work was shown as having been started on 03 October 2005 by the contractor, actual foundation work had commenced on 21 July 2006 followed by working piles from 04 August 2006 on receipt of phase-wise drawings and designs. The work relating to the service road had started from August 2007. No work involving use of cement, steel and bitumen was executed by the contractor during the period, February 2006 to June 2006. Similarly, no work involving bitumen was done during the period September 2006 to July 2007. The contractor however, claimed price adjustment based on the terms of the contract depicting that the work was executed from February 2006 to July 2007. The EE paid ₹43 lakh⁶ towards price adjustment as claimed by the contractor.

⁵ M/s Tandon Consultant Pvt. Ltd., New Delhi, engaged by the Department in February 2005.

Voucher No.	Date	Month of execution	Items price adjustment paid for	Amount (₹)
01	06/2007	February 2006 to June 2006	Labour, cement, steel material, bitumen, HSD	26,26,589
63	10/2007	September 2006 to December 2006	Bitumen	7,76,478
04	08/2009	January 2007 to July 2007	Bitumen	8,97,315
Total				43,00,382

There was no justification for making payment for price adjustment on a work that was actually not executed by the contractor and was not supported by any documentary evidence.

The Government stated (July 2011) that the contractor started the work of construction of road side drains and culverts with effect from February 2006 and the actual foundation work of the flyover proper started from 21 July 2006 after receipt of drawings of the pile work. The Government further added that payment towards price adjustment had been made on the basis of total value of work done by the contractor during the quarter under consideration irrespective of utilization of particular material component.

The reply is not acceptable as the contractor in letter dated 05 July 2009 informed the EE that no work on flyover could be done till 07 April 2006 from the stipulated date of commencement of the work as Hon'ble Gauhati High Court under case No. WP (C) No.8092 of 2005 had ordered for 'status quo' to be maintained. Further, the contractor had in the same letter to EE also stated that construction of service road/drain was delayed due to delay in land acquisition (completed in July 2007) as well as shifting of underground and overhead utilities and that it could start the construction of service road and drain only in August 2007 after completion of land acquisition.

The contents of the letter dated 05 July 2009 of the contractor addressed to EE only underlines and reinforces the fact that no work was actually done by the contractor between February 2006 to June 2006 in respect of flyover and between September 2006 to July 2007 in respect of service road. Therefore, there was a clear loss of ₹43 lakh on account of payment towards price adjustment to the contractor for works not executed during the relevant period.

2.1.4 Loss of Government money

Infringement of contractual provisions as well as Government instructions by the Executive Engineer, Diphu Road Division (PWD) led to a loss of ₹44.59 lakh.

The Chief Engineer (CE), Public Works Department (PWD), Prime Minister's Gram Sadak Yojana (PMGSY) Works, Assam entered into an agreement (August 2008) with a contractor for "Construction of road from SH-33 to Kherbari including cross drainage works and routine maintenance of the works for five years" under PMGSY (ADB) at a tendered value of ₹3.14 crore. The terms of contract *inter-alia* provided for payment of mobilization advance up to 5 per cent and equipment advance up to 90 per cent of the cost of new equipment brought to the site subject to a maximum of 10 per cent of the contract price excluding the contract price of routine maintenance. The agreement also stipulated that payment of advance to contractor would be allowed only when the contractor sets up labour camp, field laboratories, submits work programme etc. and brings new machinery to the work site. The CE, PWD, PMGSY Works issued (August 2008) work order for the work with the stipulation to complete

the same by August 2009. The Government also specifically instructed (August 2009) the Executive Engineer (EE), Diphu Road Division to confirm the authenticity of the Bank Guarantee submitted by the contractor as security before allowing advance in accordance with the aforesaid provisions of the agreement.

Scrutiny (March 2011) of the records of EE, Diphu Road Division revealed that prior to commencement of work and setting up of labour camp and bringing new equipment/machinery to the work site, the contractor claimed (November 2008) and the Division paid (November 2008) mobilization advance (₹14.86 lakh) and equipment advance (₹29.73 lakh) to the contractor against Bank Guarantee of equal amount furnished by the contractor. Close examination of the Bank Guarantee however, revealed that the bank guarantee was unworkable because the claim was to be preferred on 13 October 2008 whereas the mobilization advance was given only on November 2008, and it rendered the guarantee 'ab-initio' absurd. The Department had not examined the stipulation in bank guarantee and paid advance of ₹44.59 lakh on an unworkable guarantee. The contractor neither started the work nor submitted any work programme in spite of repeated reminders from the Division. Ultimately the work was withdrawn (July 2009) from the contractor as per Clause 52 of the bid document and he was asked to refund advance of ₹44.59 lakh. The contractor had not refunded the amount as of March 2011. Though the Division submitted (July 2009 & October 2009) claims for refund of ₹44.59 lakh to the Guarantor Bank, the latter did not respond towards refund as the payment was made and refund was claimed after the admissible date as per the Bank Guarantee. The Department had not, however, initiated (November 2011) any action either to recover the amount from the running contracts of other works, if any or blacklisting the contractor.

Thus, payment of advance to a contractor without confirming the authenticity of the Bank Guarantee and that too, prior to setting up of labour camp and bringing new machinery at work site, ignoring the provisions of agreement as well as Government instructions, led to loss of Government money of ₹44.59 lakh.

The matter was reported to Government in May 2011; their reply had not been received (September 2011).

Social Welfare Department

2.1.5 Suspected misappropriation

Failure on the part of Director, Social Welfare, Assam to exercise effective control and lack of monitoring led to suspected misappropriation of ₹53.83 lakh.

According to Rule 95 of Assam Financial Rules, every receipt and disbursement should be recorded in the cash book. Further, according to the procedure followed in Government Departments, on receipt of cheques/drafts/bankers' cheques etc., details are to be recorded in 'Register of Valuables' before making entries in departmental cash book as soon as any transaction is made.

Scrutiny (March and June 2010) of the records of Director, Social Welfare (DSW), Assam, Guwahati revealed that UNICEF, Kolkata released (December 2003 to November 2006) ₹53.83 lakh through banker's cheques for conducting 'Crash Training Programme' of newly recruited 'Anganwadi Workers'. Of ₹53.83 lakh so released, ₹31.66 lakh was received by DSW through seven banker's cheques and ₹22.17 lakh was received by District Social Welfare Officer (DSWO), Kamrup, Guwahati through four banker's cheques between 16 December 2003 to 7 December 2006 (*Appendix-2.3*). None of the banker's cheques were entered in the register of valuables either by DSW or DSWO as per AFR. Cheques received by DSW were sent to DSWO, Kamrup with the instruction to hand over the entire money including that received directly by DSWO, Kamrup to the officer of DSW nominated for the purpose. The DSWO admitted (October 2010) receipt of ₹53.83 lakh through banker's cheques and stated to have deposited these into his existing bank account (No. 12091) with Bank of Baroda, A T Road Branch, Guwahati. However, the bank statement for the period 27 November 2003 to 31 March 2007 received from the concerned bank showed that there was deposit (February 2004 to December 2006) of only ₹37.83 lakh. The bank statement also indicated that there was withdrawal (June 2004 to March 2007) of ₹37.83 lakh. Reasons for shortfall in deposit of ₹16 lakh (₹53.83 lakh-₹37.83 lakh) and the purpose of utilization of withdrawn amount of ₹37.83 lakh were not furnished to audit. DSW stated (June 2010) that no money was received from DSWO, Kamrup in respect of UNICEF during the period, December 2003 to January 2010. The DSWO, in reply to audit query, stated (May 2011) that entire amount of ₹53.83 lakh was handed over to Shri Osman Ali, Assistant Resource Officer nominated by the former through bearer cheques.

Failure on the part of DSW to exercise effective control and lack of monitoring led to non-accountal and suspected misappropriation of ₹53.83 lakh.

Reply of DSW was forwarded by Government in September 2011. In reply, DSW, contrary to the earlier stand that no money was received, stated (June 2011) that ₹45.41 lakh was received from UNICEF, of which, ₹39.98 lakh was utilized to train 4,095 Anganwadi workers under the programme and balance ₹5.43 lakh was refunded to UNICEF, Kolkata. However, receipt and disbursement of UNICEF fund were not accounted for in the cash book of DSW. Subsequently, DSW produced (August 2011) a subsidiary cash book without necessary authentication by DDO/Director. Cross-verification of the subsidiary cash book with reference to the information received from DSWO, Kamrup, showed some serious discrepancies (*Appendix-2.4*). It would appear that the subsidiary cash book was prepared, post facto, after detection of the irregularities in audit. Besides, DSW even failed to produce vital records viz., actual payees' receipt, vouchers, joint investigation report, list of trainees etc. In

absence of the essential documents as mentioned above, the bonafides of conducting training programmes remained doubtful.

2.2 Excess payment/Wasteful/Infructuous expenditure

General Administration Department

2.2.1 Wasteful and infructuous expenditure

Due to allowance of ten per cent Contractor's profit in the estimate for the works executed departmentally and non-realisation of SHG's share, the Department incurred wasteful expenditure of ₹43.91 lakh. Besides, there was infructuous expenditure of ₹five lakh on an abandoned market shed.

Rashtriya Sam Vikash Yojna (RSVY), a centrally sponsored scheme (CSS), was introduced to address the issue of low agricultural productivity, unemployment and to fill critical gaps in physical and social infrastructure by encouraging self-employment through financial assistance to Self Help Groups (SHGs). The District Administration/Panchayati Raj Institutions were entrusted with preparation of a three years master plan to identify a few lead sectors for state intervention to overcome major bottlenecks in development. In order to provide proper infrastructure facilities to sell the products produced by SHGs, the District Authority of North Lakhimpur decided to construct market sheds throughout the district.

Scrutiny (November and December 2010) of the records of Deputy Commissioner (DC), North Lakhimpur revealed that in the District Plans of RSVY for 2004-05 and 2005-06, fifty market sheds were proposed for construction at a cost of ₹10 lakh each involving ten SHGs. Subsequently, the District Level Committee (DLC) decided to construct 25 market sheds only. Out of 25 market sheds, 24 market sheds were to be constructed at the cost of ₹10 lakh each and one market shed (North Lakhimpur) at a cost of ₹1.18 crore. The cost (₹10 lakh) was to be shared between RSVY fund and SHGs at ₹nine lakh and ₹one lakh respectively. Views of SHGs were, however, not enquired before selection of the location and taking such decision. In fact, it was stated (August 2011) by DC that the SHGs had no part in construction process. The market sheds were to be constructed as per model estimate prepared on the basis of Assam PWD (Building) Schedule of Rates (SOR) 2004-05 and executed departmentally by the concerned Block Development Officers. The APWD schedule of rates 2004-05 included provision of 10 per cent contractor's profit in the estimate in case of execution of work through contractors.

Further scrutiny revealed that 23 out of 25 market sheds had been completed between 14 May 2010 and 11 February 2011. One market shed at Pohumara was abandoned after incurring expenditure of ₹five lakh while another market shed (North Lakhimpur) remained incomplete. The share of finance/cost of SHG in the market shed of North Lakhimpur was not on record. Though the works were executed departmentally by the BDOs concerned, the DC unauthorisedly allowed 10 per cent

contractor's profit in the model estimate which resulted in excess expenditure of ₹20.91 lakh⁷. Further, the DC incurred entire expenditure of ₹10 lakh from RSVY fund without realising the SHG's share of ₹one lakh for each market shed.

In reply, the DC stated that (i) market shed at Pohumara was abandoned to make room for NH-52 'bye pass', (ii) 10 *per cent* contractor's profit had been included in the model estimate considering price escalation against Schedule of Rate 2004-05 (iii) contribution of SHG (₹one lakh for each market shed) could not be realised due to their financial constraints. The replies were not tenable as (i) the selection of site should have been done more carefully before incurring expenditure against the market shed and alternate sites should have been identified by the DC. (ii) The element of contractor's profit is admissible only when the work is executed through contractor. The work was executed departmentally, as such contractor's profit element was to be deducted from the estimated cost. (iii) Besides, the scheme envisaged involvement of SHGs in the creation of infrastructure to facilitate marketing of their products, which was not done and hence, they did not come forward and their contribution also could not be realised. As of August 2011, only one⁸ out of targeted 25 market sheds was handed over to management and monitoring committee for purposeful utilisation.

Thus, due to allowance of 10 *per cent* contractor's profit in the estimate for the works executed departmentally and non-realisation of SHG's share, the Department incurred wasteful expenditure of ₹43.91 lakh⁹. Besides, there was infructuous expenditure of ₹five lakh on the abandoned market shed.

The matter was reported to Government in April 2011; their reply had not been received (September 2011).

Home Department

2.2.2 Extra expenditure

Failure of the Commandant 4th APBN in initiating timely and effective action for procuring Tear Smoke Munitions before close of the financial year 2008-09 resulted in extra expenditure of ₹31.88 lakh towards payment of price escalation.

Based on the demand placed (December 2008) by the Inspector General of Police (IGP), Assam Police Headquarters, Guwahati, Bureau of Police Research and Development (BPR&D), Government of India (GOI) allotted (January 2009) 9,470 Tear Smoke Munitions (TSM) worth ₹62.91 lakh. According to instruction of GOI, TSMs should be procured from General Manager (GM), Tear Smoke Unit (TSU), Border Security Force (BSF), Tekanpur, Gwalior against 100 *per cent* payment within the year 2008-09. The IGP was to ensure payment for and lifting of TSM within the

⁷ {(₹10,00,000 X 10/110) X 23} = ₹20,90,909.

⁸ Harmoti Market Complexes.

⁹ ₹One lakh X 23 + ₹20.91 lakh = ₹43.91 lakh.

financial year. Proforma invoice was received (07 February 2009) by IGP from GM, TSU, BSF, Gwalior for supply of TSM by second week of March 2009.

Audit scrutiny, however, revealed that Government of Assam (GOA), Home Department could accord sanction for ₹62.91 lakh in favour of Commandant, 4th Assam Police Battalion, Guwahati only on 20 March 2009 i.e. after the target date fixed by the supplier for supply of TSMs. The Commandant, who maintains stores and stock of the Department, did not take up the matter with GOA to obtain the sanction on priority. The amount was drawn by the Commandant on 31 March 2009 and paid (June 2009) to the General Manager (GM), Tear Smoke Unit (TSU), Border Security Force (BSF), Tekanpur, Gwalior through Bank Draft.

Scrutiny further revealed that due to belated payment by the Commandant and failure to collect the allotted TSMs before close of the financial year, TSU, Gwalior re-allocated the TSMs to Jammu and Kashmir. The bank draft amounting to ₹62.91 lakh was returned (October 2009) to the Commandant with a request to submit fresh bank draft after obtaining re-allocation of TSMs from BPR&D for 2009-10. BPR&D re-allocated (February 2010) 9,470 TSMs at an enhanced cost (valid up to 31 March 2010) of ₹94.79 lakh. Commandant 4th APBN forwarded (February 2010) the revalidated bank draft for ₹62.91 lakh to TSU, BSF, Gwalior for procurement of reduced quantity of 6,292 TSMs to match the sanctioned amount. Meanwhile, IGP requested (May 2010) GOA for sanction of the additional amount of ₹31.88 lakh for procurement of remaining 3,178 TSMs. Sanction for ₹31.88 lakh was accorded (June 2010) by GOA and the amount was remitted by the Commandant (September 2010) to TSU, BSF, Gwalior for procurement of TSMs.

In the allotment order (January 2009) of BPRD and also in proforma invoice (February 2009) of TSU, BSF, it was categorically stated that the allotment and price were valid only for the financial year 2008-09. Thus, failure of the IGP/Commandant to impress upon GOA regarding urgency of drawal of the fund and also delay by GOA to accord prompt sanction resulted in excess and avoidable expenditure of ₹31.88 lakh towards payment of price escalation for TSMs.

In reply, GOA stated (May 2011) that shortage of time was clearly the reason for the failure to implement the scheme during the financial year 2008-09. The reply is not tenable because it was known to the executing authority (IGP/Commandant) since January 2009 through the allotment order, that the allotment would lapse and the price offered was valid up to 31 March 2009. Hence, effective coordinated action was required to ensure placement of order in time and avail of the benefit of price without escalation of costs.

Public Works Department

2.2.3 Wasteful expenditure

Strengthening of road with Bituminous Macadam (BM) and Semi Dense Bituminous Concrete (SDBC) after completion of road, with wearing coat of Premix Carpeting (PC) and Seal Coat (SC) by the Executive Engineer, PWD (Roads) NEC Division, Jorhat resulted in wasteful expenditure of ₹1.97 crore.

Government of India accorded (November 2006) Administrative Approval (AA) of ₹30.68 crore for Construction of Pandit Hemchandra Goswami Path Road (Road and Bridge work) under NEC's 10th Five Year Plan. The road work was awarded (July-September 2007) in packages to three contractors in 1 Km - 8 Km, 9 Km - 20 Km and 21 Km - 30 Km at a total tendered value of ₹19.08 crore¹⁰ with the stipulation to complete the work within January 2009, March 2009 and February 2009 respectively. Technical sanction for ₹30.68 crore was accorded in June 2009. The work was completed (March 2011) at a cost of ₹30.11 crore.



Scrutiny of the records (October-November 2010) of the Executive Engineer, PWD (Roads) NEC Division, Jorhat revealed that items of Water Bound Macadam (WBM), Prime Coat (PC), Tack Coat (TC), Open Grade Premix Carpeting (OGPC) and Seal Coat (SC) were to be done as per the tender agreement. In the course of execution, 1 Km - 8 Km and 29 Km - 30 Km was provided with Bituminous Macadam (BM) and Semi Dense Bituminous Concrete (SDBC) in place of PC, TC, OGPC and SC work, executing supplementary tender agreements with the contractors to obtain better riding quality and longevity in the aforesaid chainages as these stretches passed through Golaghat and Dergaon towns. To retain conformity of black topped wearing coat for the entire road, the balance stretch from 9 Km to 28 Km, on which PC, TC,

¹⁰

Package No.	Name of Contractor	Tendered value (₹in crore)
J-3 (1 Km – 8 Km)	M/S Brahmaputra Consortium	6.40
J-4 (9 Km – 20 Km)	Shri Mayur Talukdar	6.07
J-5 (21 Km – 30 Km)	Shri M.P. Agarwalla	6.61
TOTAL		19.08

OGPC and SC was completed in April 2009 at a cost of ₹1.97 crore¹¹, BM and SDBC was proposed during January 2010. Accordingly, to complete the BM and SDBC work in the proposed chainages, additional work was allotted (March 2010) at a tendered value of ₹4.15 crore to the contractor to whom initially the work in chainages 21 Km - 30 Km with PC, TC, OGPC and SC was allotted. The work was completed (December 2010) at a cost of ₹4.15 crore.

Thus, due to poor planning the expenditure of ₹1.97 crore incurred on wearing coat of PC, TC, OGPC and SC in the chainages 9 Km to 28 Km earlier, over which another wearing coat of BM and SDBC was done subsequently, proved to be wasteful which could have been avoided if BM and SDBC coating was included in the original estimate.

The Government stated (June 2011) that BM and SDBC work had been provided on the 20 Km length of road (9 Km to 28 Km) over the bituminous surface after expiry of about one year from the date of execution of PC, TC, OGPC and SC, when the savings in the original estimate were ascertained. The Government further added that by executing BM and SDBC work over the bituminous road, the bituminous binder course had increased from existing 2 cm to 9.5 cm resulting in improvement of strength, durability and riding quality of the stretch.

The reply is not acceptable because the strength, durability and riding quality of the road should have been considered by the department before approving the original estimates/works put to tender. Besides, savings in the original estimate do not confer the right to redo a work. Deviation from the approved estimates after observing huge savings when the tendered works were nearing completion raises doubt about the necessity of PC, TC, OGPC and SC. The department could have excluded the execution of PC, TC, OGPC and SC works in 9 Km to 28 Km and avoided expenditure of ₹1.97 crore as was done in the stretches 1 Km to 8 Km and 29 Km to 30 Km.

11

Chainage	Item of work	Executed quantity (m ²)	Rate/m ² (₹)	Amount (₹)
9 Km-20 Km	Prime Coat	63,943.42	15	9,59,151
	Tack Coat	64,166.56	6	3,84,999
	Open Grade Premix Carpeting	63,943.42	110	70,33,776
	Seal Coat	64,444.06	50	32,22,203
TOTAL (A)				1,16,00,129
21 Km-28 Km	Prime Coat	47,744.57	15	7,16,169
	Tack Coat	1,08,671.23	8	8,69,370
	Open Grade Premix Carpeting	47,830.92	98	46,87,430
	Seal Coat	47,834.32	38	18,17,704
TOTAL (B)				80,90,673
GRAND TOTAL (A+B)				1,96,90,802

Secretariat Administration Department

2.2.4 Extra and inadmissible expenditure

The department incurred extra and inadmissible expenditure of ₹1.31 crore towards training, installation and distribution of PCs and accessories in violation of the guidelines of the scheme, in addition to committed liability of ₹1.23 crore.

Government of Assam (GOA) introduced “Anundoram Borooah Award” Scheme in 2005 to enhance the knowledge of information technology (IT) among the student community with the help of IT Education. According to the scheme, one personal computer (PC) along with UPS or equivalent amount of money would be provided to each student securing 60 *per cent* marks (first division) in High School Leaving Certificate (HSLC) and High Madrassa Examinations conducted by the Board of Secondary Education (SEBA), Assam and State Madrassa Education Board, Assam respectively.

According to the guidelines of the scheme, Assam Electronics Development Corporation Limited (AMTRON), a Government of Assam undertaking, would be the nodal implementing agency of the scheme. The configuration of the PC was to be finalized by AMTRON in consultation with IIT, Guwahati. PCs and other equipment would be distributed by AMTRON at every district headquarters for which it was to receive agency charge @ five *per cent* of the total project cost.

Audit scrutiny (February 2010) of the records of Commissioner and Secretary, Secretariat Administration (Accounts ‘B’ Branch) Department (SAD ‘B’) Guwahati revealed that GOA, Planning and Development Department (PDD) accorded (December 2008) sanction of ₹29.99 crore for providing PCs with accessories under the scheme to 17,377 students who secured first division in HSLC and High Madrassa Examinations 2008. The amount was drawn (January 2009) by SAD ‘B’ and disbursed (January 2009) to Managing Director (MD), AMTRON for implementation of the scheme, without executing any agreement. Against ₹29.99 crore, AMTRON incurred expenditure amounting to ₹32.75 crore (for distribution of PC and UPS to 14,772 students @ ₹16,429 each and cash prize in lieu of PC and UPS to 2,559 students @ ₹15,629 each plus other incidental charges of ₹4.48 crore) and requested (February 2010) PDD to provide additional funds of ₹2.76 crore. GOA, PDD accorded (March 2010) administrative approval to the additional amount (₹2.76 crore) and sanctioned ₹1.53 crore, which was drawn by SAD ‘B’ and disbursed to AMTRON in March 2010.

Detailed bifurcation of the expenditure of ₹32.75 crore incurred by AMTRON is shown in table below:

Table-2: Details of expenditure

		(₹in crore)
(i)	Cost of Computer/UPS including cash payment in lieu of computer	28.27
(ii)	Cost of instruction booklets accompanying the PCs	0.09
(iii)	Advertising and publicity	0.21
(iv)	Cost of certificates awarded to students	0.08
(v)	Agency charges to AMTRON	1.56
(vi)	Demonstration of installation & training of students before distribution of PCs	1.57
(vii)	Holding of central distribution meeting	0.97
Total		32.75

Source: Departmental records.

It was clearly indicated in the guidelines of the scheme under “responsibilities of the Nodal Implementing Agency (AMTRON)” that demonstration of installation, training of students and holding central meeting before distribution were the responsibility of AMTRON, for which five *per cent* agency charges would be paid to them.

It is noticed from table above that AMTRON was paid both agency charge of ₹1.56 crore (item v) and a further amount of ₹2.54 crore {item (vi) and (vii)} for the services rendered. Of ₹2.54 crore, AMTRON was paid ₹1.31 crore and PDD, GOA committed to pay balance ₹1.23 crore vide Administrative Approval (March 2010). Thus, there was an extra and inadmissible expenditure of ₹1.31 crore, in addition to incurring a committed liability of ₹1.23 crore, which also was not required to be incurred according to the guidelines of the scheme.

The matter was reported to Government (May 2011); their reply had not been received (September 2011).

Tea Tribes Welfare Department

2.2.5 Excess Payment

Non-deduction of AGST by the Department from the estimated unit cost led to an excess payment of ₹60.44 lakh to construction agencies¹².

For overall welfare and social upliftment of the youth belonging to tea and ex-tea garden tribes, Government of Assam, Tea Tribes Welfare Department sanctioned (March 2008) ₹8.43 crore from Additional Central Assistance (ACA) for the year 2007-08. The ACA was meant for construction of 50 Skill Development Centers (₹6.87 crore), purchase of furniture (₹0.49 crore) and Computer, Projector etc. (₹1.07 crore). The unit cost of Skill Development Center (SDC) was ₹13.73 lakh (including VAT). Administrative approval of the work was accorded in March 2008 with the stipulation to complete the work within one year. Estimate for the work was prepared by Executive Engineer, PWD, Building division, Guwahati on the basis of Assam Public Works Department (APWD) Schedule of Rates (SOR) 2004-05. The

¹² (i) Assam State Co-operative Housing Federation Limited (HOUSEFED), (ii) Assam State Housing Board (ASHB) and (iii) Assam Govt. Construction Corporation Ltd (AGCC).

construction work was awarded (August 2008) to Assam State Co-operative Housing Federation Limited (HOUSEFED) and Assam State Housing Board (ASHB).

According to APWD SOR 2004-05, rates of the item of works were inclusive of Sales tax and any other taxes levied by the Government. As such, while framing an estimate under APWD SOR, element of tax component was required to be deducted.

Audit scrutiny (April 2010) of the records of Director, Welfare of Tea and Ex-Tea Garden Tribes revealed that construction of 45 out of the 50 units of Skill Development Centers was completed (September 2009 to February 2011) and work in respect of five units was in progress and total payment of ₹6.69 crore¹³ was made (September 2009 to January 2011) to construction agencies. However, while preparing the estimate, Executive Engineer, PWD, Building division, Guwahati added VAT @ four *per cent* (applicable w.e.f. 01 May 2005) on the estimated unit cost, but did not deduct Assam General Sales Tax (AGST) @ 8.8 *per cent* which was included in SOR 2004-05.

Thus, non-deduction of AGST @ 8.8 *per cent* while arriving at the unit cost, resulted in an avoidable excess payment of ₹60.44 lakh { (₹13,73,000 – ₹12,52,119)¹⁴ X 50 } to the construction agencies.

The matter was reported to Government (March 2011); their reply had not been received (September 2011).

2.3 Avoidable/unfruitful expenditure/undue favour to contractors

Education Department

2.3.1 Avoidable expenditure

Injudicious decision of purchasing bicycles of same specification locally at higher rate instead of procuring it from the approved supplier resulted in avoidable expenditure of ₹17.36 lakh and idling of ₹2.50 lakh.

Government of India decision (i) below Rule 6 of GFR provides that “Every officer is expected to exercise the same vigilance in respect of expenditure incurred from public

¹³ (₹13.73 lakh X 45)= ₹6.18 crore
(₹10.30 lakh X 05)= ₹0.51 crore
Total ₹6.69 crore

¹⁴

	Approved unit cost	Unit Cost after deduction of AGST @ 8.8 per cent
Total estimated value of the work	₹10,79,353.56	₹10,79,353.56
Deduct AGST @ 8.8 per cent	Nil	(-) ₹94,983.11
Add Internal Electrification @ 11 per cent on civil work	₹1,18,728.89	₹1,08,280.75
Add Sanitary works @ 9 per cent on civil work	₹97,141.81	₹88,593.80
Total	₹12,95,224.26	₹11,81,245.00
VAT @ 4 per cent on total above	₹51,808.97	₹47,249.80
Contingencies 2 per cent on total above	₹25,904.49	₹23,624.90
Grand Total	₹13,72,937.72 Say ₹13,73,000	₹12,52,119.20 Say ₹12,52,119

moneys as a person of ordinary prudence would exercise in respect of expenditure of his own money”.

For free distribution of ladies’ bicycles among girl students of class VIII and IX belonging to Below Poverty Line (BPL) families of various districts of Assam (including sixth schedule areas), Director, Elementary Education (DEE), Assam placed (March 2008) a supply order to M/s Hero Cycles Limited, Ludhiana for supply of 1,02,915 ladies’ bicycles worth ₹22.64 crore to the respective District Elementary Education Officers (DEEOs) at a unit cost of ₹2,200 (excluding taxes). Karbi Anglong District was allotted 3,431 bicycles at a total cost of ₹75.48 lakh for the said purpose.

Karbi Anglong Autonomous Council (KAAC) undertaking all developmental activities in the District, requested (May 2008) Government of Assam (GOA) to hand over ₹75.48 lakh to the Council for procurement and distribution of bicycles of same specification among the girl students of the District. Accordingly, GOA, Hill Areas Department (HAD) released (February 2009) ₹50 lakh to KAAC for procurement and distribution of bicycles. On receipt of ₹50 lakh from GOA, KAAC released (February 2009) ₹47.50 lakh to Inspector of schools, Diphu for implementation of the programme and retained ₹2.50 lakh as incidental charges.

Scrutiny (September 2010) of records of Inspector of schools, Diphu revealed that, KAAC placed (September 2009) order with one Sri Dilip Terang for supply of only 1,267 out of the allotted 3,431 bicycles at a higher unit cost of ₹3,570 (excluding taxes) approved by KAAC. The rate was fixed by inviting local tender and it was higher than the rate fixed by DEE based on manufacturer’s quotation. Payment of ₹47.49 lakh (₹3,748 X 1,267) was made (March 2010) to the supplier including taxes and the bicycles were handed over to the heads of the institutions on 28 April 2010. The beneficiaries were selected by Block Development Officer though as per the guidelines, they were to be selected by the “Selection Committee at District Level headed by DC, on the recommendation of “Selection Committee at School Level”. No reason for deviation from the norms was furnished, though called for. Thus, the selection process was also not according to the prescribed guidelines.

Due to injudicious decision of purchasing bicycles of same specification locally at higher rate instead of procuring the same from the approved supplier resulted in extra expenditure of ₹17.36 lakh¹⁵ and idling of ₹2.50 lakh retained in hand.

15

KAAC approved rate	Rate of Hero Cycles Ltd. Ludhiana	Excess expenditure
1,267 X ₹3,570 (excluding taxes) = ₹45,23,190	1,267 X ₹2,200 (excluding taxes) = ₹27,87,400	₹45,23,190– ₹27,87,400 = ₹17,35,790

In reply, KAAC stated (August 2011) that bicycles were purchased at the lowest rate of comparative statement. The reply was not acceptable as instead of procuring from the manufacturer, KAAC purchased bicycles locally at higher rate resulting in extra expenditure of ₹17.36 lakh and retained ₹2.50 lakh in hand. Government stated (September 2011) that as 'Education' is a transferred subject, the Council takes its own decision on the matter and Government has no control over it.

General Administration Department

2.3.2 Unfruitful expenditure

Injudicious decision of DC, Cachar to proceed with the proposal for floating restaurant without ascertaining right, title and interest on Barakhal Beel resulted in unfruitful expenditure of ₹41.50 lakh.

In January 2005, Assam Fishery Development Corporation (AFDC), which owns right of Barakhal Beel, Ramnagar Anuwa of Cachar district, Assam, had accepted a proposal of one M/s SP Trading Company, a private entrepreneur, for developing a Eco-tourism project in that area and entered (December 2008) into an agreement allowing the company, a lease of 10 years conferring right, title and interest in the Eco-tourism spot.

Scrutiny (February and March 2010) of the records of Deputy Commissioner (DC), Cachar revealed that based on proposal (December 2006) of the DC, Government of Assam, Tourism Department accorded (April 2007) sanction of ₹44.80 lakh for (i) Development of Tourist Recreation Centre at Ramnagar Anuwa along with provision of floating Restaurant (₹30 lakh) and (ii) Development works at Ramnagar Anuwa (₹14.80 lakh) and released ₹41.84 lakh to DC, Cachar between April 2007 and April 2009. Executive Engineer (EE), Inland Water Transport (IWT), Silchar was entrusted (December 2007) with the construction works by the Construction Committee, headed by DC, Cachar. Construction of Tourist Recreation Centre at Ramnagar Anuwa along with floating Restaurant was completed in May 2008 at a cost of ₹30 lakh. The DC requested (September 2009) Managing Director, Assam Tourism Development Corporation (ATDC), Guwahati to take over the floating restaurant, but the same was not taken over as of September 2011 by Tourism Department as at the attempt of developing the same spot by DC, Cachar, the aggrieved private entrepreneur filed a petition and Hon'ble Gauhati High Court stopped (May 2010) all the remaining works.

Besides, despite incurring expenditure of ₹11.50 lakh, development works at Ramnagar Anuwa were yet to be completed (September 2011).

Thus, injudicious decision of DC, Cachar to proceed with the proposal for floating restaurant without ascertaining right, title and interest in Barakhal Beel resulted in unfruitful expenditure of ₹41.50 lakh.

The matter was reported to Government (May 2011); their reply had not been received (September 2011).

General Administration Department

2.3.3 Unfruitful expenditure

Raw material bank for silk yarn sanctioned at a cost of ₹four crore, was not set up while part of the scheme fund (₹two crore) was parked in fixed deposit and ₹1.31 crore disbursed to beneficiaries without entering into any agreement precluding any scope of recovery.

Government of Assam (GOA), Planning and Development Department sanctioned (February 2010) ₹four crore to Deputy Commissioner (DC), Kamrup under “untied fund” for setting up a ‘Raw Material Bank (RMB)’ at Sualkuchi Institute of Fashion Technology (SIFT). The RMB was meant for self-employed weavers in the vicinity of Sualkuchi to acquire yarn on credit basis or to collect interest free loans for procurement of yarn from their own source up to a ceiling of ₹10,000 per beneficiary. The financial assistance or loan amount was to be repaid by the beneficiaries after the products were sold. 3,975 self-employed weavers belonging to below poverty line owning two to four looms were targeted for assistance.

DC, Kamrup had drawn (February 2010) ₹four crore and released (June 2010) ₹3.96 crore (after deducting VAT of ₹four lakh) to SIFT, Sualkuchi for implementation of the project. Out of ₹3.96 crore, ₹1.41 crore was paid (August 2010 and October 2010) to National Handloom Development Corporation (NHDC) Limited, a GOI undertaking, for supplying 6,000 Kg silk yarn and ₹two crore was kept in Fixed Deposit (FD) with UCO Bank, Amingaon. Balance ₹0.55 crore¹⁶ was paid to Block Development Officer, Sualkuchi Development Block, of which, the BDO incurred ₹0.02 crore for operating the yarn bank. Initially, 1,500 beneficiaries/weavers selected by three¹⁷ Gaon Panchayats of Sualkuchi were to be covered by the RMB after executing agreement or obtaining undertaking from each beneficiary for repayment of cost of materials.

(a) Scrutiny (February and March 2011) of the records of DC, Kamrup revealed that 5,564 out of 6,000 Kg silk yarn procured were distributed (January and February 2011) to 1,391 beneficiaries/weavers of the three Gaon Panchayats of Sualkuchi without entering into any agreement with the beneficiaries for repayment of cost of the raw materials. Balance 436 Kg yarn valued ₹10.20 lakh¹⁸ remained undistributed.

¹⁶ ₹3.96 crore-(₹1.41 crore+₹2 crore) = ₹0.55 crore.

¹⁷ Pub, Madhya and Pachim Gaon Panchayats.

Sl. No.	Silk Variety	Quantity procured (Kg.)	Quantity Distributed (Kg.)	Balance (Kg.)	Rate (₹)	Amount (₹)
1.	Five Crown Wrap	2,500	2,240	260	2,520	6,55,200
2.	Noor-elahi Wrap	1,500	1,500	0	2,420	-
3.	Noor-elahi Weft	1,000	962	38	2,095	79,610
4.	Bawataywala Weft	1,000	862	138	2,070	2,85,660
Total						10,20,470

Principal, SIFT stated that as decided (December 2010) in their Governing Body Meeting, cost of yarn at ₹10,000 (approximate cost of yarn of four Kg) was to be recovered in case of failure of continuation of the weaving activities. The reply was not tenable as in the absence of any agreement, SIFT had no legal authority or tool to effect recovery.

(b) Further, no efforts were made for procurement and distribution of yarn to the remaining weavers (2,584 nos.). Instead ₹two crore was parked in FD with UCO Bank, Amingaon. In reply, Principal, SIFT stated (March 2011) that due to increase in market price of yarn, steps for further procurement were not initiated and yarn would be procured as soon as the market price stabilises. The reply was not tenable as the spirit of the scheme envisaged revolving the entire ₹four crore by purchasing yarn at regular intervals from the credit recoveries effected from the beneficiaries and making yarn available at regular intervals.

Thus, the Silk Yarn Bank, sanctioned at a cost of ₹four crore, had not materialized due to parking of scheme fund (₹two crore) in FD and disbursement of ₹1.31 crore to beneficiaries without entering into any agreement precluding any scope of recovery besides leading to a blockade of ₹0.53 crore with BDO, Sualkuchi Development Block.

The matter was reported to Government (May 2011); their reply had not been received (September 2011).

Public Works Department

2.3.4 Avoidable expenditure

Faulty estimation of the work at initial stage as well as inclusion of price adjustment clause retrospectively in the last leg of execution, bypassing the initial agreement led to avoidable expenditure of ₹4.55 crore by the Executive Engineer, PWD City Division-I, Guwahati.

State Government accorded (August 2005) Administrative Approval (AA) of ₹38.92 crore for construction of fly-over at Bhangagarh on Guwahati-Shillong road. The Chief Engineer (CE), PWD, (Roads), Assam without according Technical Sanction (TS) awarded (September 2005) the work to Simplex Concrete Piles (India) Limited at a tendered value of ₹34 crore on the basis of agreed quoted rates of the contractor with the stipulation to complete the work before March 2007. The terms and conditions of the contract did not provide for payment of price escalation for increase in the prices of labour and materials. The contractor commenced the work in September 2005 and as of July 2011, an expenditure of ₹42.04 crore was incurred on the work with physical progress of 98 *per cent*.

Scrutiny of the records (June 2010) of the Executive Engineer, PWD City Division-I, Guwahati revealed that the CE, PWD (Roads), Assam floated (February 2005) Notice Inviting Tender (NIT) at the estimated cost of the work (prepared on the basis of SOR

2005-06) at ₹29.60 crore and against which single tender (tendered value: ₹36.26 crore) was found valid (April 2005). Though the tender value was reduced to ₹34 crore after negotiation with the contractor, the quoted rate was much higher than the estimated rate (8.288 *per cent* above) and also the rates of similar items quoted by the same contractor engaged in construction of another flyover at Six Mile, Guwahati during the same period.

Scrutiny of records further revealed that after two years from the date of commencement of the work, the Department revised (October 2007) the original estimate to ₹56.91 crore due to inclusion of the following items of work.

- (i) increase in the number of RCC bored piles and length;
- (ii) application of pile steel liner to prevent soil collapse;
- (iii) application of higher grade concrete to avert skidding of fast moving vehicles;
- (iv) utilization of imported soil commensurate with CBR by considering traffic volume; and
- (v) application of Anchored Earth Technology in the works of flyover approaches.

Inclusion of the aforesaid items of work in October 2007 clearly showed that survey, soil investigation and designing of the structures were not done thoroughly before preparation of the original estimate in February 2005.

Government accorded (December 2008) AA for the balance work of ₹17.99 crore and CE, PWD (Roads), accorded (December 2008) technical sanction for the full amount (₹56.91 crore). The tender value was also enhanced from ₹34 crore to ₹44.48 crore by executing (December 2008) a supplementary agreement with the contractor which also did not have any price adjustment clause. The Division, however, paid (August 2009) ₹4.55 crore towards price adjustments during October 2005 to December 2008 after incorporating (August 2009) price adjustment clause in the supplementary agreement to allow increased price from the month subsequent to the month of commencement of work.

Thus, faulty estimation of the work at the initial stage necessitated subsequent increase in the scope of work after lapse of two years of commencement of work which entailed extension of time to contractor and resulted in avoidable expenditure of ₹4.55 crore towards price adjustment.

Government stated (July 2011) that the work could not be completed before March 2007 due to increase in scope for which extension of time was granted to the contractor. Government also stated that price adjustment was considered due to alarming rise of price of construction materials.

The reply is not acceptable because price adjustment was necessitated only due to faulty estimation of the work in the original estimate, which was not even technically sanctioned. According to Rule 314 of APWD Manual and also as per terms of

administrative approval the work cannot be commenced before technical approval of the detailed estimate by competent authority. The technical sanction was accorded only in December 2008 on the revised estimate, after more than three years of commencement (September 2005) of the work and also after 20 months of due date of completion (March 2007) of the work, which led to avoidable expenditure of ₹4.55 crore towards price adjustment.

Social Welfare Department

2.3.5 Unfruitful expenditure

District Social Welfare Officer, Kamrup incurred unfruitful expenditure of ₹2.50 crore towards pay and allowance of idle staff.

Family and Child Welfare (FCW) Programme was introduced by Government of India (GOI) for overall development of women and children. The programme was taken over by Government of Assam from GOI on 01 April 1974 and handed over to Assam State Social Welfare Advisory Board. Subsequently, the entire programme was handed over (30 August 1987) to Social Welfare Department for implementation.

Audit scrutiny (February 2010) of the records of District Social Welfare Officer (DSWO), Kamrup revealed that FCW Centers of Rani and Hajo became non-functional since April 1998 due to non-availability of food stuff and Anganwadi Study Centre. During April 1998 to March 2011, 32 employees (at present 20) of these two non-functional units remained idle. The Department incurred unfruitful expenditure of ₹2.50 crore¹⁹ towards their pay and allowances till March 2011. As of July 2011, no action was taken by the DSWO, Kamrup to utilize the services of these idle staff alternatively and effectively.

However, only in August 2011, at the instance of audit, Director of Social Welfare, Assam attached the idle staff of FCW centers of Hajo and Rani to different other offices of the department for utilizing their services. The department had not replied to the query as to whether there was any demand of manpower from the offices where they were attached and how effectively they were being utilized there.

The matter was reported to Government (June 2011); their reply had not been received (September 2011).

¹⁹

(₹ in lakh)		
Period	Name of FCW	Expenditure on pay and allowance
April 1998 to August 2004	FCW, Rani and Hajo	115.39
September 2004 to March 2007	-do-	42.96
April 2007 to January 2010	-do-	65.64
February 2010 to March 2011	-do-	26.15
Total		250.14

Sports and Youth Welfare Department

2.3.6 Avoidable expenditure

Prolonged inaction on the part of the authorities of six sports complexes /stadia in ensuring payment of electricity bills within the due date led to avoidable payment of ₹30.18 lakh as surcharge.

Based on the proposal placed (26 August 2009) by Secretary General, National Games Secretariat (NGS), Guwahati for payment of electricity bills including surcharge, Government of Assam, Sports and Youth Welfare Department sanctioned (February 2010) ₹1.20 crore for six sports complexes/stadia constructed for 33rd National Games, between June 2008 and June 2009. Director, Sports and Youth Welfare (S&YW) forwarded (April 2010) a banker's cheque amounting to ₹1.20 crore (after deduction of bank commission) to Secretary General, NGS for payment of electricity bills to Lower Assam Electricity Distribution Company Limited under Assam State Electricity Board (ASEB).

Scrutiny (October 2010) of the records of the Director, S&YW revealed that ₹1.20 crore paid (March 2010) to ASEB included surcharge of ₹30.18 lakh claimed by ASEB pertaining to the period June 2008 to June 2009 due to non-payment of the bills within the due date. According to Director of S&YW, the excess payment towards surcharge was necessitated due to late receipt of sanction from Government. Their stand is not correct as the proposal was submitted by Secretary General, NGS belatedly on 26 August 2009, keeping the bills pending for one to twelve months, from the due date.

Thus, prolonged inaction on the part of the authorities of six sports complexes/stadia in ensuring payment of electricity bills within the due date, led to avoidable payment of ₹30.18 lakh as surcharge.

In reply, Government stated (July 2011) that during June 2008 to June 2009, NGS was run by re-appropriating departmental receipts collected by way of rentals on its various infrastructure and the proposal for funds for payment of electricity bills was sent to Government subsequently as the amount involved was high. Reply is not acceptable as delay had occurred essentially because the proposal itself was sent belatedly by Secretary General, NGS to Government which also took its own time for sanction. Besides, action of the department of re-appropriation of departmental receipts violated provision of Rule 7 (1) of Assam Treasury Rules and Article 266 of Constitution, which envisaged that all moneys received or tendered by Government servants on account of revenue of the province shall not be appropriated to meet departmental expenditure except in accordance with law and in the manner provided under the Constitution.

2.4 Idle investment/blocking of funds/delays in commissioning of equipment/diversion/misutilisation of funds etc.

General Administration Department

2.4.1 Diversion of Calamity Relief Fund

Deputy Commissioner, Kamrup (Metro) incurred an expenditure of ₹63.22 lakh on restoration work not related to natural calamity by diverting Calamity Relief Fund.

According to the guidelines of Government of India (GOI), Calamity Relief Fund (CRF) should be used for providing immediate relief to victims of natural calamities such as cyclone, drought, earthquake, fire, flood, hailstorm, land slide etc. with prior approval of the State Level committee (SLC) constituted for administration of CRF. The guidelines further stipulated that expenditure on restoration of damaged infrastructure such as roads, bridges, drinking water supply etc., should, ordinarily, be met from the normal budgetary heads.

Scrutiny (September and October 2010) of the records of Deputy Commissioner (DC), Kamrup (Metro) revealed that repair and restoration works of three²⁰ roads of Dispur circle damaged prior to October 2007 due to rain, were taken up (March 2008) at a total cost of ₹63.22 lakh funded from CRF. None of the repair works executed out of CRF necessitated immediate relief and the roads were also not damaged due to any natural calamity. In fact, the project reports indicated that the roads were damaged due to water logging caused by poor drainage facility. The works were completed between September 2008 to December 2008 and the DC incurred (March-December 2008) expenditure of ₹63.22 lakh out of CRF to repair the three roads of Dispur circle. Execution of normal restoration works not related to the needs of immediate relief to victims of natural calamity, in violation of guidelines for CRF resulted in diversion of ₹63.22 lakh for purposes not authorised, besides depriving the DC of the benefit of the funds to that extent for use in authorised calamity relief activities.

The matter was reported to Government (March 2011); their reply had not been received (September 2011).

Public Works Department

2.4.2 Unproductive expenditure

The Executive Engineer, Bakulia Road Division, Karbi Anglong incurred unproductive expenditure of ₹91.45 lakh on construction of a bridge, which remained incomplete for more than four and half years from the targeted date of completion.

State Government accorded (March 2004) Administrative Approval (AA) of ₹1.74 crore for 'Construction of RCC Bridge No.12/3 on Bakulia Rajapathar Road with

²⁰ i) Gohainbari Path (₹29 lakh), ii) Shiva Path, Ghoramara (₹22.85 lakh) and iii) Nilgiri Path, Hatigaon (₹11.37 lakh).

approach and protection work' with an intention to providing better road connectivity to beneficiaries of seven villages²¹. Technical Sanction (TS) for the work was accorded (November 2005) by the Chief Engineer, PWD (Roads), Assam for ₹1.74 crore. The work was awarded (May 2005) to a contractor at a tendered value of ₹1.71 crore with the stipulation that the work be completed within 18 months from the date of work order i.e., before November 2006. According to clause SCC-12 of the bid document, the contractor was liable to pay compensation for delay in completion of the work. As of August 2011, an expenditure of ₹91.45 lakh was incurred on the work with a physical progress of only 51 per cent.

Scrutiny (February 2010) of the records of the Executive Engineer, Bakulia Road Division revealed that though the work commenced on 26 May 2005, only foundation and sub-structure of the bridge were completed (February 2010) after a lapse of more than 38 months from the target date of completion. The Division stated (August 2011) that non-completion of the work was due to insincerity and poor management on the part of the contractor. The contractor had suspended the work from time to time but no action as contemplated in the bid document was however taken against him till February 2011. The division was aware of the insincerity of the contractor but failed to take any action for reasons not on record. Moreover, no action was taken to blacklist the contractor. It was only in March 2011, that the Division imposed penalty of ₹7.50 lakh by invoking the relevant clause of the bid document after the work was withdrawn (December 2010) from the contractor. The Division also stated (August 2011) that action to get balance work completed through another agency is under process.

Slackness in monitoring the progress of work, extraordinary delay in rescinding the work and invoking penal provisions of the bid document by the Division contributed to delay in completion of the work for more than four and half years from the targeted date of completion. Expenditure of ₹91.45 lakh incurred so far on the work also proved unproductive and the intention of Government to provide better road connectivity to the beneficiaries in the region remained unachieved.

The matter was reported to Government in May 2011; reply had not been received (September 2011).

2.5 Regularity issues and others

General Administration Department

2.5.1 Irregular expenditure

Deputy Commissioner, Karbi Anglong incurred irregular expenditure of ₹1.65 crore towards procurement and distribution of seeds in excess of actual requirement.

To mitigate the drought situation, Government of Assam, Revenue and Disaster Management Department (RDMD) directed (July 2009) all the Deputy

²¹ Molesh Basti, Magurmari, Kasomari, Rajapathar Tiniali, Phonglokpet, Mamru Ronghang and Samgaon.

Commissioners (DCs) of fourteen drought affected districts including Karbi Anglong to draw up an action plan. Accordingly, DC, Karbi Anglong prepared (July 2009) an action plan estimating a requirement of ₹4.78 crore for procurement and distribution of seeds in the District. Under one of the components of this programme (Rabi), the DC proposed distribution of different seeds worth ₹2.90 crore, free of cost, among the drought affected farmers of the district during September 2009 to December 2009 as detailed below:

Items	Period of operation	No of beneficiaries	Quantity per beneficiary	Quantity (In Kg)	Rate per Kg (In ₹)	Financial outlay (In ₹)
Mustard Seed	September 2009	29,000	4 kg	1,16,000	40	46,40,000
Wheat	November-December 2009	11,250	30 kg	3,37,500	22	74,25,000
Potato	November-December 2009	17,750	30 kg	5,32,500	22	1,17,15,000
Pea	November-December 2009	29,000	8 kg	2,32,000	22.50	52,20,000
Total						2,90,00,000

Source: Departmental records.

On receipt (September 2009) of communication from Government of Assam, RDMD to go ahead with the proposed procurement and distribution of seeds, the DC placed (October 2009) order with Assam Seed Corporation (ASC) Limited, Guwahati for supply of seeds²² by October 2009. Subsequently, sanction was accorded (December 2009) by RDMD of ₹2.44 crore under Calamity Relief Fund (CRF) for procurement and distribution of seeds in the District.

Audit scrutiny (February and March 2011) of the records of DC, Karbi Anglong revealed that ASC Limited supplied (October 2009 to November 2009) seeds²³ amounting to ₹2.28 crore and submitted (January 2010) four bills to the DC for payment. The entire seeds were distributed by DC among farmers/beneficiaries by December 2009.

Audit scrutiny further revealed that during July 2009, there were 29,006 farmers affected by drought like situation in the District. However, due to sufficient rainfall from 28 July 2009, the drought like situation suddenly improved and actual number of drought affected farmers came down to 2,880 (August 2009). The DC however distributed (October and November 2009) seeds to farmers far in excess of those actually affected by drought resulting in irregular expenditure of ₹1.65 crore²⁴.

²² (i) Mustard: 1,00,000 Kg, (ii) Pea: 65,000 Kg, (iii) Potato: 1,27,200 Kg and (iv) Wheat: 3,37,900 Kg.

²³ (i) Mustard: 95,100 Kg, (ii) Pea: 65,000 Kg, (iii) Potato: 1,20,050 Kg and (iv) Wheat: 3,37,900 Kg.

Sl. No.	Type of seeds	Quantity of seeds received and distributed (In Kg)	No. of farmers received seeds	No. of farmers affected	Excess number of farmers entertained	Quantity issued to each farmers (In Kg)	Rate per Kg (In ₹)	Amount (₹) (column no. 6x7x8)
1.	Pea	65,000	9,286	2,880	6,406	7	52.00	23,31,784
2.	Wheat	3,37,900	11,263	2,880	8,383	30	27.90	70,16,571
3.	Mustard	95,100	23,775	2,880	20,895	4	57.30	47,89,134
4.	Potato	1,20,000	6,000	2,880	3,120	20	37.70	23,52,480
Total								1,64,89,969

In reply, the DC stated (July 2011) that in September 2009 when the drought like situation improved, the number of affected families was 2,880. But, during peak period of July and August 2009, the number of affected families was higher. The reply is not tenable as the number of drought affected families came down with sufficient rainfall much before the period of distribution of seeds. Besides, according to the projection of Agriculture Department, the total normal requirements of wheat and pea seeds for the entire cultivable area of Karbi Anglong district during 2009-10 were 1548 quintals and 446.70 quintals respectively. Thus, the seeds distributed were far in excess²⁵ of the requirement of the entire cultivable area of the district.

The matter was reported to Government (May 2011); their reply had not been received (September 2011).

Panchayat and Rural Development Department

2.5.2 Unauthorised expenditure

The BDOs of Gobordhana and Bordoloni Development Block incurred unauthorised expenditure of ₹75.44 lakh by disbursing the money to 221 ineligible beneficiaries in contravention of the guidelines of IAY Scheme.

Government of India introduced (1985-86) Indira Awas Yojana (IAY) to help poor families of below poverty line (BPL) households in rural areas including Scheduled Castes/Tribes, freed bonded labourers, minorities etc. The programme involved construction/upgradation of dwelling units by providing lump sum financial assistance. Guidelines of IAY envisaged that the lists of beneficiaries selected are to be finally approved by the Gram Sabha. No further approval by any other higher body is required.

(a) Scrutiny (May 2011) of the records of Block Development Officer (BDO), Gobordhana Development Block revealed that the BDO disbursed ₹2.93 crore to 1,103 beneficiaries during 2007-08 under IAY. The amount was disbursed to 641 beneficiaries under BTAD²⁶ areas and 462 beneficiaries under non-BTAD areas. Of ₹2.93 crore, ₹17.38 lakh was disbursed to 69 non-BPL beneficiaries in contravention of the scheme guidelines. Besides, these beneficiaries were not selected by the Gram Sabha. Instead, they were selected by Gram Panchayats in case of Non-BTAD area and by VCDC²⁷/MCLA²⁸ in case of BTAD area. In reply (May 2010), the BDO assured release of IAY fund to listed BPL beneficiaries in future.

²⁵

Name of the crop	Total area (in Hectare)	Area can be covered with one quintal of seeds (In Hectare)	Requirement (In quintal)	Actual distribution (In quintal)	Excess distribution (In quintal)
Wheat	1,548	1	1,548	3,379	1,831
Pea	746	1.67	446.70	650	203.30

²⁶ Bodo Territorial Autonomous Districts.

²⁷ Village Council Development Committee.

²⁸ Member of Council Legislative Assembly.

(b) Similarly, in Dhemaji district, BDO, Bordoloni Development block disbursed ₹58.06 lakh during 2009-10 to 152 non-BPL beneficiaries rendering this expenditure also unauthorized. In addition, in this block also the beneficiaries were not selected by Gram Sabha as was required in accordance with the guidelines.

Thus, disbursement of ₹75.44 lakh to ineligible beneficiaries in violation of the guidelines of IAY Scheme resulted in unauthorized expenditure to that extent, besides depriving the targeted beneficiaries from the intended benefits of the Scheme.

The matter was reported to Government (May 2011); their reply had not been received (September 2011).

Public Works Department

2.5.3 Unauthorised and dubious expenditure

Execution of identical nature of work twice, in the same chainage within one year without administrative approval for earlier work rendered the expenditure of ₹42.04 lakh, dubious and unauthorised.

Rule 241 of Assam Financial Rules stipulates that for every work initiated by or required by any Department, it is necessary to obtain the concurrence of the Department concerned to the proposals in the form of Administrative Approval, before technical sanction can be accorded in the Public Works Department (PWD).

Scrutiny of the records (June 2010) of the Executive Engineer (EE), PWD, Guwahati City-I Division revealed that the division without obtaining Administrative Approval (AA) undertook the work of 'Special repair to Guwahati Garbhanga Road (providing WBM & carpeting)' in chainage 3,200 m to 4,600 m through contractor from June 2008 on the strength of technical sanction (TS) accorded (May 2008) by the Superintending Engineer (SE), PWD (Roads), Guwahati, ARIASP Circle for ₹45.66 lakh. However, according to Assam Delegation of Financial Power Rules, 1999, the SE, PWD is empowered to accord technical sanction on special repair works upto a maximum of ₹10 lakh. The work was targeted to be completed within three months and completed in August 2008 at a cost of ₹45.48 lakh.

Subsequently, State Government accorded (January 2009) AA to the work 'Improvement of Guwahati Garbhanga Road from chainage 3,000 m to 4,510 m (providing WBM & carpeting)' for ₹80 lakh under Annual Plan (General) 2008-09. The work was awarded (January 2009) after according TS by the Chief Engineer, PWD, (Roads) to a contractor at a tendered value of ₹79.98 lakh with the stipulation to complete the work within July 2009. The contractor started the work in January 2009 and completed it in May 2009 at a cost of ₹79.98 lakh.

Audit observed that execution of same nature of work in the common chainage (3,000 m to 4,510 m) under the nomenclature 'Improvement of Guwahati Garbhanga Road', after a gap of four months of completion of special repair work had no justification raising question about the bonafideness of the earlier expenditure of ₹42.04 lakh²⁹ incurred on special repair work.



PHOTOGRAPH SHOWS THERE WAS NO ROADSIDE DRAIN

The EE in his reply stated (September 2010) that as there was no functional road side drain in some stretches to drain out storm water, water logging due to heavy rain damaged the road after completion of special repair work for which improvement work was taken up subsequently. The reply is not acceptable because there was no provision of construction of road side drain either in the

estimate³⁰ of special repair work or in the improvement work. The adjoining photograph also shows there was no roadside drain.

Execution of special repair work without Government concurrence and also according TS by the SE beyond Delegation of Financial Powers constitute gross violation of Financial Rules. Besides, execution of identical nature of work in the same chainage twice within one year (June 2008 to May 2009) not only rendered the earlier expenditure dubious but also was indicative of slackness in monitoring and absence of internal controls in the Department.

The matter was reported to Government in January 2011; their reply had not been received (September 2011).

²⁹ Special repair work Ch. 3,200 m to Ch. 4,600 m
Improvement work Ch. 3,000 m to Ch.4,510 m
Overlapping of chainage Ch. 3,200 m to Ch.4,510 m=1,310 m

Item of work	Quantity of overlapping work	Rate (In ₹)	Amount (In ₹)
1	2	3	4 (2x3)
WBM-II	1,310X8.5X0.075	1,550.19/cum	12,94,602.00
WBM-III	510X8.5X0.075	1,585.54/cum	5,15,499.00
Prime Coat	1,310X8.5	23/sqm	2,56,105.00
Surface dressing	1,310X8.5	49.65/sqm	5,52,852.00
Tack Coat	1,310X8.5	8/sqm	89,080.00
Premix surfacing	1,310X8.5	98.48/sqm	10,96,574.00
Seal Coat	1,310X8.5	35.83/sqm	3,98,967.00
TOTAL			42,03,679.00

³⁰ **Items of work provided in the estimate of Special Repair work**

1. Construction of WBM, 2. Providing and applying primer coat, 3. Providing and laying surface dressing, 4. Providing and applying tack coat, 5. Providing, laying and rolling of open graded premix surfacing and 6. Providing and laying seal coat.

Items of work provided in the estimate of Improvement work

1. Construction of WBM, 2. Providing and applying primer coat, 3. Providing and laying surface dressing, 4. Providing and applying tack coat, 5. Providing, laying and rolling of open graded premix surfacing and 6. Providing and laying seal coat.

2.6 General

2.6.1 Follow up on Audit Reports

Non-submission of suo-moto Action Taken Notes

In terms of the resolution (September 1994) of the Public Accounts Committee (PAC), the administrative Departments are required to submit *suo-moto* Action Taken Notes (ATNs) on paragraphs and reviews included in the Audit Reports within three months of presentation of the Audit Reports to the Legislature, to the PAC with a copy to Accountant General (AG) (Audit) without waiting for any notice or call from the PAC, duly indicating the action taken or proposed to be taken. The PAC, in turn, is required to forward the ATNs to AG (Audit) for vetting before its comments and recommendation.

As of March 2011, PAC discussed 998 out of 1,554 paragraphs and reviews pertaining to the years 1983-2010. However, ATNs pertaining to none of the paragraphs/reviews was received *suo-moto* either from the Departments or through the PAC. Consequently, the audit observations/comments included in these paras/reviews are yet to be settled by PAC as of March 2011.

2.6.2 Action taken on recommendations of the Public Accounts Committee

Four hundred and twenty nine recommendations of the PAC, made in its Fifty Fifth to Hundred and thirty one Reports with regard to 36 Departments, were pending settlement as of March 2011 due to non-receipt of Action Taken Notes/Reports.

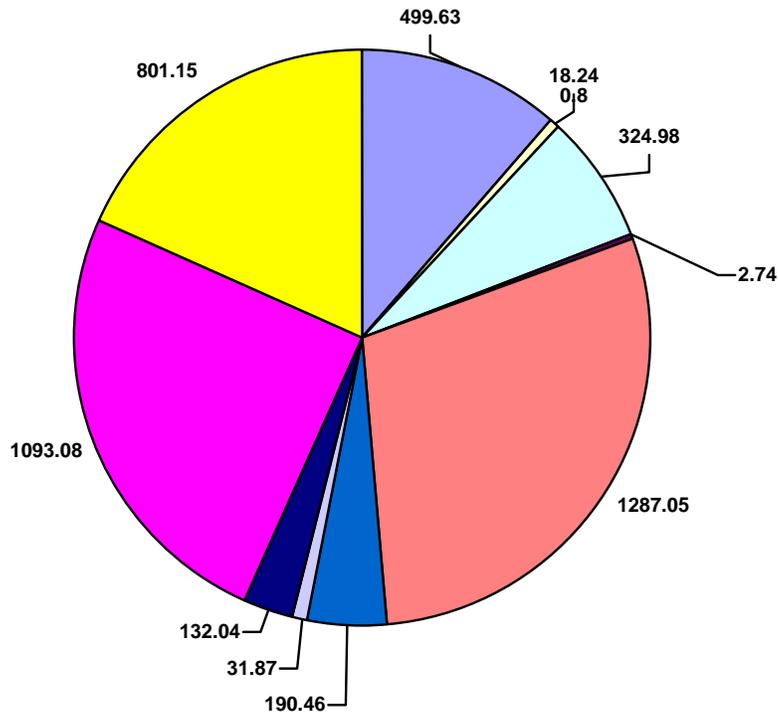
2.6.3 Response to audit observations and compliance thereof by senior officials

The Principal Accountant General (PAG) arranges to conduct periodical inspection of Government Departments to test-check the transactions and verify the maintenance of significant accounting and other records according to prescribed rules and procedures. When important irregularities, detected during inspection are not settled on the spot, Inspection Reports (IRs) are issued to the Heads of the concerned Offices with a copy to the next higher authorities. Orders of the State Government (March 1986) provide for prompt response by the executive to the IRs issued by the PAG to ensure rectificatory action in compliance with the prescribed rules and procedures. The authorities of the Offices and Departments concerned are required to examine the observations contained in the IRs in the light of the given rules and regulations and prescribed procedures and rectify the defects and omissions promptly wherever called for and report their compliance to the PAG. A half-yearly report of pending IRs is sent to the Commissioners and Secretaries of the Departments concerned to facilitate monitoring of the audit observations in the pending IRs.

IRs issued up to December 2010 pertaining to Civil Departments/Public Health Engineering Department/Public Works Department/Water Resource Department/Irrigation and Inland Water Transport Department disclosed that 20,420 paragraphs

pertaining to 3,903 IRs were outstanding for settlement at the end of June 2011. Of these, 624 IRs containing 2,508 paragraphs had not been replied to/settled for more than 10 years. Even the initial replies, which were required to be received from the Heads of Offices within six weeks from the date of issue, were not received from 64 Departments in respect of 1,232 IRs issued between 1994-95 and 2010-11. As a result, serious irregularities, commented upon in 5,744 paragraphs involving ₹4,382.04crore, had not been addressed as of June 2010 as shown in Chart-1.

Chart-1 (₹ in crore)



- Non-observance of of rules relating to custody and handling of cash, maintenance of Cash Book and Master Rolls et.
- Securities from persons holding cash and stores not obtained
- Stores not maintained properly etc.
- Improper maintenance of logbook of departmental vehicles
- Local purchase of stationery etc., in excess of authorised limit and expenditure incurred without proper sanction
- Delay in recovery of receipts, advances and other charges
- Payment of grants in excess of actual requirement
- Want of sanction to write off loan, losses, etc.
- Over-payments of amount disallowed in Audit not recovered
- Wanting utilisation certificates and audited accounts in respect of grants-in-aid
- Actual payee's receipts wanting

A review of the IRs, which was pending due to non-receipt of replies in respect of 64 Departments, revealed that the Heads of Departments (Directors/Executive Engineers) had not furnished replies to a large number of IRs indicating their failure to initiate action in regard to defects, omissions and irregularities pointed out by Audit. The Commissioners and Secretaries of the Departments concerned, who were informed of the position through half-yearly reports, also failed to ensure that the officers concerned of the Departments took prompt and timely action.

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

In view of large number of outstanding IRs and Paragraphs, the Government has constituted two Audit Objection Committees at State level for consideration and settlement of outstanding audit observations relating to Civil and Works Departments. During 2010-11, 239 meetings (Civil: 195; Works: 44) of the Committees were held, in which 1,372 IRs and 5,316 Paragraphs were discussed and 334 IRs and 2,705 Paragraphs were settled.

It is recommended that Government review the matter and ensure that effective system exists for (a) action against defaulting officials who failed to send replies to IRs/Paragraphs as per the prescribed time schedule, (b) action to recover loss/outstanding advances/ overpayments in a time bound manner, and, (c) revamp the system to ensure prompt and timely response to the audit observations.

CHAPTER-III

CCO BASED AUDIT

3. Water Resources Department

Although flood is a natural calamity caused under extraneous circumstances, in Assam it is almost an annual affair. The Water Resources Department is associated with flood control activities in Assam and is responsible for implementation of various State and Centrally Sponsored programmes. The National Policy for flood envisaged control of flood through three distinct activities viz. immediate and short term for flood control of urgent nature, medium term and long term measures to control it permanently. During the review period (2006-11), the Department had not taken any long term measures to find a permanent solution to the recurring flood problem and had adopted only immediate and short term measures under which only strengthening and repairing work of embankments were undertaken. There were deficiencies in planning and budgeting. Flow of funds and control over programme implementation was either inadequate or insufficient. Intended benefits of the programmes contemplated through execution of immediate and short term measures were also not forthcoming. Some of the significant audit findings are as under:

Highlights

The Department prepared annual plans based on plan allocation received from the Planning and Development Department instead of a long term perspective plan. There was huge gap between budget allocation and actual release of fund.

(Paragraphs 3.7 and 3.8.3)

The Department spent 13 to 61 *per cent* of the total annual expenditure at the fag end of financial year during 2006-11.

(Paragraph 3.8.5)

Twelve schemes executed at a cost of ₹45.22 crore were either washed away or became ineffective due to inefficient project management.

(Paragraphs 3.9.1, 3.10.1 and 3.10.2)

An amount of ₹3.51 crore was parked under the head 'Revenue Deposit' to avoid lapse of funds.

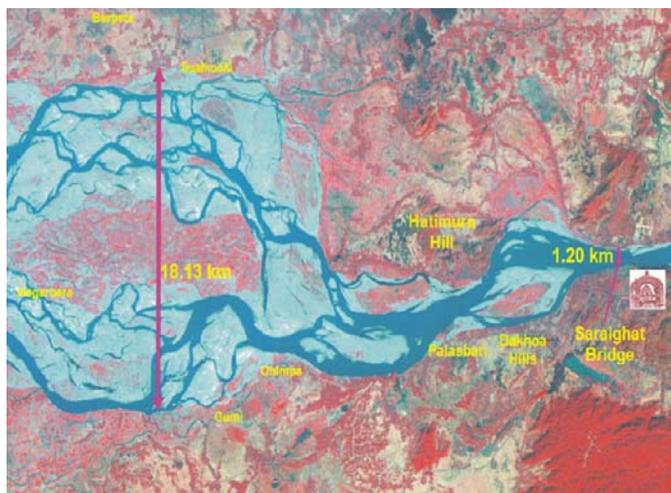
(Paragraph 3.10.3)

Unproductive expenditure of ₹17.31 crore on pay and allowances of idle staff.

(Paragraph 3.11.1)

3.1 Introduction

The mighty Brahmaputra and Barak rivers with about 50 tributaries traverse the State of Assam. The Rastriya Barh Ayog (RBA)¹ identified 31.05 lakh hectares (1980) as flood prone area which is about 40 per cent of the total 78,438 sq Km land area of Assam. During post independence period, Assam faced major floods in 1954, 1962, 1972, 1977, 1984, 1988, 1998, 2002 and 2004. The Brahmaputra transports about 800 million tonnes heavy sediment load and



Course of River Brahmaputra between Guwahati and Barpeta.

Source: Brahmaputra Board, Assam

quite a good amount of this gets deposited in the riverbed. It can be seen from the above photograph that due to heavy siltation, the width of Brahmaputra has increased from 1.2 Km at Saraighat Bridge to 18.13 Km near Barpeta. Increase in width of the mighty river together with sand deposits as islets create multiple channels in the river reducing its velocity. Heavy siltation occurs year after year in the river bed reducing its depth and thereby its carrying capacity of water. This increases incidence of flooding and overtopping/breach of embankments in the rainy season. Along the Brahmaputra River more than 4,200 sq. Km of productive farm land was washed away by bank erosion in the last 40 years and about nine lakh people are estimated to have lost their land, social identity and their backup due to loss of means of livelihood within the rural community² (March 2011).

¹ The Ministry of Agriculture and Irrigation, GOI constituted in July 1976 the Rastriya Barh Ayog (RBA), which studied the entire Gamut of flood problems in the country and submitted its report in 1980 recommending various measures for flood control which was forwarded to all State Government/ Ministries and Department in 1981 in the form of guidelines and instructions for implementations of recommendation.

² According to project concept Note of Prof. Dr. W. A. Flugel and Prof. N. Sarma, HOD, Geoinformatics, FS University, Germany and HOD Water Resources Development and Management Department, IIT, Roorkee submitted to GOI in June 2010.

Eminent River Hydraulic Engineers, Professor Dr. Nayan Sharma³ and his associates⁴ had submitted (June 2010) a Project Concept Note⁵ (PCN) to the State Government. According to PCN, prime focus should be installing river training structures that would deepen the channel and reclaim eroded land from the river deploying a combination of bamboo made submerged vanes, Jack jetty and board fencing (Photographs alongside). These techniques are cheaper than construction of spurs and embankments which are capital intensive with high maintenance cost and cannot be installed all along the river. Moreover, these are not geared to train the river banks which are 630 Km long in Assam. This PCN was forwarded (June 2010) to Ministry of Water Resources, Government of India (GOI) and approval is awaited.



**Bamboo made submerged vanes
(Taken from PCN)**



**RCC Jack-Jetty System
(Taken from PCN)**

In Assam, Water Resource Department (WRD) implements multiple schemes to contain flood and Brahmaputra Board was entrusted with the monitoring of the major scheme of FMP⁶. The flood and river bank erosion control activities in Assam started after announcement of National Policy for Flood by the GOI in September 1954. The National Policy for Flood envisaged immediate, short term and long term measures. Emphasis was given by GOA on short term measures and since inception WRD continued to implement short term measures⁷ in Brahmaputra and Barak Valley on the plea that these could be completed quickly with local resources. Losses due to flood in Assam amounted to ₹7,691.34 crore⁸ in 2001-11. During 2006-11, the Department constructed only two Km embankments⁹, length of drainage channels reduced from 856.67 Km to 854.19 Km and no major sluice gate was constructed. Expenditure incurred by Disaster Management Department of GOA during 2006-11 on flood damage repair (₹603.98 crore) and relief (₹225.67 crore) amounted to ₹829.65 crore

³ Head, Water Resources Development and Management Department, IIT Roorke.

⁴ Head of the Department of Geoinformatics, Hydrology and Modeling, Friedrich-Schiller University, Germany.

⁵ Assessing and analyzing the integrated hydrologic-hydraulic system dynamics of the Brahmaputra River basin in NE India.

⁶ FMP: Flood Management Programme launched by GOI in November 2007 with cost sharing pattern of 90:10 between GOI and GOA.

⁷ Raising and strengthening of embankment, anti erosion measures, drainage channels and sluices.

⁸ ₹3 crore (furnished by Revenue and Disaster Management Department, Government of Assam) plus ₹7,688.34 crore (Draft 11th Five Year Plan prepared by Water Resources Department, Government of Assam).

⁹ Length of embankment in 2006 – 4,363 Km.

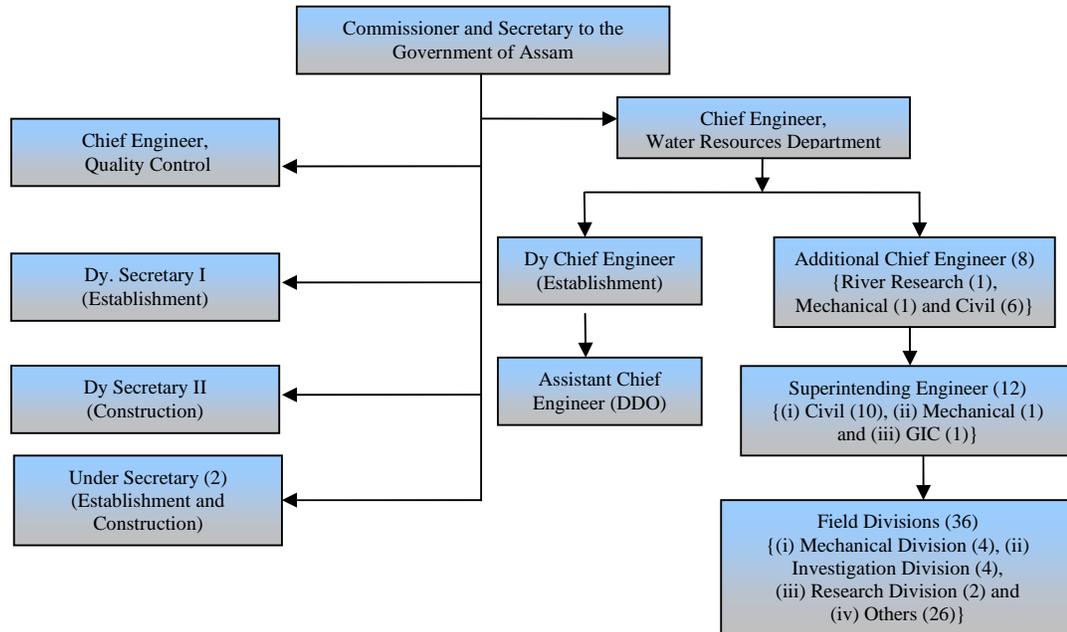
Length of embankment in 2011 – 4,365 Km.

Difference – 2 Km.

(March 2011). Thus, the short term measures adopted by WRD were largely ineffective. The WRD executed only one scheme of raising and strengthening of retirement through technology of Geo-tube at Matmara which was termed as medium term measure. However, this is an isolated project in a location specific area without any application in wide spread area throughout the river basins. The WRD did not take up any long term measures during 2006-11.

3.2 Organizational set up

The organizational set up of Water Resources Department is shown in the chart below:



The administrative head of Water Resources Department is the Secretary to the Government of Assam. The Department has two Chief Engineers, one being the head of the Department and other for Quality Control including Monitoring and Evaluation of various schemes. The Department has eight Additional Chief Engineers, 12 Superintending Engineers and 36 Divisions.

3.3 Scope of Audit

Audit of the office of Chief Controlling Officer (CCO) of the Department was carried out during September 2010 to July 2011 covering the functioning of the Department during the period 2006-11. Records of the Commissioner and Secretary of the Department, two¹⁰, Chief Engineers two¹¹ out of eight Additional Chief Engineers (25 per cent), six¹² out of 12 Superintending Engineers (50 per cent),

¹⁰ (i) Chief Engineer, Water Resources and (ii) Chief Engineer, Quality Control.

¹¹ (i) Additional Chief Engineer, Upper Assam Zone and (ii) Additional Chief Engineer, Barak Valley Zone.

¹² (i) Superintending Engineer (SE), Dibrugarh Circle, (ii) SE, Kokrajhar Circle, (iii) SE, Nagaon Circle, (iv) SE, North Lakhimpur Circle, (v) SE, Sivasagar Circle and (vi) SE, Silchar Circle.

13¹³ out of 36 divisions (36 *per cent*) covering expenditure of ₹612.56 crore (66 *per cent*) out of the total expenditure of ₹932.33 crore on works were test checked. Apart from above, information was also collected from two Investigation Divisions¹⁴, two Mechanical¹⁵ and one River Research Division¹⁶.

3.4 Audit Objectives

The objectives of audit were to assess whether:

- planning and formulation of projects were need based;
- budgetary, expenditure and cash control were adequate and effective;
- operation and project management was adequate and effective;
- human resource and material/stores management were purposeful and adequate;
- monitoring system of the Department was adequate and effective and evaluation of schemes/projects was done.

3.5 Audit Criteria

Audit criteria used for bench marking the audit findings were as under:

- Budget Manual of the Government of Assam.
- Government Rules, Notifications, Guidelines and instructions issued from time to time by the State and the Central Government.
- Departmental code/ Manuals.
- Assam Financial Rules.
- Assam Treasury Rules.
- Guidelines of programmes/ schemes.
- Procedures prescribed for monitoring and evaluation of schemes.

3.6 Audit Methodology

The audit of the Water Resources Department (WRD) commenced with an entry conference in August 2010 with the Chief Engineer (CE), WRD, wherein objectives, criteria and scope of audit including visits of project sites by audit teams were discussed. Out of 36 Divisions, 13 (36 *per cent*) were selected on random sampling method. The audit party also checked records and collected information from the Finance Department and Planning and Development Department. Fifty one out of 199

¹³ (i) Baksa, (ii) Dhemaji, (iii) Dhakuakhana, (iv) Dibrugarh, (v) Goalpara, (vi) Guwahati East, (vii) Kokrajhar, (viii) Karimganj, (ix) Mangaldoi, (x) North Lakhimpur, (xi) Silchar, (xii) Sivasagar and (xiii) Tezpur Division.

¹⁴ (i) Middle Assam Investigation Division and (ii) Lower Assam Investigation Division.

¹⁵ (i) North Lakhimpur Mechanical Division and (ii) Guwahati Mechanical Division.

¹⁶ Guwahati River Research Division.

schemes pertaining to sampled Divisions were also test checked. Photographic evidences were collected during field visit of the sampled Divisions. Exit conference was held on 15 November 2011 with Secretaries to the Government of Assam, Water Resources Department and Finance Department wherein the audit findings and recommendations were discussed. Replies of Chief Engineer/GOA wherever received have been suitably incorporated in the report. In the exit conference (15 November 2011), the Department assured to sent para-wise replies, which was, however, not received (November 2011).

Audit Findings

Significant audit finding noticed in course of CCO based audit are discussed in the succeeding paragraphs.

3.7 Planning

Planning is an integral part of programme implementation. Plan process requires that necessities are prioritized setting forth periodical targets to be achieved by implementing agencies.

Under Flood Management Programme, containment of flood as contemplated in the National Policy for flood 1954 comprised of long term, medium term and short term measures. Under long term and medium term measures, WRD was to take up flood control activities as envisaged in the Master Plan of different rivers prepared by Brahmaputra Board, a statutory Central Government organization. WRD had so far received 35 Master plans from the Board during 1997 to 2010. Master plans recommended long term, effective and reasonably permanent solution to the flood problem in the two valleys through construction of some large storage reservoirs in the upper reaches of the main rivers and some of their tributaries and removal of silt and river training measures which were not undertaken by the Department. Regarding large storage reservoirs recommended in the Master plan, the Chief Engineer (WRD) stated (April and November 2011) that construction of reservoir is a debatable issue because of inadequate flood cushioning, unsystematic reservoir operation policy, siltation, effect on environment and adverse downstream impact. He also stressed the need for availability of sufficient fund and cooperation of the neighboring states for construction of storage reservoirs. Thus, long term and medium term measures, though envisaged in the Master Plans, were not implemented. Other measures included in the Master plan were short term measures and during the period 2006-11, 198 short term schemes were undertaken by WRD.

Government of India had formulated the “National Water Policy 2002” to be followed by all States, which were to come up with their own State policies. After a gap of six years, GOA, through WRD, constituted two statutory bodies (August 2008) namely “Assam State Water Resources Council” (ASWRC) and “Assam State Water Board” (ASWB) to formulate State Water Policy, the statutory bodies had not submitted any water policy (August 2011). Assam Science Technology and Environmental Council (ASTECC) submitted (June 2009) one “Draft State Water Policy” to the State

Government. Decision of the Government on its acceptance and adoption is awaited (November 2011).

WRD prepared annual plan incorporating schemes for short term and immediate measures on the basis of budget allocation received from the Planning and Development Department. This indicates annual plan allocation was on the basis of availability of resources, rather than need based, without fulfilling the requirements at implementation level. There was huge gap between plan allocation and actual release. Consequently, even the short term annual plan made on the basis of plan allocation could not be translated into actual achievement due to short release of funds. Consequently, annual planning was practically ineffective. Many short term measures were implemented in a haphazard manner and the improvements made were washed away as evidenced in the recommendation of the Committee on existing embankment system of Brahmaputra and Barak valley (September 2008) wherein it was stated that 194 breaches aggregating 15,670 meters had occurred in 2007-08 resulting in mammoth damage to the extent of ₹1,444.24 crore towards crop, land, dwelling houses etc.

3.8 Financial control

3.8.1 Preparation of budget

Budget Manual of GOA stipulates that Budget Estimates (BEs) are to be consolidated by the controlling officers based on the proposals received from the subordinate offices and should be as accurate as possible. Audit scrutiny of available records revealed that BEs were prepared after receiving plan allocation of respective years from the Planning and Development Department without taking cognizance of the proposals of unit offices. Only salary component was incorporated in BEs after obtaining proposals from the units.

3.8.2 Funding pattern

Funding of the plan schemes implemented in special category States like Assam is 90 *per cent* Central assistance and 10 *per cent* State share. Hundred per cent central assistance was provided in respect of schemes implemented under (1) Additional Central Assistance (ACA) (2) Joint River Commission and (3) Eleventh Finance Commission awards. In addition, National Bank for Agriculture and Rural Development (NABARD) provides loan assistance to cover 95 *per cent* of the cost of schemes implemented under Rural Infrastructure Development Fund (RIDF). Rest five *per cent* is to be funded by the State.

3.8.3 Budget outlay and expenditure

The position of budget allocation and expenditure incurred there against in the Department during 2006-11 is shown in Table -1.

Table-1: position of budget allocation and expenditure incurred during 2006-11
(₹ in crore)

Year	Budget allocation	Amount drawn	Savings (-) Excess (+) (Percentage)
2006-07	150.77	135.73	15.04 (10)
2007-08	212.40	92.68	119.72 (56)
2008-09	489.46	178.51	310.95 (64)
2009-10	1090.20	288.65	801.55 (74)
2010-11	651.33	237.91	413.42 (63)
Total	2594.16	933.48	1660.68 (64)

Source: Departmental records.

There were short release of budget allocation by GOA in all the years (2006-11) ranging between 10 and 74 per cent. During 2006-07, out of ₹135.73 crore drawn by the Department, ₹134.58 crore only could be spent, resulting in retention of ₹1.15 crore in hand. Financial control system exercised through budget had no significance in the Department, as 64 per cent of budget allocation was not released. Insufficient flow of funds adversely affected the implementation of schemes as discussed under programme implementation (Paragraph 3.9.1.1(i), 3.9.1.2(i)).

In reply Chief Engineer stated (November 2011) that before sanction of any scheme by GOI it is mandatory to have provision in budget. Therefore, enhanced budget was prepared. The reply is not tenable because 64 per cent saving rendered the budget allocation unrealistic. Regarding non-surrender of savings, the Department stated (November 2011) in exit conference that funds were released by Finance Department mostly in the month of March and hence could not be surrendered in time.

3.8.4 Un-reconciled expenditure

To enable the Controlling Officer of WRD to exercise effective control over expenditure and to keep it within the budget grants besides ensuring accuracy of accounts, Financial Rules stipulate that expenditure recorded in their books be reconciled by them every month during the financial year with those recorded in the books of the Accountant General. However, WRD Assam did not reconcile their monthly/annual expenditure with those booked by the Principal Accountant General (A&E), Assam during 2006-11. As a result, there was a difference of ₹24.71 crore between total expenditure projected by Department (₹932.33 crore) and total expenditure incurred (₹907.62 crore) as per Appropriation Accounts (2006-11). The Department stated (November 2011) that necessary steps would be taken for reconciliation of departmental expenditure figures with that booked by PAG (A&E).

Similarly, Para 22.3.1 of Central Public Works Account Code stipulates that Divisional Officers are required to reconcile their figures and submit Form 51 showing therein figures of remittances and drawal of money by cheques with complete analysis of differences in each month to rule out short remittances, fraudulent drawals and misclassification in the records of the treasury. The Chief Engineer attributed the reason for arrear in reconciliation to non-cooperation of the

treasury. The Department also failed to take effective and timely action to reconcile the draws and remittances with the treasury.

Only one¹⁷ out of 13 test checked Divisions reconciled their figures with treasury up to May 2010 and in other twelve Divisions, reconciliation was in arrears for 10 months to 24 years. Two Divisions¹⁸ did not take initiative for reconciliation since inception. Audit scrutiny revealed substantial differences (between the treasury records and divisional records) in expenditure (₹1.01 crore) and remittances (₹ two lakh) in five test checked Divisions¹⁹. As such fraud and misappropriation of Government money during aforementioned period could not be ruled out.

3.8.5 Rush of expenditure at the fag end of financial year

According to Assam Treasury Rules, rush of expenditure in the closing month of the financial year should be avoided. Contrary to this, during 2006-11, the Department spent ₹423.15 crore (13 to 61 *per cent*) at the fag end of the financial year out of the total expenditure of ₹932.33 crore²⁰.

This indicates imprudent financial management and lack of appropriate control in utilization of plan funds. Ineffective financial management also led to execution of schemes in unplanned manner and the Department failed to achieve the targeted objectives as discussed under Programme Implementation (paragraph 3.9). The Chief Engineer stated (November 2011) that rush of expenditure in March was due to release/receipt of fund at the fag end of each financial year.

3.8.6 Fund Management

3.8.6.1 Retention of fund received on loan bearing interest

National Bank for Agriculture and Rural Development (NABARD) provides loan assistance to cover 95 *per cent* of estimated cost of schemes sanctioned by them under Rural Infrastructure Development Fund (RIDF) and balance 5 *per cent* is to be funded by the State Government. The GOA is liable to pay interest on loan at 6.50 *per cent* per annum. Under RIDF, GOA received loan of ₹174.76 crore during 2006-11 for implementation of 33 schemes, of which, ₹157.71 crore was released to

¹⁷ Baksa Water Resources Division.

¹⁸ (i) Mangaldai Division: January 1986 and (ii) Dhakuakhana Division: May 2008.

¹⁹ (i) Dhemaji, (ii) Goalpara, (iii) Guwahati East, (iv) Silchar and (v) Tezpur.

Year (1)	Total Expenditure (3)	Expenditure incurred in March (4)	Percentage (5)
2006-07	134.58	66.11	49
2007-08	92.68	12.47	13
2008-09	178.51	108.78	61
2009-10	288.65	149.64	52
2010-11	237.91	86.15	36
Total	932.33	423.15	

Source: Departmental records.

the Department retaining ₹17.05 crore²¹ with GOA. The Chief Engineer stated (November 2011) that sanctioning process by GOA takes time for which fund could not be utilized in time.

Non-release of loan assistance during 2006-09 by the GOA resulted in liability of ₹0.31 crore towards interest payment, besides decreasing the flow of funds that retarded the progress of schemes.

3.8.6.2 Short release of fund

Government of India released ₹736 crore (2006-11) to the State Government for implementation of 139 Centrally Sponsored Schemes, of which State Government released ₹620.13 crore (84 per cent) to the Department leaving a balance of ₹115.87 crore (₹736.00 crore - ₹620.13 crore) as of March 2011.

Similarly, out of available funds of ₹620.13 crore the Department spent ₹373.33 crore (60 per cent). As such, there were unreleased/unspent funds of ₹362.67 crore (₹115.87 crore + ₹246.80 crore) as of March 2011.

Reasons for non-release of funds were not stated by the Department. Insufficient flow of funds retarded the progress of schemes and denied the intended benefits from accruing as discussed in Paragraph 3.9 under programme implementation.

3.8.6.3 Avoidable expenditure

The Department incurred an expenditure of ₹42.43 lakh towards payment of interest accrued on outstanding land acquisition cost and contractors bills amounting to ₹49.87 lakh as per verdict of the Hon'ble court. Details are shown in *Appendix -3.1*.

The Department placed demands for clearance of liability as a matter of routine but did not pursue the matter with Government vigorously for release of funds. Thus, due to lack of initiative of the Department there was an avoidable loss of ₹42.43 lakh towards delayed payment of liabilities arising out of court orders which could have been utilized on other developmental activities.

3.8.6.4 Loss of Government revenue

The contractors willing to have their names registered were required to deposit registration fee of ₹3,500 (General category)/₹2,000 (Reserved category) to the Government. Audit scrutiny revealed that the Superintending Engineer, North

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(₹ in crore)

Year	Loan received	Funds released	Funds retained	Period of retention	Interest to be paid on retained fund @ 6.50 %
2006-07	43.67	43.16	0.51	3 years	0.10
2007-08	32.40	31.20	1.20	2 years	0.16
2008-09	71.67	70.96	0.71	1 year	0.05
2009-10	9.76	9.76	-	-	-
2010-11	17.26	2.63	14.63	-	-
Total	174.76	157.71	17.05		0.31

Source: Information furnished by the Department.

Lakhimpur allowed 61 contractors to register their names under SE, North Lakhimpur without depositing required fees amounting to ₹1.45 lakh during 2009-10 resulting in loss of revenue to that extent apart from extension of undue benefit to the contractors as shown in Table-2.

Table – 2: Non-realization of registration fee

Sl. No.	Category	Rate of registration fee (in ₹)	No. of contractor	Amount due (in ₹)
1.	General	3,500	15	52,500
2.	Reserved	2,000	46	92,000
Total			61	1,44,500

Source: Departmental records.

The Chief Engineer accepted (November 2011) the fact and assured to realize the money.

3.8.6.5 Undue Financial aid to the contractor

(a) As per conditions of the agreement made with the contractor in connection with a scheme “Raising and strengthening to Brahmaputra dyke from Sissikalghar to Tekeliputa including closing of breach by retirement and anti-erosion measures” one sampled Division²², paid mobilization advance of ₹29.65 crore (May to June 2009) against bank guarantee of ₹29.99 crore to a contractor²³. As per conditions of contract, bank guarantee was to be reduced progressively with the adjustment of advance. The Divisional Officer however released the bank guarantee (₹29.99 crore) in between August 2009 and February 2010 after adjusting only ₹5.81 crore (20 per cent of the mobilisation advance) violating the condition of the contract. This has resulted in undue financial aid to the contractor. The Chief Engineer accepted (November 2011) the audit observation and added that up to October 2010, ₹10.96 crore was adjusted against advance of ₹29.65 crore.

(b) During 2006-11, statutory deductions (labour welfare cess, security deposit, value added tax, forest royalty and land compensation) amounting to ₹6.81 crore²⁴ was not realized from contractors in 13 sampled divisions. Reasons for non-recovery were not intimated. Thus, failure of the Divisional Officers to effect necessary deductions resulted in undue financial aid to the contractors.

3.8.6.6 Irregular drawal of fund through self cheque and subsequent disbursement through bankers’ cheque to the contractor

Government of Assam, Finance Department instructed (March 2006) all working Departments²⁵ not to draw funds allotted through Fixation of Ceiling (FOC) from the

²² Dhakuakana Water Resources Division.

²³ M/S Emaskiara.

²⁴ Security Deposit – ₹2.85 crore, Forest Royalty - ₹0.37 crore, Recovery of Land Compensation - ₹2.79 crore, Labour Welfare Cess – ₹0.77 crore and VAT – ₹0.03 crore.

²⁵ (i) Public Works Department, (ii) Public Health Engineering Department, (iii) Irrigation Department and (iv) Water Resources Department.

Government by self cheque in excess of ₹5,000 and desist from keeping the same as Bankers cheque/ Bank draft or in the form of deposit in the local treasury.

Scrutiny of the records revealed that two test checked Divisions²⁶ had drawn a sum of ₹16.78 crore through self cheques and subsequently disbursed the amount to the contractors.

Thus, by drawing funds through self cheques and subsequent payment through Bankers' cheques the Divisional Officers concerned violated the Government directives. This is an instance of failure of internal control and is fraught with the risk of misuse/mis-utilisation and even misappropriation of funds. Accepting the audit observation, the Chief Engineer stated (November 2011) that instructions had been issued to the concerned divisions for taking necessary action.

3.8.6.7 Unauthorized expenditure

Rule 270 of Assam Financial Rules provides that any anticipated/actual savings on a sanctioned estimate cannot, without special authority, be applied to carry out additional work not contemplated in the original project or fairly contingent on its actual execution. Savings due to the abandonment of a substantial part of any project sanctioned by an authority not lower than the Provincial Government are not to be considered as available for work on other sections.

Two sampled Divisions²⁷ executed additional works by preparing nine working/sub-estimates at a cost of ₹1.53 crore out of savings against five schemes sanctioned for ₹31.51 crore by the State Government. The sub-estimates prepared out of savings, as above, were sanctioned by the CE/Additional CE and works were executed accordingly. The Division incurred an expenditure of ₹1.23 crore and created liability of ₹30 lakh against these works disregarding the provisions of the Rules *ibid*.

3.9 Programme Implementation

3.9.1 Implementation of Centrally Sponsored Schemes (CSS) and State Sector Schemes (SSS)

During 2006-11, 199 (CSS-190 and SSS-9) major schemes were taken up by the Department at a total cost of ₹1,208 crore. Programme wise details of schemes are shown in the Table-3.

²⁶ (i) Karimganj Water Resources Division drawn and disbursed between July 2005 and February 2011 – ₹11.59 crore. (ii) Silchar Water Resources Division drawn and disbursed between February 2010 and November 2010 – ₹5.19 crore.

²⁷ (i) Baksa Water Resources Division and (ii) Sivasagar Water Resources Division.

Table – 3: Implementation of Centrally Sponsored and State Schemes

Sl. No.	Programme	Schemes taken up	Amount of administrative approval accorded by GOA in respect of 197 schemes	Schemes completed	Expenditure (as of 31/3/2011)	Ongoing schemes/schemes not started	₹ in crore)	
							Expenditure (as of 31/3/2011)	Total liability (as of 31/3/2011)
1	Flood Management Programme (FMP)	85	791.05 (for 83 schemes)	67	373.13	14/4	52.55	5.08
2	Additional Central Assistance (ACA)	54	176.06	51	131.19	3	4.50	2.31
3	Rural Infrastructure Development Fund (RIDF)	39	182.17	39	175.77	NIL	NIL	0.73
4	Eleventh Finance Commission (EFC)	9	20.03	9	14.29	NIL	NIL	0.89
5	Joint River Commission (JRC)	1	1.83	1	0.75	NIL	NIL	0.24
6	North Eastern Council aided schemes (NEC)	2	18.67	1	6.88	0/1	NIL	6.83
7	State Plan	9	18.55	9	16.53	NIL	NIL	7.99
TOTAL		199²⁸	1208.36	177	718.54	17/5	57.05	24.07

Source: Information furnished by the department.

It can be seen from Table-3 that 177 (89 per cent) out of 199 schemes were completed at a reported expenditure of ₹718.54 crore with a committed liability of ₹24.07 crore payment for which is yet to be made. Of the rest 22 incomplete schemes, administrative approval was accorded in respect of 20 schemes at a cost of ₹268.60 crore and balance two schemes were not yet sanctioned by GOA. Five schemes²⁹ were not started and in 17 schemes expenditure incurred amounted to ₹57.05 crore (approved cost ₹215.57 crore) with physical progress ranging from 25 to 97 per cent. The Department could not produce the Detailed Project Reports (DPR), sanction orders of GOI and targeted schedule of completion of schemes specified by GOI.



Incomplete ramp of Rangmahal garh (14 December 2010)



On going dowl bund of Bagjap Ph II (17 December 2010)

²⁸ Administrative approval of 197 schemes accorded for ₹1,208.36 crore. Administrative approval of two schemes not yet accorded.

²⁹ 1. R/S to Puthimari embankment both bank from RG Rly line (from Ch 21st Km to 36th Km on R/B and from Ch 18th Km to 35th Km on L/B).

2. Protection of Gakhirkhaity and its adjoining areas from the erosion of river Brahmaputra (construction of land spur and bull head).

3. Construction of retirement of 19th Km of B/dyke from Sissikalghar to Tekeliphuta near Matmara (FMP).

4. Construction of land spur at 19th Km of B/dyke from Sissikalghar to Tekeliphuta Ph I (FMP).

5. Construction of Roumari village and its adjoining area from erosion of river Janali in Kokrajhar District (NEC).

During test-check of 13 sampled Divisions, audit visited work sites of 24 schemes along with departmental officers which revealed that two schemes³⁰ (photograph pre-page) under FMP which were reported to have completed by the Department were actually not completed. In addition two more schemes though stated to be completed were not actually completed as discussed in paragraph 3.9.1.5(i) and 3.10.2(i). Thus, information furnished by the Department did not reflect the actual position of the schemes and 177 schemes (out of 199 schemes) reported as completed was not correct. In the exit conference, the Department assured that matter would be investigated and intimated to audit.

Further, it can be seen from **Appendix-3.2** that 24 schemes under various programmes of sampled Divisions sanctioned at ₹93.06 crore during 2006-11 were taken up on priority basis with stipulation to complete the work within a period ranging from 30 to 90 days (22 schemes) and two in 540 days. As of March 2011, ₹58.31 crore was spent against these schemes. The schematic works were divided into 9 to 112 groups and 10 to 271 contractors were engaged in each group for immediate implementation of these schemes. However, Audit scrutiny disclosed that 20 out of 24 schemes were completed at an expenditure of ₹52.46 crore after delay of three to twenty six months beyond stipulated completion period of 30 to 90 days from the date of issue of work orders as of March 2011. Further, out of 20 completed schemes, 13 schemes were delayed by 12 to 26 months from the stipulated period of completion. Remaining four schemes were under progress after expiry of stipulated period by 7 to 23 months with physical progress ranging from 38 per cent to 98 per cent. Thus it was obvious that construction work of the schemes, which required additional working days of six months or above beyond stipulated period of completion, had continued during monsoon also. The underlying reasons for dividing each work into nine to 112 groups and engaging 10 to 271 contractors in each group with stipulation to complete the works within 90 days, was to ensure completion of the works before monsoon because the large volume of water carried by Brahmaputra on monsoon season would wash away already executed half done work. The standard and life span of the schemes executed during monsoon was therefore doubtful. The Department had also its own stipulation that work should not be executed during monsoon (i.e., from 15 May to 15 October). The Public Accounts Committee (PAC) recommended in its 119th Report to execute flood control works in dry season and not in monsoon season. Washing away of two works executed during monsoon as test checked are discussed under paragraph 3.10.2 (ii & iv). In view of such eventuality the completion of 177 schemes seems doubtful.

The Chief Engineer stated (April 2011) that the works undertaken for flood control were of immediate and short term nature. Only one work was undertaken as a medium

³⁰ (i) Raising and strengthening to flood embankment along left bank of Kolong river from Bagjap to Bogibari (Chainage: 17th Km to 28th Km) Phase –II (₹3.98 crore spent as of March 2011) and (ii) Protection of Rangmahal and its adjoining area from the erosion of river Brahmaputra (₹4.09 crore spent as of March 2011).

term measures using Geo-tube technology at Matmara under Dhakuakhana Water Resources Division. Audit scrutiny of records also disclosed that out of 199 schemes undertaken barring one mid term scheme, 71 *per cent* (141 works) related to raising and strengthening of existing embankments/protection works and rest 29 *per cent* (57 works) were of the nature of anti-erosion works. As such, almost all the schemes were of immediate and short term nature. Consequently, the sustainability of schemes executed were doubtful which was also reflected in washing away of certain works immediately after construction (Para 3.9.1.1(iii), 3.9.1.6 (i), 3.10.2 (i), (ii) & (iv)) without giving any permanent respite to the people from floods.

3.9.1.1 Flood Management Programme (FMP)

Government of India launched Flood Management Programme in November 2007 for critical flood control and river management works in the entire country. River management, flood control, anti-erosion, drainage development, anti-sea erosion, flood proofing works, flood prone area development and restoration of damaged flood control/management work were included in the programme. Funding pattern for Central assistance for Special Category States was 90 *per cent* (Central share): 10 *per cent* (State Share). The State Government was to specify the time frame for completion of the scheme, ensure inclusion of the scheme in the State Plan, make requisite budget provision and acquisition of land required under the scheme (at their own cost) and submit a certificate to this effect while sending request for release of funds.

In Assam, WRD was implementing the programme while Brahmaputra Board was entrusted with the monitoring of the scheme. They would monitor the physical and financial progress of schemes and recommend release of Central assistance to GOI. Performance evaluation of the completed works was to be conducted (November 2011) by independent specialized/professional agencies having expertise in related field.

During 2008-11, 85 schemes were sanctioned by GOI at a total cost ₹817.82 crore, of which, administrative approval to 83 schemes was accorded by GOA for ₹791.05 crore against the sanctioned cost of ₹804.49 crore reducing quantity of items and rates. GOA had thus submitted inflated estimates to GOI and subsequently reduced the cost of scheme by ₹13.44 crore.

Out of 83 schemes, 67 (81 *per cent*) schemes were reported by WRD to have been completed (March 2011) at a cost of ₹373.13 crore. Two schemes³¹ sanctioned

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(₹in crore)

Sl. No.	Name of scheme	Year of sanction	Sanctioned cost	Central Share released in 2008-09
1	Construction of retirement at 19 th KM Brahmaputra Dyke from Sissikalghar to Tekeliphuta near Matmora	2008-09	6.58	1.37
2.	Construction of land spur at 19 th KM of 19 th KM Brahmaputra Dyke from Sissikalghar to Tekeliphuta PH-I	2008-09	6.75	1.41
Total			13.33	2.78

Source: Departmental records.

(2008-11) by GOI at a cost of ₹13.33 crore were not yet administratively approved by GOA and not yet started although ₹2.78 crore being the first installment of Central share in respect of these two schemes was released (2008-09) by GOI. Remaining 14 schemes are ongoing with an expenditure of ₹52.55 crore.

In 13 sampled Divisions, 49 schemes were sanctioned (2008-11) at a cost of ₹507.33 crore of which 41 schemes were reported to have been completed at a cost of ₹251.53 crore, six schemes were reported to be ongoing and execution of two schemes had not commenced (March 2011). However, audit scrutiny revealed that two schemes³² out of reported 41 were actually ongoing. Progress of six ongoing schemes ranged from 25 per cent to 91 per cent. Nine out of 39 (41 schemes minus 2 schemes) schemes were completed within the stipulated period (March 2010) and delay in completion in respect of balance 30 schemes ranged from seven to 24 months.

Irregularities in implementation of five schemes noticed during test-check are discussed in succeeding paragraphs.

(i) Extension of Goalpara town protection embankment from erosion of river Brahmaputra (Chainage 1,340 M to its downstream)

As per para 4.5 of the Guidelines for providing Central assistance under Flood Management Programme (2007-12) the State Government should ensure acquisition of land along with a certificate to this effect while sending request for release of fund. Scrutiny of the records revealed that the Goalpara town protection embankment constructed in 1965-66 was breached in 1999 causing recurrent damages to property and misery of inhabitants every monsoon. For protection of the town, the above work was sanctioned by GOI (2008-09) at a cost of ₹7.45 crore. Administrative approval of the scheme was accorded by GOA for ₹7.45 crore in December 2008. The work was awarded (January/February 2009) to 110 contractors for completion within 60 days. Works commenced in March 2009 and after achieving physical progress of 36 per cent, execution of work was suspended by the Department (May 2010) due to non receipt of funds required for acquisition of land. The Department spent ₹2.05 crore (March 2010) mainly on procurement (between March 2009 and May 2009) of wire netting sheets and boulders worth ₹1.31 crore which are lying idle since procurement.

Thus, taking up the project before acquisition of required land led to idle outlay of ₹2.05 crore, besides denial of benefit of the scheme to the intended beneficiaries.

³² (i) Raising and strengthening flood embankment along left bank of Kolong from Bagjap to Bogibari Ch. 17th Km to 28th Km Phase – II and (ii) Protection of Karimganj town from river Kushiya left bank at Kuripatti area.

(ii) Raising and strengthening of flood protection in and around Patharkandi by the River Longai Phase-I Right Bank

The scheme, “Raising and strengthening of flood protection in and around Patharkandi by the river Longai phase – I (R/B)’ was sanctioned (July 2008) by GOI for ₹7.04 crore and GOA accorded administrative approval in January 2009. The scheme envisaged raising and strengthening of existing embankment by earth work along with bank stabilization and anti crossing work with river boulder (i.e. to drain out accumulated flood water from the country side as well as prevention of entry of flood water of river Kacharkhal through sluice gate). After inviting tender, work orders for earth work for raising and strengthening of embankment and bank stabilization work (partially) was awarded to 222 contractors (February 2009) for completion within 90 days. The work commenced in February 2009 and achieved overall physical progress of 81 *per cent* in March 2011 with an expenditure of ₹1.63 crore. Work order for construction of RCC sluice gate over Kacharkhal along with earth work for raising and strengthening with bank stabilization work (residual part) was issued to another contractor for ₹2.59 crore (February 2009) for completion within 18 months (August 2010). Audit scrutiny revealed that the contractor executed a meagre amount of earth work and bank stabilization work worth ₹43.15 lakh against which ₹16.86 lakh was paid (March 2010) with no physical progress of sluice gate (December 2010). Further, scrutiny revealed that as per site inspection report (12 December 2010) of the Chief Engineer, Quality Control, WRD, the contractor was instructed to execute four new box type culvert in lieu of proposed three box type culvert in the existing sluice site and the modified structural drawings and corresponding relevant papers were handed over to the contractor (on 27 December 2010) four months after the stipulated date but the contractor surrendered the work. The work was rescinded (January 2011) at the risk and cost of the original contractor and awarded to another contractor (January 2011) at ₹1.20 crore.

Thus, the work which was stipulated to be completed within August 2010, remained incomplete, 15 months after the due date of completion due to weak supervision and control, denying the benefits to the beneficiaries.

(iii) Protection of Karimganj town from the erosion of the river Longai at Longaighat area etc

Similarly, another scheme namely “protection of Karimganj town from the erosion of the river Longai at Longaighat area etc.” was sanctioned by the GOI at a cost of ₹5.98 crore and GOA accorded administrative approval in January 2009. The scheme envisaged bank protection work with construction of sluice over Katakhal. After inviting tender, the bank protection work was allotted to 144 contractors (February 2009) for completion within 90 days. The work commenced during the same month and achieved physical progress of 90 *per cent* as of March 2011 with an expenditure of ₹1.24 crore. Audit scrutiny revealed that the work, construction of sluice gate over

Katakhal was awarded to one contractor for ₹2.41 crore in March 2009 with the stipulation to complete the work within 18 months (September 2010). The contractor was paid secured advance of ₹14.55 lakh for procurement of 57.25 quintal steel materials in February 2010 against due amount of ₹1.44 lakh (57.25 quintal x ₹2,520/-). Thereafter, the contractor stopped (February 2010) the work after achieving physical progress of 1 to 2 per cent in earth work only. Ultimately the work was rescinded (January 2011) at the risk and cost of the original contractor with no physical progress of sluice gate work and allotted (January 2011) to another contractor at a cost of ₹1.23 crore.

As per guidelines, Brahmaputra Board is the sole monitoring agency for the FMP schemes. But the Board did not monitor the work as of June 2011. Absence of monitoring and proper planning was also a factor towards delay in completion of the scheme. Thus, improper project management delayed the benefit to the targeted beneficiaries after incurring an expenditure of ₹1.39 crore (₹1.24 crore + ₹0.15 crore).

(iv) Raising and strengthening of Brahmaputra Dyke from Khormoza to Beldubi (Chainage 0 to 17 Km and from 26.30 Km to 35 Km)

To avert large scale devastation in embankment during high flood of the Brahmaputra river at Goalpara one scheme under FMP “Raising and strengthening of Brahmaputra dyke from Kharmuja to Beldubi (Ch 0 to Ch. 17 Km and from Ch 26.30 km to Ch 35 km) was approved by the GOI (2008-09) for ₹7.48 crore. The scheme commenced in February 2009 prior to accordance of technical sanction (July 2009) and the work was completed in March 2011 against target date of completion (April 2009). During execution of the work the embankment was breached (September 2010) in about 80 meter in length from Ch 12,770 m to Ch 12,850 m. Total expenditure on the scheme excluding liabilities was ₹2.14 crore (March 2011).

Test-check of the records revealed that the Department projected another work under CRF and simultaneously executed work from Ch 11 Km to 14 Km on the same embankment during May 2010 to August 2010. The scheme was sanctioned by the Revenue Department in March 2010 for ₹1.76 crore and the value of work done was ₹1.76 crore. During execution severe bank erosion occurred for a length of 900 m covering upstream and down stream of Ch 12,800 m of the embankment and to arrest the same, huge boulder works was carried



Eroded newly constructed embankment



Eroded (breached) newly constructed embankment

out though there was no provision of boulder works in the estimate. There was no instruction of any authority to carry out boulder works. Quantity of boulders and source of collection of boulders could not be explained to audit.

During field visit (September 2010) audit could not find the boulders as well as launched bamboo cribs (Photographs above).

Simultaneous execution of two separate works of identical nature under two separate programmes in the same chainage depicted deficiencies in internal control mechanism and may lead to misappropriation of fund.

In view of above, the executed scheme worth ₹1.76 crore under CRF was doubtful and the Executive Engineer of the Division was responsible for the simultaneous execution of two schemes on the same chainage of the embankment. Reasons for this was not stated though called for.

(v) Immediate measure to Kakoi Right Bank from Lilabari T.G. to Kadam including breach closing with Anti Erosion measures 2007-08

The right bank of Kakoi dyke was breached at 1st Km in July 2007 due to overtopping of flood water. An estimate of the work “Immediate measure to Kakoi right bank embankment from Lilabari T.G. to Kadam (breach closing at 1st k.m. including anti erosion measures) 2007-08” for ₹64.23 lakh had been framed and submitted by the Deputy Commissioner (DC), Lakhimpur in August 2007 for approval of the Revenue Department. However, in September 2007 another breach occurred at 1st Km. due to fresh wave of flood. In view of above, another estimate of ₹42.20 lakh was prepared for closing of breach by construction of retirement and launching of RCC porcupine to divert the course of river Kakoi to its original course and the same was submitted for approval of the Revenue Department by the DC Lakhimpur in the month of September 2007. Immediately after submission of the above estimate under Calamity Relief Fund, two major floods occurred and the dyke at 1st Km was further damaged in the month of September and October 2007. Consequently a recast estimate of ₹106.67 lakh was framed with provision of breach closing by earth work (retirement) including anti erosion measures and cofferdam, which was approved by the Chief Engineer, Water Resources.

Sanction to the project by Revenue Department was accorded in July 2008 and technical sanction was accorded in June 2009 under Calamity Relief Fund (CRF). The work was started in March 2008 and completed in May 2008. Total expenditure of ₹96 lakh was incurred on receipt of fund from the DC Lakhimpur debiting the same to CRF for 2010-11.

Audit scrutiny revealed that the cofferdam and RCC porcupine screen was constructed at 1st Km at the cost of ₹0.52 crore (₹0.20 crore + ₹0.32 crore) to divert the river course to the original course of river Kakoi. Further scrutiny of records disclosed that on



WASHED AWAY COFFER DAM OF KAKOI RIGHT BANK (September 2010)

13 August 2009 there was sudden rise of water level and the coffer dam was washed away due to thrust of high spate and a new course avulsed (Photograph above). The Audit party along with the Sub Divisional Officer Lakhimpur WR Sub-division physically visited the site on 29 September 2010 and found the river Kakoi flowing in the new course. It was thus seen that the construction of cofferdam and launching of RCC porcupine screen did not serve the purpose for which it was constructed and as such entire expenditure of ₹0.52 crore became wasteful.

3.9.1.2 Additional Central Assistance (ACA)

During 2006-11, total 54 schemes were sanctioned by GOI under the programme. GOA accorded administrative approval to these schemes at a cost of ₹176.06 crore. Of these 54 schemes, 51 schemes (approved cost ₹158.69 crore) were completed at a cost of ₹131.19 crore and committed liability of ₹2.31 crore. The rest three schemes sanctioned (approved cost ₹17.36 crore) during 2009-10 remained incomplete (March 2011) after incurring an expenditure of ₹4.50 crore. Irregularities in implementation of one scheme noticed during test-check is discussed below.

(i) Drainage of Patidarang and its adjoining low lying area including reconstruction of Sluice Culvert at 17 Km of Brahmaputra Dyke

Back flow of river Diggoz causes inundation of Patidarang area in Mangaldai district resulting in extensive damage to standing crops and miseries to the people. The scheme was conceived in 1997 to reduce the drainage congestion of low lying Patidarang area which remains inundated for six months of a year as various tributets traverse this area, by constructing drainage channel and sluice. GOI approved (October 1997) the scheme at a cost of ₹7.54 crore to be provided as Additional Central Assistance (ACA) and stipulated that it be completed within three years. The work commenced during 1999 though estimate was framed in 1995.

Audit scrutiny disclosed that till 2002 only 70 per cent of drainage channel was done and balance work was not taken up as the villagers declined to hand over land. The work of Sluice Culvert was completed in 2006 as per design framed in the year 1995, but the desired velocity to drain out water could not be achieved due to accumulation of water hyacinth and heavy siltation in drainage system during these seven years (1999 to 2006). Since 2006, no further work was executed. The Department spent ₹5.98 crore till March 2008 and no payment was made thereafter. Ultimately the scheme was proposed for abandonment (September 2010) as the work executed did not serve the purpose and construction of one additional sluice gate was undertaken.

Thus, defective project management and inordinate delay in execution resulted in wasteful expenditure of ₹5.98 crore and denial of benefit to targeted beneficiaries. The Chief Engineer stated (November 2011) that drainage channel could not be completed as the villagers declined to handover the required land for the project. The reply was not tenable as the required land was to be acquired prior to taking up the scheme.

3.9.1.3 Rural Infrastructure Development Fund (RIDF)

National Bank for Agriculture and Rural Development (NABARD) provides loan assistance to cover 95 per cent of estimated cost of schemes sanctioned by them under Rural Infrastructure Development Fund (RIDF) and balance 5 per cent is to be funded by the State Government. During 2006-11, GOA accorded administrative approval of ₹182.17 crore for 39 schemes and were completed at a cost of ₹175.77 crore with a liability of ₹0.73 crore. Irregularities in implementation of the schemes noticed during test-check are discussed in succeeding paragraphs.

(i) Protection of Katori Chapori and its adjoining areas from the erosion of river Subansiri at right bank (Phase II)

To solve acute bank erosion problem of Katori Chapori area in the down stream of NH 52 on right bank of Subansiri by diverting the river through spill channel of Subansiri (through which 80 per cent of the discharge of Subansiri was flowing) river to its original course an estimate was accepted (September 2002) by the GOI with provision of five land spurs. The State Government subsequently submitted a fresh proposal with provision of four land spurs to NABARD, which was accepted in October 2005. Finally GOA had accorded administrative approval at ₹4.32 crore (November 2006) having provision of three land spurs and technical sanction was also accorded for the same amount (May 2006).

The work commenced (March 2006) and completed (July 2006) with three land spurs at an expenditure of ₹4.32 crore. But construction of estimated three land spurs could not arrest the erosion problem at down stream adjoining areas of project. It was seen from above that the work, which required more than three land spurs, was completed with only three spurs to match the fund as price escalation, increase in forest royalty and imposition of value added tax etc restricted the use of fund. Thus, expenditure of ₹4.32 crore could not achieve the desired result in absence of required spurs. The Department also accepted the fact.

(ii) Inflated estimate submitted to NABARD for sanction of interest bearing loan

(a) Administrative approval was accorded to the scheme "Raising and strengthening of Brahmaputra dyke from Desungmukh to Dikhowmukh" for ₹6.91 crore by GOA in November 2006 under NABARD (RIDF-XI). Copy of the DPR could not be produced to audit. The work commenced in August 2006 and completed in January 2008 at an expenditure of ₹6.91 crore. Further scrutiny of records revealed that the estimated items of the work was completed at ₹6.45 crore. Thus a savings of ₹0.46 crore accrued due to reduction of scope of earth work, namely turfing work etc. which was utilized for execution of additional quantities of porcupine work and contingency etc. against the same work.

(b) Administrative approval for “A/E measures of Dikkhow bund R/B from Bagharchuk to Bohaghat” was accorded for ₹2.93 crore in February 2006 under NABARD (RIDF-XI). The work commenced in February 2006 and completed in March 2007 at an expenditure of ₹2.93 crore. It was noticed that savings of ₹0.18 crore that accrued due to reduction of scope of few items of work i.e. supply of materials, pitching of CC Block, etc. was utilized for some additional items of work for which no provision was made in the estimate.

(c) Similarly administrative approval was accorded for the schemes namely “Raising and strengthening to Desang bank right bank embankment from Desangpani to AT Road etc. for ₹7.15 crore in July 2007 under NABARD (RIDF-XI). The work commenced in March 2007 and completed in October 2008 with an expenditure of ₹7.15 crore. Scrutiny of the records revealed that 91 *per cent* of earth work and 100 *per cent* of porcupine work was completed prior to handing over the dyke to PWD for further improvement of the crest by black topping work and the accrued savings amount of ₹14.41 lakh was utilized against other item of works against which one sub estimate was sanctioned for ₹7.63 lakh.

Thus, in the above three cases, ₹71.63 lakh saved from the approved schemes were utilized in violation of Rule 270 of AFR which provides that savings on sanctioned projects are not be considered available for work on other section.

(iii) Unfruitful expenditure

The work A/E measures at different reaches on right bank of Jiabharali river from Dharikati Mirigaon to outfall (NH bridge to outfall) was administratively approved (September 2006) for ₹6.12 crore by GOA under RIDF-XI. The work commenced in April 2006 and completed in June 2010 after delay of 15 months from the due date of completion and total expenditure of ₹six crore was incurred on work.

Scrutiny of the records revealed that one of the item of work “construction of boulder bund across the Morabharali river just upstream of PWD bridge at Panchmile”, when attained physical progress 92 *per cent* was damaged during flood of 2007. Both CE (WR) and an expert team comprising of members from IIT Guwahati, IIT Roorkee and members of WR Department etc. after inspection of the damaged site found that the mouth of the Morabharali bifurcated from Jia Bharali was blocked by embankment and therefore, there was no water in the river. Hence, boulder bund had no function. An amount of ₹1.83 crore was already incurred on the item of work and became unfruitful since boulder bund had no function.

3.9.1.4 Eleventh Finance Commission (EFC)

During 2006-11, total nine schemes were executed under the programme. The GOA accorded administrative approvals to nine schemes at ₹20.03 crore. These nine schemes were completed with an expenditure of ₹14.29 crore and committed liability ₹0.89 crore. The savings ₹4.85 crore indicated that the estimates were inflated in these cases to obtain more fund from GOI.

3.9.1.5 Joint River Commission (JRC)

The programme Joint River Commission covers schemes on international border. It is funded by the Government of India. During 2006-11, one scheme was approved by the GOI for ₹1.96 crore under Joint River Commission (JRC) and administrative approval was accorded by GOA for ₹1.83 crore (October 2006). The scheme was completed in March 2009 at an expenditure of ₹0.75 crore and liability of ₹0.24 crore. Irregularities in implementation of the scheme noticed during test-check is discussed below.

(i) **Extension of bank stabilizer measures on the left bank of the river Kushiyara at steamerghat area of Karimganj town at down stream from chainage 110-250 metre”**

The river Kushiyara demarcates the Indo-Bangladesh Border. In order to arrest bank sloughening at steamer ghat area at Karimganj town in the left bank of the river a scheme was taken up. The scheme was approved by the GOI for ₹1.96 crore under Joint River Commission (JRC) and Administrative approval was accorded by the GOA for ₹1.83 crore (October 2006). The scheme envisaged bank stabilization work with timber pile, boulder apron in cages, earth filling of water logged area in the country side with geo textile single layer as anti erosion measure. Work orders were issued to 212 contractors in December 2006 and materials were stacked, up to April 2007. The work was resumed in November 2007 but due to objection raised by the Government of Bangladesh the work was stopped and after negotiation the work was restarted from February 2008 and completed in all respect in March 2009 except application of geo fabrics/synthetics woven textiles. Audit scrutiny revealed that provision was made in the estimate for 6,720 m² geo fabric work to cover 5,600 m² area on the embankment of Kushiyara river bank to prevent loss of land of Indian territory, but the Department laid geo fabric of 5,500 m² only against estimated quantity which could cover only 4,584 m² and left 1,016 m² (18.14 per cent) uncovered though it was claimed to be completed. As a result, seepage in the uncovered constructed area could not be ruled out which may affect life of the embankment. Due to non-evaluation of the work after execution, this inadequate coverage did not come to light.

3.9.1.6 North Eastern Council aided schemes (NEC)

Only two schemes were sanctioned by North Eastern Council (NEC) during 2006-11 at a total cost of ₹18.67 crore of which one scheme³³ (sanctioned in February 2011) was not started. Irregularities in execution of the other scheme is discussed in the paragraph below.

(i) **Controlling of Jiadhal River in Dhemaji District**

River Jiadhal, originates from Sub-Himalayan Ranges. Three small rivers meet Jiadhal at 11 Km upstream. High intensity rainfall adds excessive silt discharge to the

³³ Protection of Raimona village and adjoining area from erosion of river Janali in Kokrajhar District.

river which follows a braided pattern. As a result, severe erosion and avulsion in the natural course of the river takes place during monsoon leading to breaching of embankment (photograph alongside) causing immense loss and misery to the people as well as disruption of railway and road communication. To combat the situation, a Detailed Project Report (DPR) showing estimated cost of ₹53.83 crore was framed by Dhemaji Water Resources Division as per suggestion of High Power Technical Committee comprising members from various State and Central Government Organizations and after detailed study of hydraulic model of the structure by Brahmaputra Board.



4.2 Km open breach embankment of Jiadhhal river in Dhemaji District

The DPR was submitted to NEC (December 2003) and NEC after discussion with the Water Resources Department decided (February 2004) to take up the project in phased manner and the estimate was recast into two parts. Leaving aside the river controlling and river training works, only items which would impart immediate relief were included in Phase-I. NEC approved Phase-I of the project at a cost of ₹14.94 crore with the stipulation that execution should not commence without technical sanction (February 2006). According to implementation schedule, the work was to be completed in five months. However, violating the stipulation of NEC, the work commenced (November 2006) before technical sanction (accorded in June 2007).

Audit scrutiny disclosed that viability of Phase-I of the project was not carefully examined and alignment of the dyke taken up for construction was very close to the river. Due to absence of anti erosion work and close alignment, the dyke constructed at a cost of ₹4.47 crore was breached (50 meters) during flood of July 2007. Though the Department tried to close the breach and spent ₹4.25 crore on breach closing, the breach increased to 4.2 Km (July 2010) eroding the entire breach closing work (Photograph above).

Thus, execution of work without anti erosion and river training work and without examining viability of the project led to wasteful expenditure of ₹8.72 crore (₹4.47 crore + ₹4.25 crore). Moreover, there was no respite for the targeted inhabitants of the area who continued to suffer from the fury of flood every monsoon. The Chief Engineer accepted (November 2011) the audit observation.

3.9.1.7 State Plan

During 2006-11, nine schemes were sanctioned under State Plan for ₹18.55 crore and completed with an expenditure of ₹16.53 crore. Irregularities in execution of one scheme is discussed in the paragraph below.

(i) Anti erosion measures at Karderguri area to protect Simalguri Satra from erosion of river Brahmaputra

As per PWD norms minimum curing period of 28 days is required to gain strength for RCC/ CC structure. However, it was noticed that 1,985 numbers of porcupine (each

three meter long) worth ₹14.17 lakh were supplied by seven contractors within 18 to 23 days from the date of issue of work orders in respect of the scheme “Anti erosion measures at Karderguri area to protect Simalguri Satra from erosion of river Brahmaputra”. The scheme was approved under State Plan in December 2009 at ₹1.10 crore with a provision of ₹55.77 lakh for supply of porcupine. The work was reported as completed in April 2010. The aforesaid materials were procured and utilized prior to completion of required curing period. Therefore, this has the possibility of shortening the life span of the porcupines reducing its effectiveness. But post execution impact study if any, conducted was not made available to audit.

3.10 Other Points of Interest

3.10.1 Central Loan Assistance (CLA)

Irregularities in implementation of one scheme sanctioned under CLA is discussed below:

- (i) **Construction of retirement of Brahmaputra dyke from Tezpur to Gabharumukh from Right Bank Depota embankment at Chainage 4,020 meter to downstream of Brahmaputra Dyke at Chainage 5,700 meter**

The project was approved by GOI at a cost of ₹2.93 crore (February 1992) under Central Loan Assistance (CLA) with the stipulation to complete the project within two years. The project aimed to protect three affected Mouzas³⁴ recurrently suffering from the fury of flood and consequent loss of property (₹3.54 crore per annum) due to erosion of Brahmaputra Dyke (1990) constructed in 1955-56. The work of the project continued till March 2000 (physical progress: 53 *per cent*) and thereafter the execution was discontinued due to land dispute and non-payment of compensation to land owners. The Department had spent an amount of ₹1.86 crore till March 2011 on the work. According to information furnished by the Divisional Officer (November 2010) of the executing Division³⁵, the project was in an abandoned state and the proposal for abandonment of work was under process for approval.

Payment of land compensation for required land and ensuring availability of land are essential prerequisites for taking up any work of this nature. However, inefficient project management by the Department resulted in wasteful expenditure of ₹1.86 crore and continuance of misery of affected population.

3.10.2 Calamity Relief Fund (CRF)

Calamity Relief Fund was constituted by GOI as per recommendation of the Eleventh Finance Commission (EFC) to provide relief caused by natural calamities. Under CRF, repair/restoration of immediate nature was permissible. EFC categorically

³⁴ (i) Maha Bhairab, (ii) Bhairab Pad and (iii) Bihaguri

³⁵ Tezpur Water Resources Division

rejected the proposals to meet expenditure on restoration and reconstruction from CRF. Audit scrutiny revealed that the State Government sanctioned schemes of permanent nature under CRF disregarding the stipulation of EFC. Irregularities noticed in implementation of the schemes are discussed in succeeding paragraphs.

(i) Immediate measure to strengthen Dikrong Right Bank embankment to protect Pithaguri Deorigaon and its adjoining villages for 2007-08

The river Dikrong, a tributary of the river Subansiri had developed a spill channel in the year 2000 at 300 meter downstream of Railway Bridge near Kumolia Chapri of North Lakhimpur District. Initially the width of the channel was 20 meters, but gradually it had increased to 150 meters. This channel caused havoc in flood season and inundated vast areas of adjoining villages disrupting normal life.

To prevent major bank erosion, WRD framed an estimate for ₹1.53 crore and GOA accorded administrative approval to the scheme under Calamity Relief Fund in October 2007 for execution by North Lakhimpur Water Resources Division. The work commenced in February 2008 and reported as completed in July 2008. As of March 2011, ₹1.09 crore was spent on the work.



Eroded Dikrong Chapori Village

During site visit by audit team (September 2010) along with the departmental officials, the aforesaid protection work could not be traced; on the contrary, there was severe bank erosion alongside the project area. Interaction with the villagers of Dikrong Chapori residing near the project site revealed that during construction stage itself, the protection work was washed away (Photograph alongside). The Executive Engineer of the Division confirmed the fact (September 2010) intimating that the project was washed away due to high velocity of flood (August 2009). The Division, however, did not intimate the fact to the Government (August 2011).



Ring well of a washed away residence

Thus, there was no respite for the inhabitants of the area from fury of flood each monsoon, and the expenditure proved infructuous. The Chief Engineer accepted (November 2011) the audit observation.

(ii) **Construction of embankment with protection work to right bank of river Saralbhanga from Uttar Khagrabari to Chandrapara Part-I, 2006-07**

To control inundation of vast areas of village Uttar Khagrabari and Chandrapara Part-I at the upstream of meeting point of river Saralbhanga with river Gaurang, the scheme was sanctioned (August 2007) at a cost of ₹36.63 lakh by GOA. The scheme provided for construction of 2,000 meter earthen dual bund and six boulder deflector. The work was allotted to five contractors (March/May 2008) for completion within 30 days. The work commenced in April 2008 and completed in June 2008 at a cost of ₹36.61 lakh. Immediately after completion of the work, all the six deflectors were outflanked by flood water and the most of the earthen bund got eroded (July 2008) during high spate of the river.



Breached newly constructed embankment

In Assam, monsoon starts generally from 15 May and ends on 15 October and it was recommended by the PAC in its 119th Report that work should be executed during dry season and not during monsoon. However, audit scrutiny disclosed that despite this stipulation, the work was executed during monsoon (15th May to 15th October) resulting in wasteful expenditure of ₹36.61 lakh and denial of benefit to intended beneficiaries.

The Chief Engineer stated (November 2011) that the work was washed away in the month of July 2008 due to change of river course. Violating the recommendation of PAC, the Department executed the work during monsoon season, which resulted in wasteful expenditure of ₹36.61 lakh.

(iii) **FDR for channelization of River Manas to its original course at Mathanguri for 2004-05**

The river Beki originates from Bhutan hills and trifurcates into three channels³⁶. During the flood of 2004, huge quantity of boulder and silt carried with flood water choked the mouth of river Hakua and river Manas near Mathanguri and maximum water was channelised through river Beki breaching the tie bund of river Beki at Narayanguri (July 2004). For clearing the choked portion of river Manas, a scheme was sanctioned by GOA at a cost of ₹3.25 crore (March 2005). The scheme provided channel cutting at downstream and construction of two cage deflectors inside neighboring country Bhutan. The work commenced in March 2005 and after achieving 85 *per cent* physical progress of channel excavation and 70 to 80 *per cent* progress of deflectors at the aggregate cost of ₹2.40 crore, execution had to be stopped (May 2005) due to objection raised by Government of Bhutan as deflectors

³⁶ (i) Beki, (ii) Hakua and (iii) Manas.

were being constructed without obtaining their consent. Due to incomplete deflectors at upstream, the excavated channel could divert only 30 *per cent* of the targeted flow of water from river Beki to river Manas.

Thus, taking up construction under the scheme without obtaining prior consent of neighboring country led to infructuous expenditure besides non-achievement of expected outcomes.

Further scrutiny disclosed that another scheme “Immediate measure for activation of river Manas and Hakua at Matahguri for 2007-08 under CRF” was sanctioned by GOA at a cost of ₹five crore (April 2008). The work commenced in May 2008 and continued during monsoon. After achieving 63 *per cent* physical progress and incurring liability of ₹3.15 crore, the scheme was abandoned due to silting of excavated channel during flood (September 2008). Works of this nature ought to have been taken up and completed before arrival of monsoons/ floods which is possible to be executed through an efficient system of planning and project management.

Thus, lack of planning and improper project management led to wasteful expenditure of ₹5.55 crore including liability of ₹3.15 crore. The Chief Engineer stated (November 2011) that commencement of the work was delayed due to transportation of heavy machinery from distant places as well as for official formalities. Reasons for delay attributed by the Chief Engineer were not tenable because these are common factors to be taken care of well in advance.

(iv) Wasteful expenditure

(a) The Water Resources Department prohibited utilisation of sandy soil in respect of two schemes.³⁷ However, utilisation of sandy soil by one sampled Division³⁸ contrary to the estimated provision invited enquiry from the State Government. The enquiry committee visited the spot (June 2008) and commented on the use of sandy soil in the work. Ultimately, both the works were washed away (September 2009) due to sudden breach in the dyke Thus, the expenditure of ₹6.88 crore spent on execution proved wasteful which could have been avoided had sandy soil not been used in the work.

(b) Sanction was accorded by the Revenue Department in March 2005 for ₹77.99 lakh for implementation of a scheme “Flood damage repairing to flood embankment along R/B of Kollong river from Phuluguri to Molankata and Raha to Chaparmukh (Restoration and recouplement of sloughening affected reach at 11th Km

³⁷

Name of scheme	Sanctioned on	(₹in crore)
		Expenditure
Immediate measures for closing of breach of Brahmaputra Dyke from Sissikalghar to Tekeliphuta for 2007-08 at 19 th Km near Matmara Area	November 2007	2.54
Immediate measures for closing of breach at 23 rd Km of Brahmaputra Dyke from Sissikalghar to Tekeliphuta for 2007-08 under Modarguri village.	February 2008	4.34
Total		6.88

³⁸ Dhakuakahana Water Resources Division.

and 13th Km for 2004-05” against which technical sanction was accorded for ₹77.47 lakh in December 2005. The estimate was framed for restoration of existing portion of the dyke along right bank of Kollong river from Phuluguri to Molankata and Raha to Ckhaparmukh (Ch. 12,560 M to 12,660 M) and at Bhatigaon (Ch. 13,765 M to Ch. 13,855 M) from river erosion. During the draw down condition of river Kollong after the unprecedented flood of July 2004, sloughing of the bank due to seepage from the country side was another serious problem faced by the dyke resulting in decline down of the dyke at Rahachoki at 12th Km and at Bhatigaon at 13th Km. The work order for Rahachowki side was issued to one contractor for ₹29.31 lakh and for Bhatigaon site at ₹24.32 lakh in March 2005 against which ₹36.63 lakh and ₹37.10 lakh was expended up to March 2008.

Scrutiny of the records revealed that the “cast in situ pile driving” work done on the river side during the month of March 2005 was not at all successful and after conducting test boring on the country side on 12 February 2008 the seepage line had been found below six meter from the ground level. As a result, the river embankment was slumped down for a length of 70 M i.e. from Ch. 12,570 M to 12,640 M (at Rohachouki) during February 2008. Thus, the entire expenditure of ₹36.63 lakh incurred became unfruitful.

In this connection, audit observed that had the sloughing problem been tackled as permanent measure by conducting boring test etc. before execution of work the unfruitful expenditure to the tune of ₹36.63 lakh could have been avoided.

Due to failure of the aforesaid scheme, another scheme namely “Raising and strengthening to flood embankment along right bank of Kollong river from Phulaguri to Molankata and Raha to Chaparmukh including Anti erosion measures” was taken up under FMP against which administrative approval was accorded by the WRD for ₹6.29 crore. The work was commenced in February 2009 and was in progress (96 per cent) with an expenditure of ₹3.63 crore (March 2011).

3.10.3 Parking of fund

The Guwahati Development Department released ₹3.51 crore on 31 March 2010 to the East WR Division, Guwahati for execution of three schemes and at the same time issued instruction to keep the amount in Revenue Deposit. Accordingly ₹3.51 crore was deposited to 8443 Revenue Deposit on 31 March 2010. Audit scrutiny revealed that ₹3.51 crore meant for three schemes³⁹ was retained in revenue deposit as of September 2011 in violation of the provisions of Assam Treasury Rules wherein it was stipulated that money should not be drawn unless required for immediate

39

(₹ in crore)

Sl. No.	Name of work	Amount
1.	Dwarakanagar Mathuranagar last portion	0.21
2.	Guwahati University Drain	3.04
3.	Rubble Masonry Flood Wall at Bharulu	0.26
Total		3.51

disbursement. This has adversely affected the progress of schemes as discussed under Programme Implementation (Paragraph 3.9).

3.10.4 Execution of work without model experiments and soil testing and collection of hydrological data

Hydraulic model experiments, soil testing and intensive survey of the area are prerequisites for flood management projects. Laboratory experiments assess the efficacy of design of respective projects. To carry out hydraulic model experiments and soil testing of various rivers against different proposals of flood control, anti erosion/town protection, drainage etc. two Research Divisions viz. Soil Research Division and Hydraulic Research Division under River Research Station were established by the GOA in 1958.

During 2006-11, sub-soil testing was conducted in respect of only three schemes⁴⁰ sponsored by NEC and Asian Development Bank (ADB) in only one year i.e. 2007-08. No other model experiments or soil testing were conducted though 199 projects involving raising and strengthening of embankments and anti-erosion works at a cost of ₹775.59 crore were executed by the Department during 2006-11. Successful implementation/timely completion/quality assurance of the projects depends on survey and investigation of that particular area. But none of the test checked Divisions could produce, on demand, any survey report in respect of the projects undertaken by them which indicated that no survey was conducted before undertaking the projects. Works executed without survey, without required model experiments and soil testing was violative of the standard norms and had no assurance of quality and durability of the projects. Absence of sub-soil testing and hydraulic model experiments resulting in execution of weak and ineffective projects which failed to achieve the desired results and a number of projects were washed away as discussed under Programme Implementation (paragraph 3.9.1.6 and 3.10.2).

Four Investigation Divisions⁴¹, under the Department were engaged in collection of gauge data, gauge discharge data, rainfall data, collection of silt samples from the river etc. and also survey of Brahmaputra to find aggradations and degradation which are used for planning and design of Projects, such as embankment and drainage system, roads, dams, master plan for various rivers and preparation of annual Water Year Book. As per guideline of CWC, the basin wise hydrological data was to be reflected in the year book for references before preparation of project design, master plan etc. It was however, noticed that Lower Assam Investigation Division, Barpeta and Middle Assam Investigation Division, Mangaldai did not publish Water Year Book since 2002. Non publishing of the Water Year Book was attributed to paucity of funds reflecting poor planning and imprudent priorities in allotment of funds by Government. During 2006-11, ₹25.89 crore was spent on pay and allowances of the

⁴⁰ (i) Controlling of Jiadhhal River in Dhemaji District (NEC: 2007-08), (ii) Construction of retirement at 19th KM of Brahmaputra Dyke for Sissikalgher to Tekeliphuta near Matmara and (iii) NEIFREM project at Dibrugarh and Kajiranga under Dibrugarh and Jorhat District (ADB: 2007-08)

⁴¹ (i) Lower Assam Investigation Division, (ii) Middle Assam Investigation Division, (iii) Upper Assam Investigation Division and (iv) Cachar Investigation Division.

two Divisions which failed to publish the targeted Year Book that provides basin wise hydrological data for master plan project design. As a result, five numbers of embankments were washed away rendering the expenditure incurred wasteful, as discussed under Programme Implementation (paragraph Para 3.9.1.1(iii), 3.9.1.6(i), 3.10.2(i) & 3.10.2(ii)). The Chief Engineer stated (November 2011) that necessary steps have been taken up for proper functioning of the divisions and publishing Water Year Book.

3.10.5 Non-availability of Schedule of Rates (SOR)

The Water Resources Department had no approved Schedule of Rates (SOR) and only circle wise SOR was maintained till 1992-93. In the absence of approved SOR, estimates were prepared and approved by the Government on the basis of circle wise/division wise/scheme wise analysis of rate. The format of analysis was, however, neither approved by the Chief Engineer or any other authorized agency. As a result, there was no uniformity in the rates of execution and procurement and different rates were followed in different Water Resources Circles/Divisions. Thus inflated estimates and consequent inflated expenditure could not be avoided. On several occasions, the Ministry of Water Resources, GOI, Central Water Commission suggested either to review the analyzed rate or to follow the state PWD, SOR. In fact, two Divisions⁴² adopted rate for carriage of boulders as per Assam Public Works Department (APWD) SOR while preparing estimates, which was approved by the Department. Two sampled Divisions incurred excess expenditure of ₹3.83 crore due to adoption of inflated rates. Details are shown in Table-4.

Table – 4: Excess expenditure on account of absence of SOR

Name of Division	Name of scheme	Approved rate as per APWD SOR (₹ per Cum)	Sanctioned estimated rate (₹ per Cum)	Rate awarded (₹ per Cum)	Difference (₹ per Cum) (6-4)	Quantity executed (Cum)	Excess expenditure (₹ in crore)
(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Baksa	River training work at Golandi river including closing avulsion at Angragaon village under EFC	64	115.85	111.02	47.02	37,38,94.50	1.76
Chirang	Immediate measure for activation of river Manas and Hakua at Mathanguri for 2007-08 under CRF	64	220.48	220.48	156.48	13,25,00.00	2.07 (Liability)
TOTAL							3.83

Source: Departmental records.

Acceptance of rates, higher than those of the APWD, SOR resulted in excess expenditure of ₹3.83 crore. The Chief Engineer accepted (November 2011) the audit observation and stated that preparation of SOR is in process.

⁴² Karimganj and Silchar Water Resources Division.

3.11 Human Resource Management

3.11.1 Unproductive expenditure on idle staff

(i) The purpose of establishment of Hydraulic Research Division, Guwahati is to conduct hydraulic model studies of various rivers against different proposals of flood control, anti-erosion/town protection etc. As per the information furnished by the Division, no such model study was conducted since June 2001. Scrutiny revealed that a large area of land containing model - trays were handed over to the Government for construction of National Games village in December, 2004. No experimental work was done in the Division for which it was created and a sum of ₹5.92 crore spent towards pay and allowances of the personnel during 2006-07 to 2009-11 thus remained unproductive.



Model – tray (16 November 2010)

(ii) Except during the year 2007-08, no sub-soil investigation was carried out by the Department during 2006-11. During 2007-08 only three sub-soil tests were conducted by the Soil Research Division. Consequently, expenditure of ₹4.85 crore incurred towards pay & allowances and maintenance of the Division remained largely unproductive.

(iii) The main function of the North Lakhimpur Mechanical (WR) Division was (i) repairing and maintenance of vehicles, machineries, (ii) construction, repair, maintenance of sluice gates, (iii) construction of channel cutting by mechanical means, (iv) construction of embankments, retirements, check bunds by deploying bull dozers/excavators, clearance of drainage by utilizing pontoon mounted excavators, dewatering by pumps.

Audit scrutiny however, revealed that existing major plant and machinery of the Division were not in functional condition and no new machinery/ equipment were provided to the Division in spite of demand placed. Since 2005-06 the Division was not allotted any scheme. Further, it was noticed that out of existing 34 sluice gates only four sluice gates were in operational condition. The rest 30 required major repair. The above condition indicated that the Division was in existence without any work. Expenditure incurred towards pay and allowances of the personnel of the Division to the tune of ₹5.36 crore during April 2006 to March 2011 remained largely unproductive.

(iv) In Guwahati Mechanical Division, 20 officials remained idle due to non availability of required bulldozer, road roller, tractor, crane and dumper for construction. However, ₹1.18 crore was spent on pay & allowances of officials during 2006-11 remained largely unproductive. The Chief Engineer stated (November 2011) that idle manpower in respect of Hydraulic Research Division and Soil Research Division, Guwahati would be utilized suitably in forthcoming schemes and idling of manpower in respect of both the Mechanical divisions was due to paucity of fund.

However, no effective action has so far been taken to utilize the idle manpower meaningfully.

The Department, in exit conference, accepted the fact and assured to utilize the idle staff suitably.

3.11.2 Underutilization of Departmental machinery and ancillary equipment

Inhabitants of Guwahati city suffer from perennial problem of heavy water logging during monsoon disrupting flow of traffic and normal life. To control the problem, Guwahati Mechanical Water Resources Division purchased (between October 2007 and July 2008) machinery worth ₹2.58 crore against the scheme “Roadside drains of Guwahati including desiltation” with financial assistance recommended by Twelfth Finance Commission (TFC). Details of cost and performance of machinery for last three years are shown in Table-5.



Amphibian Mini Dredger (January 2011)

Table - 5
Performance of machinery

Sl. No.	Machinery/Equipment	Excavation work done during (Cum)		
		2008-09	2009-10	2010-11
1.	Amphibian Mini Dredger	9060	7935	5500
2.	PC-130 Excavator	64405	17160	28026
3.	TMX-20 Excavator	9982	3963	4747
4.	TS-80 Excavator	39744	27114	12960
5.	Hopper Barge (2 No)	6048	1143	1314
6.	Tripper (2 No)	27748	10738	10304
Total		1,56,987	68,053	62,851
Norms: minimum three lakh cubic meter (Cum) earth work per year		52 per cent	23 per cent	21 per cent

Source: Departmental records.

Only 21 to 52 *per cent* capacity of the machinery was utilized during 2008-11. Under utilization of machinery is a significant reason for the population of Guwahati town having no respite from water logging as can be seen from the adjacent photograph.

The supplier⁴³ of Amphibian Mini Dredger and Hopper Barge offered to train departmental staff to operate the machinery ‘free of cost’. The Department however, did not take advantage of the offer. Instead it hired drivers and operators for Dredger and Barge and spent ₹0.17 crore during 2008-11 towards hire charges. In



Flooded Guwahati city (June 2011)

⁴³ M/s Perfect Dredging Company Private Limited, Chennai.

reply, the Chief Engineer stated (November 2011) that excavators were also utilized in cleaning works in addition to excavation works. The reply is not tenable as it did not specify quantum and type of cleaning done by the excavators.

3.11.3 Capacity building

Training is a scientific endeavor to improve the skills of human resources. Water Resources Department has however, no provision of post-wise periodic training and skill up-gradation programme except for ministerial staff and Section Assistant (SA). During 2006-11, only one ministerial staff was nominated to attend the training programme conducted by the Finance Department and 83 SAs (6 per cent) were imparted training at the sectional assistant training centre, Guwahati against 1,427 SAs on roll.

Thus, the effort of the Department for capacity building was insufficient.

3.11.4 Posting of subordinate officer to higher post and holding of more than one post by a single officer

In North Lakhimpur Division the post of Accounts Officer was held by a Deputy Accounts Officer from February, 2010 onwards although the Finance Department claimed that the posts of the Accounts Officers of the Divisions were not manned by any subordinate officer.

Besides, one Accounts officer was holding the charge of three Divisions at a time (Dhakuakhana Water Resources Division, North Lakhimpur Mechanical Water Resources Division & North Lakhimpur Public Health Engineering Division) for last 17 months.

Lack of training facilities resulted in dearth of skilled manpower. Due to injudicious surrender of land meant for model tray study of projects, the Department could not conduct any such experiment. The Department also could not utilise available infrastructure of the Mechanical wing of the Department which reduced the overall efficiency of the Water Resources Department significantly.

3.12 Inventory Management

3.12.1 Irregularities in Stock Account

Test-check of records in respect of 13 sampled Divisions revealed the following irregularities:

- Eight sampled Divisions, book value exhibited ₹2.35 crore in the monthly accounts against the aggregate sanctioned Reserved Stock Limit of ₹0.91 crore. Scrutiny however, revealed that the ground value of physical stock balance retained by the Divisions was only ₹0.14 crore resulting in discrepancy of ₹2.21 crore. These differences occurred due to non-adjustment of issued materials for a long time and ineffective internal controls.

- Two Divisions (Baksa and Dhakuakhana Water Resources Division) neither possessed any store nor had any sanctioned reserve stock limit. However, except Goalpara Water Resources Division, other 10 Divisions could not produce Bin Cards, Goods Receipt Sheet, Material Purchase Suspense Settlement Account, Indents etc. to verify the position of ground balances held by the enlisted Divisions.
- Not a single Division had maintained Priced Store Ledger to exercise internal control over the store account as per codal provision.
- Before issuing new bin card, the completed bin card should be returned to the Divisional Officer to carry over the balances to the new card and the old bin card should be preserved at the Divisional office. Old bin cards were, however not produced to audit.
- One Division (Mangaldai Water Resources) could not furnish any information/data relating to Divisional store.

Thus, inventory management in these test checked divisions were not in accordance with prescribed manualised provisions.

3.13 Monitoring and evaluation

Due to lack of documentation at each and every level of the Department and absence of database of the schemes/ projects the progress in implementation was not readily ascertainable by the Department. Programmes implemented were not reported regularly to the State Government either by the Division or by the entrusted authorities to monitor the programme implemented. The Divisions were to submit quarterly returns on progress of schemes undertaken by them to the Chief Engineer. Submission of the returns by the Divisions was found occasional and intermittent.

As per Paras 5.1, 5.6 and 4.13 of the revised guidelines of Flood Management Programme, physical and financial progress of schemes undertaken under the programme was to be monitored by Brahmaputra Board which was to recommend release of funds (mandatory before release of 2nd installment). Audit scrutiny disclosed that during 2006-11, implementation of 17 out of 83 schemes were not monitored by the Board.

Impact of the programme was not evaluated either by the State Government or by any independent agency. Thus, effectiveness of the programmes in the State was not assessed denying the State Government the opportunity to take remedial measures. The Chief Engineer assured (November 2011) that both Monitoring and Evaluation system of schemes would be streamlined.

3.13.1 Quality control

The Chief Engineer (CE), Quality Control is to ensure quality construction of flood management work. To achieve above objectives, the state Government under

Notification of 1999 entrusted following specific function to the Chief Engineer, Quality Control:

- Checking at initial level before works are taken up.
- Checking final level before payments are made.
- Checking quality and specification of works to ensure proper specification.
- Test-check of survey.
- Enquiry into allegations relating to works and departmental staff.
- Monitoring and evaluation of works executed by the Department.
- Liaisoning with Central Water Commission and Planning Commission, Government of India for obtaining clearance of Central Sector Schemes.

The Chief Engineer, Quality Control did not maintain any record or registers indicating approved programmes of field inspection, checking of quality of materials/works, allegation cases registered and records seized/returned after disposal of cases. Audit scrutiny disclosed that 35 cases were registered in connection with fraud and corruption in execution of work during 2006-11 including seizure of records in five cases against which enquiry reports on 26 cases were submitted to the Government and the balance nine cases were under process. Test-check of enquiry reports, however, did not disclose establishment of any serious allegations against any official. Follow up action on the enquiry reports by the Government was not furnished by the CE, Quality Control.

The Department could not show any report on quality control of works/ materials etc. Records on monitoring and evaluation of the completed projects were also not maintained. This points towards ineffective quality control and weak documentation.

3.14 Internal control

Internal control is an integral process that is effected by an entity's management and is designed to provide reasonable assurance that the following general objectives are being achieved:

- Fulfilling accountability obligation;
- Complying with applicable rules and regulations;
- Implementation of programme in an orderly, economical, efficient and effective manner.

The following major weaknesses existed in the internal control system of the Department giving scope to malpractice, misappropriation, fraud, embezzlement etc.

(i) Award of work without calling tender

Five test-checked Divisions (Karimganj, Goalpara, Baksa, Sivasagar and Dibrugarh) invited tenders in respect of eighteen schemes for ₹63.49 crore against sanctioned amount of ₹82.58 crore. Balance works involving ₹19.09 crore were allotted (*Appendix – 3.3*) to contractors without inviting tenders violating the provisions of Rule 285 of APWD Manual wherein it was laid down that sealed tenders should invariably be invited in the most open and public manner possible.

Works in respect of four schemes were allotted to contractors by the Goalpara and Karimganj Water Resources Division without call of tender and as of March 2011, ₹76.07 lakh was paid to them against execution of works. Details are shown in *Appendix – 3.4*. The Department assured (November 2011) that henceforth no work will be allotted to contractors without inviting tenders.

(ii) Non-accountal of Bank Draft

The Chief Engineer, WRD forwarded (February 2009) 20 demand drafts (₹10,000 each) being sale proceeds of tender papers to the Dhakuakhana Water Resources Division for deposit. The drafts were valid for six months. The Divisional Officer had neither taken the drafts into account nor made any attempt to encash them after revalidation despite audit observation (March 2011).

Similarly, three drafts involving ₹2.01 lakh having six months validity submitted by one contractor (being 2 per cent earnest money) were not deposited to the revenue head of accounts by the Tezpur Water Resources Division (March 2011) resulting in revenue loss to that extent. Details are shown in Table – 6.

Table – 6
Details of draft not deposited to proper revenue head of account

(₹ in lakh)				
Sl. No.	Draft No.	Date	Amount	Contract Agreement Number
1.	008469	18.3.09	0.99	CE/WR/322 of 2009-10
2.	981599	3.4.09	0.45	CE/WR/308 of 2009-10
3.	139382	3.4.09	0.57	CE/WR/307 of 2009-10
Total			2.01	

Source: Departmental records.

(iii) Execution of work prior to accordance of technical sanction

As per provisions of Rule 243 of APWD Manual work should not be executed prior to accordance of technical sanction. It was noticed that 13 schemes of five test checked Water Resources Divisions (Baksa, Goalpara, Sivasagar, Kokrajhar and Karimganj) were executed at an expenditure of ₹22.63 crore which were not technically approved before execution. Details of the schemes are shown in *Appendix – 3.5*.

Besides other technical requirements like collection of hydrological data, model experiments and soil testing etc. before preparation of plan and estimate of the schemes was not done as indicated in paragraph 3.10.4. These shortcomings together

with non according of technical sanction may had contributed towards washing away of the embankment and palliative measures in flash flood of September 2010 in case of a particular scheme (Sl. No. 7 of **Appendix – 3.5**) resulting in wasteful expenditure of ₹2.14 crore. The Chief Engineer stated that in view of urgency works were started without getting technical sanction. The reply is not acceptable because without technical sanction technical feasibility of the work to be executed was not ascertainable.

(iv) Commencement of works prior to administrative approval and technical sanction

Rule 239 of APWD manual envisaged that work should not be executed without sanction of the proper authority. Three test checked Divisions (Baksa, Kokrajhar and North Lakhimpur) commenced 15 projects without obtaining Administrative Approval and Technical Sanction. A sum of ₹19.57 crore was spent on these projects as of March, 2011. Details of schemes are shown in **Appendix – 3.6**.

Inadequacy in internal control is also evident from the accountability issues mentioned under Fund Management (Paragraph 3.8.6). The Chief Engineer stated that in view of urgency works were started without getting administrative approval and technical sanction. Authority under which the works were taken up without administrative approval and technical sanction was not stated.

(v) Periodic inspection of Divisions not conducted by SEs

As per APWD Code, the Superintending Engineers are required to inspect the Divisions at least once in a year. It was noticed that none of the 13 test checked Divisions were inspected by the SEs during 2006-11. This indicates that the internal control and monitoring system would need to be strengthened in the Department. The Chief Engineer assured that necessary instruction would be issued to all the SEs to conduct annual inspection of the Divisions under their control.

(vi) Internal audit arrangement

The Department did not have any internal audit wing. However, the Department of Finance and Director of Accounts depute their staff viz. Accounts Officer and Dy. Accounts Officer/ Asstt Accounts Officer respectively to each and every Divisional Office/ CE's office to exercise internal check. No internal audit reports, were, however available. The services of these officers were utilized only in maintenance of accounts.

(vii) Delay in submission of monthly accounts

As per rules, monthly accounts are to be submitted within the tenth day of the following month. During 2006-11, only 87 (14 *per cent*) out of 631 monthly accounts were submitted within due date and the balance 544 were submitted beyond stipulated date, of which submission of 180 accounts were delayed by over 30 days.

The Department stated, in exit conference that steps are being taken to strengthen internal control as pointed out by Audit.

3.15 Lack of response to audit

Rule 94 of Assam Financial Rules stipulates that the departmental officers should attend promptly to audit observations and take follow-up action.

Audit scrutiny disclosed absence of initiative for settlement of outstanding audit observations. As of March 2011, 105 Inspection Reports containing 700 paragraphs were pending settlement in the Department as detailed in Table-7.

Table - 7
Status of Audit Paragraphs in IRs

Year	No. of outstanding Inspection Reports	No. of Part II A Paras	No. of Part II B Paras	Total	Inspection Reports and paras where first replies were awaited	
					Reports	Paras
1999-2000	1	-	1	1	-	-
2000-01	3	-	3	3	-	-
2001-02	3	-	3	3	-	-
2002-03	9	1	8	9	-	-
2003-04	8	3	23	26	-	-
2004-05	7	-	10	10	-	-
2005-06	10	7	9	16	-	-
2006-07	10	15	82	97	-	-
2007-08	15	33	170	203	-	-
2008-09	19	10	146	156	-	-
2009-10	16	16	119	135	7	54
2010-11	4	3	38	41	2	20
Total	105	88	612	700	9	74

Source: Office records.

3.16 Maintenance of records

(i) Outstanding Cash Settlement Suspense Account (CSSA)

Outward claims under CSSA represent value of materials supplied but not paid for by the indenting Divisions and inward claims represent materials received but not paid for by the recipient Divisions. The system of CSSA was discontinued in 1978. Audit scrutiny revealed that in 13 sampled Divisions, outward claims of ₹0.82 crore and inward claims of ₹0.71 crore pertaining to the period prior to 1978 was outstanding under CSSA.

Two⁴⁴ of 13 sampled Divisions, did not maintain the CSSA register. Thus, due to lack of initiative, expenditure lying under suspense head of account was not debited to the works/projects where the materials were actually utilized, thereby understating the expenditure on the work/project. The Chief Engineer stated that due to non-availability of fund the outstanding claim could not be settled. The Department however, did not mention the steps taken to obtain the required fund.

⁴⁴ (i) North Lakhimpur Water Resources Division and (ii) Goalpara Water Resources Division.

(ii) Deposit Register

Records of transactions relating to Public Works Deposits should be maintained in the Divisional office in a register.

Two⁴⁵ out of 13 sampled Divisions did not maintain the deposit register though scrutiny of monthly accounts revealed that there were outstanding deposits. Another Division⁴⁶ maintained register for security deposits of contractors in spite of having deposits for works to be done and closed accounts of contractors. An amount of ₹1.53 crore being revenue (Forest Royalty, VAT) realized from the contractors in 11 Divisions was lying under miscellaneous deposits for long (in one case since 1987⁴⁷). The funds were susceptible to misuse in absence of documentation and proper accounting. The Chief Engineer stated (November 2011) that concern divisions had been asked to maintain the records relating to deposits. Documentary evidence in support of the reply was however not furnished.

(iii) Miscellaneous Public Works Advance (MPWA)

Transactions recorded under MPWA are divided into four classes⁴⁸ which should be maintained by a Divisional Officer in a register.

Audit scrutiny of 13 sampled Divisions revealed that ₹1.79 crore kept under MPWA (since 1946 to 2005) was awaiting clearance. Six Divisions⁴⁹ did not classify outstanding amount of ₹0.28 crore and two Divisions⁵⁰ did not maintain the register despite having outstanding amount under MPWA. The Chief Engineer stated the matter is being looked into (November 2011).

(iv) Besides, test-check of records of 13 Divisions revealed that a number of important records were not maintained as shown in **Appendix – 3.7**.

As a result, the Divisions were not in a position to know the actual expenditure on each work (sub-head wise), up-to date payment/advance payment to contractors, value of materials lying in stores/sites, measurement of works test checked by the Divisional Officers, actual position of tools & plants etc. The Chief Engineer stated (November 2011) that necessary instructions were issued to maintain the records.

3.17 Non-production of information/records

Guidelines of the flood management, stipulate that utilization certificate relating to fund shall be issued by the concerned Chief Engineer and countersigned by the

⁴⁵ (i) Dhakuakhana Water Resources Division and (ii) Goalpara Water Resources Division.

⁴⁶ Tezpur Water Resources Division.

⁴⁷ Mangaldoi Water Resources Division

⁴⁸ (i) Sales on credit, (ii) Expenditure incurred on deposit works in excess of deposit received, (iii) Losses, retrenchment, errors etc. and (iv) Other items.

⁴⁹ Tezpur, North Lakhimpur, Kokrajhar, Goalpara, Dibrugarh and Sibsagar Water Resources Division

⁵⁰ Goalpara and Tezpur Water Resources Division

concerned Secretary of the implementing Department/ Finance Secretary of the State Government before submitting the proposal for release of subsequent installments. Records relating to utilization of funds received under 'Flood Management Programme' were not produced to audit, though called for.

3.18 Conclusion

Efforts towards containing flood so far undertaken in the State were construction of embankments, anti erosion measures, drainage channels and sluices, which are essentially flood protection measures. Efforts to undertake installation of river training structures that would help deepen the channel and reclaim eroded land from the river by deploying a combination of submerged vanes, jack jetty and board fencing were not noticed.

National policy for flood envisaged three phases of activities, viz. immediate, short term and long term measures. The emphasis in Assam has always been on short term measures like raising and strengthening of embankment, anti erosion, drainage channels and sluices. Annual plan allocation was on the basis of availability of resources rather than need based, without fulfilling the requirements at implementation level. Thus, works were required to be done in phases. As flood protection works were required to be done before onset of monsoon and as quickly as possible, there were numerous instances of works done in phases that were washed out either in the same season or in the immediate next season rendering the entire expenditure wasteful. The Department undertook embankment in first phase which got washed away immediately after construction due to absence of river training measures {Paragraph 3.9.1.6(i)}.

In addition to inadequate release of funds, there was improper project management, premature commencement of works without land acquisition, defective project planning, inadequate technical supervision etc. which led to non-achievement of the principal objective of containing floods.

New measures of undertaking flood control through river training measures as proposed in the concept paper submitted to Government of India were only in project formulation stage. As a result of haphazard execution of works based on inappropriate planning, intended benefits of the programme continued to elude the people of Assam.

3.19 Recommendations

- Long term flood control measures need to be considered for providing a lasting solution to the recurrent flood problem.
- Budget formulation should be realistic and need based. Timely release and proper utilization of funds with reference to planned activities should be made mandatory.

- Regular reconciliation of accounts with treasury may be ensured.
- Deployment of existing manpower may be critically reviewed in order to avoid idling of manpower.
- Schemes should be taken up after proper survey and investigation, sub-soil testing and hydraulic model experiments wherever necessary.
- Internal control mechanism may be strengthened to avoid financial irregularities, in addition to instituting an effective internal audit system.
- Monitoring and evaluation mechanism of various schemes should be strengthened and their impact periodically evaluated with reference to achievement of projected outcomes.

CHAPTER-IV
AUDIT OF TRANSACTIONS OF NORTH CACHAR HILLS
AUTONOMOUS COUNCIL (NCHAC)

SPECIAL AUDIT OF NCHAC

The Government of Assam and the Government of India requested Audit to conduct a special audit of the funds released to NCHAC. Accordingly, audit was conducted for the period from 2007-08 to 2009-10 (up to 12 June 2009) during 12 May 2010 to 02 July 2010.

There were 30 Departments with 76 Divisions/Drawing and Disbursing Officers (DDOs) functioning during the period covered in special audit from 2007-08 to 2009-10 (up to 12 June 2009). In the special audit, besides scrutiny of records of the Council, records of eight Departments¹ and 39 Divisions/DDOs there under were selected for audit. Selection was made based on grounds of materiality, allegation of serious irregularities in fund management.

Of these 39 Divisions/DDOs, most of the records related to four Divisions/DDOs namely Executive Engineers, PWD (Road), Haflong and Mahur; Executive Engineer, PHE, Haflong (2008-10); Deputy Director, Social Welfare, Haflong were not produced to audit for verification till the date of audit (02 July 2010) of the Council due to stated seizure of records by National Investigation Agency (NIA) and Central Bureau of Investigation (CBI). However, NIA furnished copies of some records in respect of Social Welfare and PHE Department; relevant information thereon was duly taken into consideration and audit findings were updated/ modified accordingly. Audit findings are being pursued as usual through Inspection Report. The Inspection Report was issued to Hill Area Development Department and Finance Department, GOA and also to NCHAC in October 2010. Only a few significant cases on the transactions audit are indicated in the succeeding paragraphs. State Audit Committee meeting under the chairmanship of Chief Secretary, GOA held on 04 November 2011, discussed the paragraphs including other paragraphs (other than NCHAC paragraph) before inclusion in Audit report. It was assured in the meeting that replies to the paragraphs would be furnished within seven days. However no reply in respect of NCHAC paragraphs was furnished as of November 2011.

¹ 1. Agriculture, 2. Education, 3. Forest, 4. Medical, 5. Public Health Engineering, 6. Public Works, 7. Social Welfare and 8. Tourism.

4.1 Cases of fraud/misappropriation/losses

Agriculture Department

4.1.1 Suspected misappropriation

NCHAC, Haflong drew ₹11 crore from district fund which was not accounted for in the cash book and details of utilization were not available on record. Thus, misappropriation of ₹11 crore could not be ruled out.

Rules 78 and 79 of Assam Financial Rules (AFR) provide that every payment should be supported by vouchers and Actual Payee's Receipts (APRs). Further, according to Rule 95 of AFR, every receipt and disbursement should be recorded in the cash book.

Annual Sectoral Plan Allocation 2007-08 of the State budget provided (21 March 2007) ₹six crore for water shed projects for boosting agricultural production and ₹five crore to rejuvenate orange orchards for income generation of tribal horticulture farmers under Hill Areas Development Programme (Special Central Assistance) to be implemented through North Cachar Hills Autonomous Council (NCHAC), Haflong and Agriculture Department.

According to procedure, the DDO is to submit requisition of fund showing details of approved scheme/project to the Council for further approval. The Council is to issue cheques in favour of DDO after due verification of the facts. Scrutiny (May-July 2010) of the records revealed that District Agriculture Officer (DAO), Haflong placed (5 May 2007) requisition for ₹eight² crore (₹three crore for Crop Husbandry and ₹five crore for rejuvenation of orange orchards scheme/project) to NCHAC. Based on the requisition, Principal Secretary (Transfer) NCHAC, with the approval of the Executive Member of the Council, drew (18 May 2007) a cheque of ₹eight crore in favour of the DAO, Haflong prior to receipt of fund from the Government. No project report/detailed action plan/administrative approval etc. were made available to audit, though called for. The Principal Secretary (Transfer), NCHAC drew (28 May 2007) another cheque of ₹three crore in favour of DAO, Haflong for contingencies without any requisition. Both the amounts (₹eight crore and ₹three crore) were withdrawn from District Fund³ on 21 and 29 May 2007. Receipts of the above amounts, however, were not reflected in the bank account and cash book of DAO. The DAO also denied (July 2010) receipt of any such fund. The DAO, however, failed to furnish treasury transit register through which cheques were sent to treasury for drawal. Thus, according to treasury records, although ₹11 crore was withdrawn from "District Fund", its receipt was not reflected either in the records of DAO or of the Council. No records of progress report, vouchers,

² Material and supply: ₹7.5 crore; other charges: ₹0.5 crore.

³ Personal Ledger Account of NCHA District maintained by Treasury.

APRs etc., showing implementation of the schemes were also available either with the Council or with the DAO, Haflong.

Thus, misappropriation of ₹11 crore could not be ruled out as the amount was not entered in the cash book of DAO and the Council also failed to furnish its whereabouts.

The matter was reported to the Government in October 2010; their reply had not been received (September 2011).

4.1.2 Suspected misappropriation

NCHAC failed to produce details of utilization in support of ₹seven crore withdrawn from District Fund, raising concerns about its misappropriation.

NCHAC decided, vide Notification dated 20 May 2007, to constitute an Agriculture Mission initially for a period of one year to function as a separate unit within the Agriculture Department. The purpose of formation of the mission was to boost rural economy and arrest the pernicious practice of 'jhum' cultivation through expansion of area of horticulture and agriculture programme by implementing and popularising use of modern machines and technology. The Mission was set up in May 2007.

In a meeting held on 6 September 2007 (presided over by the Governor of Assam), retired DAO, Haflong (superannuated on 30 May 2007) was appointed as Mission Director (MD) and entrusted with the responsibility of implementation of schemes and submission of accounts to Governor's Secretariat. Accordingly, the retired DAO assumed (7 September 2007) charge as Mission Director and was declared (15 October 2007) DDO of the Mission. However, function of DDO was subsequently withdrawn (12 August 2008) from the Mission Director and Principal Secretary (Transfer), NCHAC functioned as DDO as retired DAO had no authority of drawal of Government money. According to Notification dated 20 May 2007, the Mission was to continue till May 2008. No record of its extension or discontinuance was found available with the Council.

Scrutiny (May-July 2010) of the records revealed that during 2007-09 the Council issued cheques of ₹seven crore as detailed below:

(₹ in crore)		
Cheque No. and date	Amount (₹ in crore)	To whom issued
0063499 17 October 2007	2.00	Mission Director
0063718 17 November 2007	1.50	Mission Director
0100096 date not available	2.00	Principal Secretary (Transfer), NCHAC
0099900 11September 2008	1.00	Principal Secretary (Transfer), NCHAC
0121922 18 March 2009	0.50	Principal Secretary (Transfer), NCHAC
Total	7.00	

Principal Secretary (Transfer) issued two cheques for ₹3.50 crore in favour of Mission Director⁴ during October and November 2007 and three cheques for ₹3.50 crore in favour of himself during October 2008 to March 2009. Entire ₹seven crore was withdrawn (October 2007 to March 2009) from the district fund⁵.

According to the procedure envisaged in Receipts and Payments Rules 1983, on receipt of cheque, entry is to be made in 'Register of valuables' and the cheque is to be sent to treasury along with treasury transit register and advice slip for crediting the money in DDO's bank account. As soon as money is deposited in DDO's bank account, receipt of money is to be entered in the cash book of the DDO. However, treasury transit register, advice slip, cash book etc., were not made available to audit, though called for. Besides, no records of utilization *viz.* detailed project report, approved action plan, vouchers, APRs, progress report, monitoring report, evaluation/impact assessment report etc., were found available with NCHAC or DAO. Even no requisition was placed against ₹3.50 crore released during 2007-08 to Mission Director. Thus, misappropriation of ₹seven crore could not be ruled out as the Council failed to furnish utilization or whereabouts of the amount after its withdrawal from district fund.

The matter was reported to the Government in October 2010; their reply had not been received (September 2011).

Health and Family Welfare Department

4.1.3 Suspected misappropriation

NCHAC failed to furnish utilization and whereabouts of ₹1.75 crore after its withdrawal from district fund. Thus, misappropriation of the said amount (₹1.75 crore) could not be ruled out.

Rule 95 of Assam Financial Rules (AFR) provides that Drawing and Disbursing Officer (DDO) is personally responsible for accounting of all money received and disbursed and for the safe custody of cash. Besides, Rule 78 and 79 of AFR provide that every payment must be supported by a claim and supporting voucher/acknowledgement.

According to normal procedure, NCHAC was to release funds through cheques in favour of the concerned line Department (Joint Director of Health Service, Haflong) for implementation of the approved schemes/programmes. Scrutiny (May-July 2010) of the records, however, revealed that the Principal Secretary (Transfer), NCHAC, in contravention to the existing procedure, drew three cheques amounting to ₹1.90 crore in his favour during November 2007 to March

⁴ The retired DAO, Haflong.

⁵ Personal Ledger Accounts of the NCHAC maintained by Treasury.

2009 for purchase of medicine (₹one crore), implementation of health care scheme/programme (₹0.60 crore) and incentives to doctors (₹0.30 crore) without any demand from the concerned line Department. Though the withdrawal from district fund was confirmed from the treasury, but the line Department received (April 2009) only ₹15 lakh from NCHAC on account of incentives to doctors. The whereabouts of balance fund of ₹1.75 crore could not be confirmed either from the records of the Council or that of the line Department. Besides, basic records viz. budget allotment, administrative approval, financial sanction, bid documents, comparative statements, tender agreement, supply orders, Bills/Vouchers, stock register, actual payees' receipts etc., were not available with the Council, though called for. No reply has so far been received (October 2011) from NCHAC or Government.

Thus, misappropriation of ₹1.75 crore (₹1.90 crore - ₹0.15 crore) could not be ruled out as the Council failed to furnish details of utilization of Government money after its withdrawal from district fund.

The matter was reported to Government in October 2010; their reply had not been received (September 2011).

Public Health Engineering Department

4.1.4 Loss of Government money

Payment of ₹2.17 crore without ensuring receipt of materials/execution of works resulted in loss of Government money to that extent.

Rule 479(1) of Assam Financial Rules stipulates that the Divisional Officer as the primary disbursing officer of the Division is responsible not only for the financial regularity of the transactions of the whole Division but also for the maintenance of the record of transaction correctly and in accordance with the rules in force.

Scrutiny (May-July 2010) of the records revealed that NCHAC released (June 2008 to March 2009) plan fund of ₹5.94 crore to Executive Engineer, Public Health Engineering Division, Haflong for maintenance of Water Supply Schemes (WSSs). Of this, the EE spent ₹2.39 crore on maintenance of Haflong WSS and balance ₹3.55 crore on other WSSs of the Division.

However, no materials were received by the Division nor any work was done in respect of payment of ₹1.98 crore (out of ₹5.94 crore) made to eight contractors/suppliers during January-February 2009. In addition, ₹19 lakh was also drawn by EE during January-February 2009, but details of schemes and contractor-wise payments etc., were not furnished to audit, though called for. In fact, vital records viz. sanction orders, estimates, work orders/supply orders, progress report, measurement books, bills, vouchers, utilisation statement, stock register etc., were not

furnished to audit. The Division accounted for the total payment of ₹2.17 crore (₹1.98 crore + ₹0.19 crore) under suspense head 'Miscellaneous Public Works Advance (3) losses etc' being the amount recoverable from the then Executive Engineer and a police case was lodged in February 2009 against him. Details of follow up action to recover the amount or initiation of Departmental proceedings against the defaulter, was not on record. Thus, in the absence of above records, circumstances leading to loss of Government money of ₹2.17 crore could not be ascertained in audit and the amount remained unrecovered.

The matter was reported to Government in October 2010; their reply had not been received (September 2011).

4.1.5 Doubtful expenditure

Executive Engineer, Public Health Engineering, Haflong Division made part payment of ₹1.30 crore to suppliers but failed to furnish receipt and details of utilization of the materials paid for rendering the entire expenditure doubtful.

Rule 95 of Assam Financial Rules (AFR) provides that Drawing and Disbursing Officer (DDO) is personally responsible for accounting of all moneys received and disbursed and for the safe custody of cash. Besides, Rules 78 and 79 of AFR provide that every payment must be supported by a claim and supporting voucher/acknowledgement.

Scrutiny (May-July 2010) of the records of NCHAC revealed that the Executive Engineer, Public Health Engineering, Haflong Division issued 10 supply orders in January 2008 for supply of Galvanized Iron (GI) Pipes, Prestress (PS) plates, Diesel pump sets etc under Accelerated Rural Water Supply Programme. He made (January 2008 and March 2008) part payment of ₹1.30 crore to four suppliers as advance (although there was no clause for payment of advance in the supply order) as detailed in *Appendix-4.1*.

According to the procedure in vogue, on receipt of materials, the bills are required to be verified by the authorised person receiving the materials and on his full satisfaction that the materials were received as per terms and specification, a certificate to that effect is to be recorded on the body of the bills. Then the bills are to be verified by the Divisional accountant and submitted to the Divisional Officer for issue of necessary pay order. However, no records of receipt and utilisation of the materials against the above payments were made available to audit, though called for. The basic records viz. administrative approval, financial sanction, bid documents, comparative statements, supply orders, delivery challan, site accounts, progress reports, measurement books etc., were also not made available to audit, though called for. In reply to audit queries, the Division stated (June and November 2010) that the then Executive Engineer verified all the bills personally and made payments violating Departmental rules without recording receipt of materials in measurement book and

site account. As such, this only confirms that the bonafide of expenditure of ₹1.30 crore was doubtful.

The matter was reported to Government in October 2010; their reply had not been received (September 2011).

Public Works Department

4.1.6 Misappropriation of fund

In violation of the relevant provisions of Assam Financial Rules, NCHAC withdrew ₹2.20 crore from district fund. Non-accountal of the amount in cash book and absence of any records in support of its utilisation point towards misappropriation of the Government money.

Rule 95 of Assam Financial Rules (AFR) provides that Drawing and Disbursing Officer (DDO) is personally responsible for accounting of all moneys received and disbursed and for the safe custody of cash. Besides, Rule 78 and 79 of AFR provide that every payment must be supported by a claim and supporting voucher/acknowledgement.

Scrutiny (May - July 2010) of the records revealed that a demand of ₹50 lakh was placed (19 January 2009) by the Executive Engineer, Public Works Division (R&B), Haflong for clearing outstanding liabilities in respect of construction of Passi-Garampani-Haflong Road. Against the demand, the then Principal Secretary of the North Cachar Hills Autonomous Council (NCHAC), who also happened to be the Deputy Commissioner (DC) of the district, proposed (19 January 2009) withdrawal of ₹2.20 crore (Haflong Division: ₹1.30 crore and Mahur Division: ₹0.90 crore) from the district fund. Mahur Division, however, had not placed any requisition for fund. Chief Executive Member of the Council approved the proposal on 19 January 2009 and the Principal Secretary, NCHAC withdrew (30 January 2009) ₹2.20 crore by drawing a cheque⁶ on Personal Ledger Account (PLA) in his favour.

The amount was neither entered in the cash book nor any document in support of releases to the concerned Divisions were made available to audit though called for. In reply to audit query, the concerned Divisions denied (June 2010) receipt of any fund on the said account.

Thus, ₹2.20 crore was misappropriated as neither the amount was accounted for in the cash book nor its whereabouts were produced by the Council to audit. The Council accepted (July 2010) the audit observation and the matter was referred to the Executive Committee and Government.

⁶ Cheque No. 0121441 dated: 28 January 2009.

The matter was reported to the Government in October 2010; their reply had not been received (September 2011).

4.1.7 Doubtful expenditure

Absence of sanctioned estimate and fictitious measurement of work led to doubtful expenditure of ₹27.49 lakh.

Once the soil and rock, accumulated due to landslide, are cleared from the valley/gorge side, the scope for their measurement is well nigh impossible.

Scrutiny (May-July 2010) of the records of the Executive Engineer, Public Works Department (R&B), Maibong Division revealed that the work “Improvement of Purana Maibong Bonglaidisa Road (0 to 23 km)” was administratively approved (October 2006) for ₹70 lakh by the North Cachar Hills Autonomous Council, Haflong, but the relevant approved estimate was not made available to audit though called for. In the absence of approved estimate, the quantity of soil to be removed under the item ‘clearance and disposal of landslide’ remained unconfirmed.

The work was awarded (January 2007) to a contractor, selected after inviting tender, at the tendered value of ₹65.42 lakh. Clearance of landslide along with other item of works commenced on 15 January 2007 and completed on 29 March 2007. However, the measurements were recorded subsequently on 30 March 2007. According to the measurement book recordings and voucher, 83,308.62 cubic meter of landslide soil with ordinary rock were cleared and disposed by bulldozer at the cost of ₹27.49 lakh out of the total paid (August 2007) amount of ₹ 65.32 lakh.

As measurement after clearance and disposal of landslide soil from the valley/gorge side is not feasible, the expenditure of ₹27.49 lakh was doubtful.

The matter was reported to the Government in October 2010; their reply is awaited (September 2011).

4.1.8 Suspected misappropriation and unauthorised expenditure

Non-furnishing of the whereabouts of ₹3.88 crore by NCHAC pointed towards suspected misappropriation. Further NCHAC incurred unauthorised expenditure of ₹eight crore of scheme fund towards discharging old liabilities.

Rules 78 and 79 of Assam Financial Rules (AFR) provide that every payment should be supported by a voucher and Actual Payee’s Receipt (APR). Further, according to Rule 95 of AFR, every receipt and disbursement should be recorded in the cash book.

Scrutiny (May-July 2010) of the records revealed that Planning Commission sanctioned (March 2007) ₹20.50 crore as Special Central Assistance for

implementation of 10 road schemes⁷ of NCHAC. Accordingly, the State Government released ₹20.50 crore in October 2007. Out of the released amount of ₹20.50 crore, Principal Secretary, NCHAC drew (October 2007) ₹18.50 crore in favour of himself from the district fund But the amount so withdrawn was not deposited in the bank account (State Bank of India, Haflong) of Principal Secretary and also not accounted for in the cash book of the Council. Further, no records of utilisation, voucher, APRs, physical progress reports etc., were maintained by the Council. In response to audit query, Executive Engineers, PWD, Haflong and Mahur Divisions acknowledged (March 2008) receipt and expenditure of ₹8.01 crore and ₹6.61 crore respectively for implementation of road schemes. Details of utilisation were as below:

(₹ in crore)

Name of the Division	Total fund received	Fund utilised	
		On sanctioned schemes	On clearance of old liability
PWD (Roads) Division, Haflong	8.01	3.51	4.50
PWD (Roads) Division, Mahur	6.61	3.11	3.50
Total	14.62	6.62	8.00

Source: Departmental records.

Though all the schemes were incomplete except one⁸, which was completed at ₹43.26 lakh, the scheme funds of ₹eight crore was unauthorisedly utilised to discharge old liabilities of other schemes as per direction of the Principal Secretary, NCHAC. Hence, the residents of the Council were deprived of easy communication facilities on account of non-completion of the approved road schemes.

Due to non-maintenance of cash book as envisaged in Rule 95 of AFR and non-deposit of the amounts in the official bank account, whereabouts of the balance fund of ₹3.88 crore (₹18.50 crore - ₹14.62 crore) could not be traced. The Council and the two Divisions also failed to furnish the whereabouts of the balance fund. Thus, it is most likely that ₹3.88 crore was misappropriated which warranted

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SI No	Name of schemes	Amount (₹ in crore)
1	M&BT of Laisong Raja Bazar road (24 KM) 5.2 KM proposed in the first phase from Raja Bazar-	1.50
2	M&BT of Amangbra village approach road from Passi Garampani Road, 5KM	1.50
3	M&BT of Nanadisa village approach Road from S.S. Road (2 KM include RCC Culverts)	1.40
4	M&BT of Jorai-Michidui upto Boro Chenum (15 KM in first phase)	8.00
5	R.C.C. Bridge on the above road falling within first 15 KM	2.90
6	M&BT of Mahur Manigaonto P. Leikul village (6 KM in first phase)	2.00
7	M&BT of S.S Road to Jorai bathari village (1.5 KM)	0.50
8	M&BT of Khumonon village approach road from S.S. Road (1 KM)	0.30
9	M&BT of Road from P. Leikul to Laisong Bagan (6.3 KM)	1.90
10	M&BT of Maibangsa village approach road from Passi-Garampani road (1.7 KM)	0.50
	Total	20.50

Source: Departmental records.

⁸ M&BT of Maibangsa village approach road from Passi-Garampani road.

further investigation and fixation of responsibilities. This clearly reflected poor financial control.

The matter was reported to the Government in October 2010; their reply had not been received (September 2011).

Social Welfare Department

4.1.9 Doubtful payment and unauthorised expenditure

The Deputy Director, Social Welfare Haflong showed disbursement of ₹69 lakh towards old age pension, without APRs/vouchers and ₹1.10 crore with APRs but without supporting documents viz., list of approved beneficiaries, identification of beneficiaries etc., rendering the entire disbursement of ₹1.79 crore doubtful.

National Old Age Pension (NOAP) Scheme under National Social Assistance Programme (NSAP), a 100 *per cent* centrally sponsored programme was launched on 15 August 1995. The Scheme intended to provide old age pension at the rate of ₹75 per month to destitute (aged 65 years and above) who had no regular means of subsistence. The NSAP was transferred to State Plan since 2002-03 with the provision of release of funds for operation of the schemes as additional central assistance. The scheme was modified and renamed as Indira Gandhi National Old Age Pension Scheme from 19 November 2007 with the additional eligibility criteria that applicant must belong to a household of below the poverty line (BPL). The monthly rate of central assistance was enhanced to ₹200 per month since 1 April 2006, which can be further enhanced up to ₹1,000 depending on State's contribution. As per guidelines, the pension amount was to be credited to the beneficiary's account, either in a post office or public sector bank.

Scrutiny (May-July 2010) of the records revealed that the Council accorded (July and November 2007) administrative approval and expenditure sanction for ₹68 lakh and ₹44 lakh for disbursement of old age pension. Of the total sanctioned amount of ₹1.12 crore, ₹1.10⁹ crore was disbursed to 11,000 beneficiaries as old age pension and ₹two lakh was spent as administrative expenses. However, in the absence of basic records of identification, selection and approved list of beneficiaries, the bonafideness of disbursement of ₹1.10 crore to the targeted beneficiaries remained doubtful. Further, the expenditure of ₹two lakh (February 2008) on administrative expenses was inadmissible and unauthorised as there was no provision in the guidelines of the scheme for administrative expenses from the scheme fund.

⁹ ₹66 lakh for three months from April-June 2007 at ₹200 PM and ₹44 lakh for two months from July-August 2007 @ ₹200 PM for 11,000 beneficiaries.

Further, a bank draft of ₹69 lakh was received (February 2008) by the Deputy Director, Social Welfare (DDSW), Haflong from the Director, Panchayat and Rural Development, Government of Assam for implementation of NOAP scheme. As the fund was received directly by the DDSW, beyond the normal mode of receipt of fund through NCHAC, the amount was not deposited into the district fund. The entire amount was shown disbursed to 8,632 beneficiaries during 25 February 2008 to 29 March 2009 at the rate of ₹800 each. No records of applications, identification, selection, approved list of beneficiaries, Actual Payees' Receipts (APRs), month of disbursement etc., were, however, found available, though called for in June 2010. On being pointed out, it was stated (June 2010) that entries were recorded in the cash book as per verbal instructions of the then Deputy Director without any APRs/vouchers. Thus, in the absence of basic records in support of identification, selection and approved list of beneficiaries, the bonafideness of actual disbursement of ₹69 lakh to the targeted beneficiaries remained doubtful.

The matter was reported to the Government in October 2010; their reply had not been received (September 2011).

4.1.10 Doubtful expenditure and suspected misappropriation

NCHAC did not deposit ₹3.50 crore in the DDO's bank account after its receipt. Withdrawal of another ₹three lakh was also not accounted for in the cash book. Thus, misappropriation ₹3.53 crore could not be ruled out. Besides, the Council failed to produce vital records in support of receipt and utilization of the materials shown as procured for ₹seven crore rendering the said expenditure doubtful.

Rule 95 of Assam Financial Rules (AFR) provides that Drawing and Disbursing Officer (DDO) is personally responsible for accounting of all moneys received and disbursed and for the safe custody of cash. Besides, Rule 78 and 79 of AFR provide that every payment must be supported by a claim and supporting voucher/acknowledgement.

Government of Assam released ₹seven crore during June 2007 (₹3.50 crore) and November 2007 (₹3.50 crore) for specific schemes for upliftment of BPL families in the North Cachar Hills Autonomous Council (NCHAC) as state priority scheme. NCHAC was also advised to set aside an amount for organising training of beneficiaries and marketing of produce and directed to assess impact of the scheme. The Council approved (August 2007) the proposal for providing water filter, mosquito net and blanket to 6,790 families, sewing machine to 3,200 families, knitting machine and working capital @ ₹667 to 900 beneficiaries under the scheme. The Council accorded two sanctions of ₹3.50 crore each in July and November 2007 for implementation of the above scheme and also accorded (August 2007) approval for providing different articles, equipments and cash

assistances worth ₹3.27 crore¹⁰ to the families as approved by the Council. Records as to how the balance amount of ₹3.73 crore was to be spent were not furnished to audit, though called for.

Scrutiny (May-July 2010) of the records revealed that Deputy Director, Social Welfare Department, Haflong received (September 2007 and November 2007) two cheques from Council amounting to ₹seven crore (₹3.50 crore each) and duly accounted for in the cash book. Out of this ₹seven crore, ₹3.50 crore received on 25 September 2007 was not deposited in bank account (operated by the Deputy Director as drawing and disbursing officer), which was confirmed (June 2010) by the Bank (SBI, Haflong). The said bank account also showed withdrawal of ₹7.03 crore¹¹ during February 2008. However, cash book maintained by the Deputy Director (photocopy obtained from NIA) showed receipt and disbursement of ₹seven crore during the same period to different suppliers and service providers as shown in *Appendix-4.2*. Stock Register in support of receipt and utilization of the materials paid for was not made available to audit though called for in May 2010. Besides, progress reports, approved list of beneficiaries, acknowledgement of receipt of materials etc., were also not found on record. In the absence of such vital records, actual receipt and distribution of the materials worth ₹seven crore to the targeted beneficiaries remained doubtful.

Further, misappropriation of ₹3.53 crore could not be ruled out as the cheque of ₹3.50 crore was not deposited in the concerned bank account and withdrawal of ₹three lakh was not entered in the cash book.

Thus, ₹3.50 crore was suspected to be misappropriated and expenditure of ₹seven crore was doubtful. The DDO failed to exercise requisite control measures such as maintenance of basic records, periodical reconciliation of cash book balance and bank balance etc., as a result of which the basic objective of uplifting the economic condition of the beneficiaries was not fulfilled to the extent of expenditure of ₹10.53 crore¹².

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Sl. No.	Name of article	Number of families	Rate (₹)	Amount (₹)
1	Water filter	6,790	1,450	98,45,500
2	Mosquito Net	6,790	250	16,97,500
3	Blanket	6,790	550	37,34,500
4	Sewing Machine	3,200	3,300	1,05,60,000
5	Knitting Machine	900	7,000	63,00,000
6	Working capital	900	667	6,00,300
Total				3,27,37,800

¹¹ Dates of withdrawal from bank: 09.02.2008: ₹1.53 crore + 12.02.2008: ₹1.50 crore + 14.02.2008: ₹1.50 crore + 15.02.2008: ₹1.50 crore + 27.02.2008: ₹1.00 crore = ₹7.03 crore.

¹² Withdrawn from bank during 09.02.2008 to 27.02.2008 : ₹7.03 crore
 Cheque received on 25.09.2007 not deposited in the bank account : ₹3.50 crore
₹10.53 crore

The matter was reported to the Government in October 2010; their reply had not been received (September 2011).

4.1.11 Doubtful expenditure

The Department spent ₹45.57 lakh on procurement of training materials, but whereabouts of the same was not available on records rendering the entire expenditure doubtful.

As per provision of Para 191 of Assam Financial Rules the Departmental officers entrusted with the care, use or consumption of stores are responsible for maintaining correct records and preparing correct returns in respect of the stores entrusted to them.

Scrutiny (May-July 2010) of the records of NCHAC revealed that Deputy Director, Social Welfare Department, Haflong procured different training materials (cotton cloth, sewing machines and timber etc.) worth ₹21.89 lakh during September 2007 to January 2009 under the scheme “Training-cum-Production Centre (Handicapped) for the year 2008-09”. Of these, materials worth ₹4.82 lakh were shown to have been issued during September 2007 to June 2009 while balance materials worth ₹17.07 lakh were kept in stock. However, a physical verification conducted during June 2009 to July 2010 by the Department at the instance of audit revealed that materials worth only 0.43 lakh were physically available in stock. Thus, there was a shortage of materials worth ₹16.64 lakh (₹17.07 lakh - ₹0.43 lakh). The dealing assistant responsible for maintaining stock stated (June 2010) in a written statement that the stock entries were made as per verbal instructions of the then Deputy Director without actual receipt of materials.

Further, an amount of ₹32.45 lakh was paid (April 2009) to 11 suppliers against procurement of training materials under the scheme “Vocational Training and Rehabilitation cum Trade Centre for Women Welfare”. Scrutiny of the relevant stock register, however, revealed receipt and issue of materials worth ₹3.52 lakh only. Reason for the shortage of materials worth ₹28.93 lakh (₹32.45 lakh - ₹3.52 lakh) was not available on records, though called for. The dealing assistant responsible for maintaining stock stated (June 2010) that the payments were made directly by the then Deputy Director himself. Thus, expenditure of ₹45.57 lakh (₹16.64 lakh + ₹28.93 lakh) remained doubtful as the Department failed to produce whereabouts/details of materials purchased with the said amount.

Neither the Council nor the Government has intimated whether any action was taken to address the shortage of materials or to fix responsibility on the concerned Deputy Director.

The matter was reported to Government in October 2010; their reply had not been received (September 2011).

4.1.12 Doubtful expenditure

Out of ₹12.94 crore¹³ received by the Deputy Director, NC Hills, Haflong from NCHAC during 2007-09 under different component of Integrated Child Development Service Schemes, expenditure of ₹12.63 crore remained doubtful in the absence of transparent records and violation of financial and execution norms.

Para-7 of 'Plan of operation and management' for implementation of Supplementary Nutrition Programme (SNP) under Integrated Child Development Service (ICDS) programme in Assam provides that the Director, Social Welfare shall first transfer the fund to the bank account of the District Level Committee for SNP which shall, after due verification, transfer the same to the Account of the Anganwadi Centre Management Committees (AWCMCs). The bank account of the AWCMC shall be operated jointly by the Chairperson and the Secretary of the AWCMC and every drawal from this account shall necessarily be preceded by a resolution adopted by the AWCMC allowing such drawal. The AWCMC shall be responsible for procuring the food items from Self Help Groups and NGOs.

(a) The Deputy Director, Social Welfare, NC Hills, Haflong received ₹4.16 crore during November 2007 to August 2008¹⁴ for implementation of SNP in the District. Scrutiny of the relevant cash book revealed that in violation of the provision of Plan of Operation and Management, the Deputy Director directly disbursed (February to April 2008) ₹1.87 crore to different self-help groups against their bills for supply of food materials during February to April 2008. Documentary evidence for supply of food materials and providing services to the targeted beneficiaries were not available as stated (June 2010) by the concerned Child Development Project Officers (CDPOs) rendering the expenditure of ₹1.87 crore doubtful.

The balance fund of ₹2.29 crore (₹4.16 crore - ₹1.87 crore) was shown as disbursed to five¹⁵ CDPOs in two equal installments during October 2008 and February 2009. Of these five CDPOs, cash books of two CDPOs viz., Mahur and Maibong were maintained by the Deputy Director himself, wherein disbursement of ₹69.74 lakh and ₹39.60 lakh respectively was shown to have been made to the supervisors of the Anganwadi Centres. The Supervisors, however, denied (June 2010) receipt of any such fund. Thus, ₹109.34 lakh (₹69.74 lakh + ₹39.60 lakh) appears to be misappropriated. The other three CDPOs did not maintain any Cash book at their level and hence, expenditure of ₹1.20 crore stated as disbursed to these CDPOs was not verifiable. In response to audit query the CDPOs stated (June 2010) that during 2007-09 the scheme was directly implemented by the then Deputy Director who was the DDO of all ICDS projects in the District.

¹³ SNP: ₹4.16 crore, Anganwadi materials : ₹6.09 crore, Purchase of materials for BPL families: ₹2.69 crore.

¹⁴ ₹1.87 crore in November 2007 and ₹2.29 crore in August 2008.

¹⁵ Mahur: ₹69.74 lakh; New Sangabar: ₹17.14 lakh; Diyungbra: ₹51.94 lakh; Diyung Valley Maibong): ₹39.60 lakh and Harangazao: ₹50.44 lakh.

Thus, the entire expenditure of ₹4.16 crore under SNP remained doubtful.

(b) The Deputy Director, received ₹6.09 crore (2007-08: ₹2.38 crore and 2008-09: ₹3.71 crore) from the Council for implementation of Integrated Child Development Service Scheme. Of this, ₹1.90 crore was not entered in the cash book of the scheme maintained by the Deputy Director. Thus, status of utilisation of ₹1.90 crore remained undisclosed and whereabouts of the fund untraceable.

Further, out of the balance amount of ₹4.19 crore, the cash book entry showed that total payment of ₹3.88 crore was made during 2007-09 to suppliers for procurement of different articles/materials for Anganwadi centres. Against this relevant stock register showed receipt of materials worth ₹2.20 crore only. All the materials received were also shown as issued to Anganwadi centres of five projects (*Appendix-4.3*), but date of issue and challan and bill references were not recorded in the stock register. Thus, not only was there short supply of materials worth ₹1.68 crore, but in the absence of supporting records bonafideness of expenditure of ₹2.20 crore, also remained doubtful.

(c) Records disclosed that the Council sanctioned ₹2.69 crore for ICDS during 2008-09 for providing different articles/materials to poor and BPL families. Status of receipt of fund, procurement and cost thereof, could not be ascertained from the records of the Deputy Director as the same were stated to be seized by NIA, Stock register and distribution register disclosed that 8,000 blankets, 8,200, mosquito nets and 8,000 water filters were shown as procured during June 2008 to February 2009 and issued during February 2009 to 30 Members of Autonomous Councils (MAC) for distribution amongst beneficiaries of their respective constituencies. But, no approved list of beneficiaries and acknowledgement of receipt of materials was furnished by MAC to the Council as of June 2010. Thus, actual expenditure against the sanctioned amount of ₹2.69 crore was doubtful.

Thus, total doubtful expenditure in execution of ICDS scheme amounted to ₹12.63 crore (SNP: ₹4.16 crore; ICDS Scheme: ₹5.78 crore and ICDS-BPL beneficiaries: ₹2.69 crore).

The matter was reported to the Government (April 2011); their reply is awaited (September 2011).

4.2 Idle investment/blocking of funds/delays in commissioning of equipment/diversion/misutilisation of funds etc.

Public Health Engineering Department

4.2.1 Unproductive expenditure

Injudicious decision of NCHAC for procurement of GI pipes without assessing availability of fund for execution of work resulted in unproductive expenditure of ₹2.14 crore.

According to Rule 37 of General Financial Rules, every authority empowered to procure goods in public interest shall have the responsibility and accountability to bring efficiency and economy in execution. Besides, Rule 243 of Assam Financial Rules provides that during execution, if cost of a work/project exceeds the administratively approved amount by more than 10 *per cent*, revised administrative approval of the excess expenditure must be obtained. Further, physical existence of stock is to be ensured at regular interval as envisaged in Rule 195 of Assam Financial Rules.

In order to improve both quality and quantity of potable clean water supply, the augmentation of Maibong Water Supply Scheme was proposed to be taken up at the estimated cost of ₹three crore¹⁶. The estimate also specified requirement of 16,253 RM¹⁷ Galvanized Iron (GI) pipes for items of raw water gravity main and construction of distribution network.

Government of India (Planning Commission) approved (March 2007) the proposal under Special Plan Assistance of 2006-07. Accordingly the State Government released (March 2007) ₹2.70 crore to NCHAC as special plan assistance for implementation during 2007-08. The amount was credited (18 March 2008) to the Personal Ledger Account of NCHAC. The Council accorded (May 2008) administrative approval for ₹three crore and released (23 January 2009) ₹2.70 crore to the Executive Engineer (EE), Public Health Engineering (PHE), Maibong Division.

¹⁶

Sl. No.	Item	Estimated cost (₹ in lakh)
1.	Source development and intake structures	11.39
2.	Raw water gravity main	127.72
3.	Construction of treatment plant	51.03
4.	Construction of clear water sump cum service reservoir	20.39
5.	Construction of distribution network & clear water gravity main	87.46
6.	Cost of detailed design and survey	2.00
Total		₹299.99 lakh say ₹3 crore

¹⁷

150 mm dia @ ₹1,287: 7,548 RM
 100 mm dia @ ₹847 : 1,740 RM
 80 mm dia @ ₹583 : 6,965 RM
16,253 RM

Scrutiny (May-July 2010) of the records revealed that no tender quotation was invited by the EE, PHE, Maibong Division for award of work of the scheme as of June 2010. No tender for procurement of GI pipes was also invited but the Additional Chief Engineer, PHE, NCHAC, Haflong placed 11 supply orders of 12,040 RM GI pipes to 10 local suppliers at the Council's approved rate of ₹2,317, ₹1,525 and ₹1,049 per RM for 150 mm, 100 mm and 80 mm dia GI pipes respectively.

Accordingly, against estimated quantity of 16,253 RM, only 12,033.54 RM of GI pipes worth ₹2.14 crore was received and payments were made during February to March 2009 as detailed in **Appendix-4.4**. Statement of materials procured and utilized as of June 2009 showed that though 3,198.60 RM of GI pipes (worth ₹70.92 lakh) was issued to site retaining the balance 8,834.94 RM in PHE store, none of the pipes could be utilized. The reason for idle stock of materials worth ₹2.14 crore was stated (June 2009) to be mainly due to non-availability of fund for labour charge (June 2009).

As no physical verification of the stock was done, the Principal Secretary, NCHAC, who was also the Deputy Commissioner of the district, was requested by audit (15 and 24 June 2010) to conduct physical verification of the said materials by a technical officer and furnish the status of the existence of the material, but status of the stock was not made available as of July 2010.

Thus, injudicious decision of procurement of GI pipes without assessing availability of fund for execution of work resulted in unproductive expenditure of ₹2.14 crore. The beneficiaries were also deprived of the intended benefits. Besides, in the absence of physical verification of stock, actual quantity available in stock was not ascertainable in audit.

The matter was reported to the Government (April 2011); their reply had not been received (April 2011).

4.2.2 Idle expenditure

Procurement of GI pipes worth ₹1.72 crore and their prolonged storage without utilization led to idle expenditure to that extent.

North Cachar Hills Autonomous Council (NCHAC) accorded administrative approval for execution of 41 water supply schemes under Accelerated Rural Water Supply Programme (ARWSP) at a cost of ₹3.91 crore during 2008-09 and NCHAC placed ₹2.50 crore at the disposal of the Executive Engineer (EE), PHE, Maibang Division for implementation of the Programme. Considering receipt of ₹2.50 crore against approved cost of ₹3.91 crore, 26 out of the 41 ARWSP schemes were taken up in February 2009 and supply orders for 55,618 RM of GI pipes of different diameters

were placed with two firms¹⁸ at the approved rates of the Council (details are shown in **Appendix-4.5**). The firms supplied (February 2009) only 40,826 RM GI pipes of different diameter worth ₹1.83 crore and total payment of ₹1.72 crore was made in March 2009.

Scrutiny (May-July 2010) of the records, however, revealed that all the pipes remained unused (May 2010). On being asked, the Division stated (June 2010) that all the records relating to the procurement of pipes in respect of those 26 schemes were taken away by NIA for investigation and accordingly no further step was taken to complete the schemes. Thus, procurement of the GI pipes worth ₹1.72 crore and their prolonged storage without utilisation led to idle expenditure of ₹1.72 crore.

The matter was reported to the Government in October 2010; their reply had not been received (September 2011).

Public Works Department

4.2.3 Unproductive expenditure

NCHAC incurred unproductive expenditure of ₹1.34 crore as the work against which the amount was spent remained incomplete for more than three years.

Government of Assam (GOA) accorded (March 2005) Administrative approval of ₹11.20 crore for the scheme - 'Conversion of 100 bedded Civil Hospital to 200 bedded hospital with construction of staff quarter and improvement and renovation of existing building' at Haflong in North Cachar Hills. The approved cost of the scheme comprised of new construction (₹8.88 crore), repair and renovation of existing hospital (₹1.91 crore) and contingency (₹0.41 crore). GOA released ₹8.40 crore (March 2005: ₹4.20 crore, March 2010: ₹4.20 crore) to the North Cachar Hills Autonomous Council (NCHAC). Of ₹8.40 crore (approved cost of construction of ₹8.88 crore), the NCHAC released (May 2005 to November 2006) ₹4.20 crore to the Executive Engineer (EE), Public Works Department, Haflong Building Division and balance ₹4.20 crore was not released to the Division as of June 2010.

Scrutiny (May-July 2010) of the records revealed that the Division incurred expenditure of ₹4.20 crore (new construction: ₹2.08 crore; repair and renovation: ₹1.40 crore; contingency: ₹0.05 crore and material ₹0.67 crore) till April 2007 and all the repair and renovation work except the renovation work in TB Hospital Complex were completed. However, under "new construction", the work of main hospital building had not commenced and construction work of 18 units of grade III staff quarters and 18 units of doctors' quarters stopped since April 2007 after incurring an expenditure of ₹1.34 crore with physical progress ranging from 20 to 80 *per cent*.

¹⁸ M/S Jeet Enterprise =32,568 RM
M/S Loknath Trading =23,050 RM
55,618 RM

Joint physical verification conducted (26 June 2010) by audit and the EE also confirmed the status of the works. The EE stated (June 2010) that the works stopped since April 2007 due to non-release of further funds.

Thus, non-completion of construction of grade III staff quarters and doctors' quarters for more than three years rendered the expenditure of ₹1.34 crore unproductive.

The matter was reported to Government (April 2011); their reply had not been received (September 2011).

Guwahati
The

(P. Sesh Kumar)
Principal Accountant General (Audit), Assam

Countersigned

New Delhi
The

(Vinod Rai)
Comptroller and Auditor General of India

Appendix-1.1

(Reference to paragraph 1.1.8.1.)

District-wise cases of land acquisition for public purposes without observing provisions of Land Acquisition Act 1894

District	LA case No.	Requiring Department	Area			Purpose of acquisition	Date of handing over	Amount of compensation awarded (₹)	No. of awardees	Compensation paid (₹)	No. of awardees	Remarks
			B	K	L							
(1)	(2)	(3)	(4)			(5)	(6)	(7)	(8)	(9)	(10)	(11)
Tinsukia	02/2009	Executive Engineer, PWD, NH division	14	4	11	Construction of NH-37 to 38 bypasses.	05 April 2010	48,64,743	1	Nil		Land acquired and handed over to requiring Department but compensation not paid.
	48/2009	-do-	35	0	7	-do-	Advance possession	67,90,734	26	Nil		
	5/2006-07	-do-	8	0	6	Construction of Ledo Bridge.	Hand over	22,58,474	38	Nil		-do-
	1/2004/Pt-I	Executive Engineer, General Reserve Engineering Force	8	0	13	Improvement of NH 52 from Dirak to Rupai.	Advance possession	3,40,085	36	Nil		Land acquired and handed over to requiring Department but compensation not paid since estimate was not approved by Government.
	1/2004/Pt-V	-do-	0	3	4	-do-	-do-	63,542	22	Nil		-do-
	8/2007	-do-	2	0	18	-do-	-do-	92,868		Nil		-do-
	25/2009	Executive Engineer, PWD, NH Division	48	3	8	Construction of NH-37 bypass from Rupai to Talap.	26 October 2010	74,14,388		Nil		Land handed over without approval of the estimate.
	27/2009	-do-	24	1	5	-do-	26 October 2010	39,53,280	1	Nil		Land handed over but compensation not paid due to non-approval of award statement.
51/2009	Commandant, BRTF	2	0	8.8	Construction of storage accommodation transit camp.	Advance possession	38,42,036	1	Nil		Land acquired and handed over to requiring Department but compensation was not paid.	
Sub-total	9 Cases		144	0	0.8		2,96,20,150					
Sonitpur	03/2007-08	AEGC Limited	8	3	8	132 KV/DC Lilo line	-	30,25,245	67	13,48,359	67	Only Notification u/s 4(1) was published on 19 December 2007 and no subsequent proceedings were initiated till date. Zirat value was paid to the awardees without approval of the Government.
	4/2007-08	AEGC Limited	8	0	11	132 KV/SL Transmission line.	-	37,02,271	208	37,21,389	208	Only Notification u/s 4(1) was published on 19 June 2010 and no subsequent proceedings were initiated till date. Full compensation however paid to the awardees.
Sub-total	2 cases		16	3	19		67,27,516			50,69,748		
Bongaigaon	01/2005	Railway Authority	125	2	18	Construction of new BG line	18 April 2011	44,22,875	61	Nil		Land handed over but compensation not yet paid to the awardees
Sub-total	1 case		125	2	18		44,22,875					
Kokrajhar	2007-08	PWD Department	51	2	12.5	Construction of Flyover	-	2,10,40,500	47	2,06,10,000	47	Notification u/s 4(i) to 11 was not published.
	2007-08	Irrigation Department	135	0	9	Irrigation Project	-	1,05,64,400	265	89,18,150	245	-do-
	2007-08	-do-	167	1	15	-do-						
	2010-11	Education Department.	178	1	2	Setting up of CIT	-	7,13,15,846	81	5,39,60,000	69	-do-
Sub-total	4 cases		532	0	18.5		10,29,20,746			8,34,88,150		

(Appendix 1.1 contd.....)

(1)	(2)	(3)	(4)			(5)	(6)	(7)	(8)	(9)	(10)	(11)
Karimganj	10/07-08	AIR (FM)	7	2	12	Construction of AIR FM Station	15 October 2009	15,83,906	5	Nil		LA case initiated u/s 17(4) does not come under the purview of urgency. Compensation award list not submitted or made within two years. Hence, acquisition proceeding lapsed.
	12/07-08	Municipal Board	25	0	6	Construction of Integrated house under IHSDP	06 February 2008	21,06,759	23	8,93,865	16	LA case initiated u/s 17(4) does not come under the purview of urgency. Out of proposed 458 houses, only 290 houses were partially constructed and the beneficiary list also not prepared.
	9/09-10	Railway	2	17	7	Railway project	30 November 2010	30,87,710	17	Nil		Land acquired on urgency basis but compensation not yet paid due to assessment of estimate not yet done.
Sub-total	3 cases		35	0	5			67,78,375		8,93,865		

Source: Departmental records.

Appendix-1.2

(Reference to paragraph 1.1.8.2)

Cases of land acquired for public purposes lying idle

District	L/A case No.	Requiring Department	Public purposes	Area of Land			Compensation pronounced (₹ in lakh)	Date of handing over of land	Status of land	Period for which lying ideal		
				B	K	L				Y	M	D
1	2	3	4	5			6	7	8	9		
Kamrup (M)	12/2007	Steel Authority of India Limited (SAIL)	Establishment of steel processing unit	101	0	5	724.50	2008	RCC post around the plot of land erected for boundary fencing. Steel processing unit not established.	2	4	23
Dibrugarh	05/2003	Kendriya Vidyalay Sanghathan	Construction of central school	15	0	2.8	69.97	26 March 2007	Central school not constructed. Land is lying idle.	4	2	23
Sonitpur	SRA.3/2007	Assam Electrical Grid Corporation Limited (AEGCL)	Construction of 132 KV double circuit Lilo line	8	3	8	39.32	16 January 2006	Few towers erected for construction of power transmission line, transmission of power not yet started.	5	6	0
	02/2007-08	IGP of ITDP Force	Establishment of 2 nd ITBP Battalion	95	3	6	83.30	26 March 2010	ITBP Battalion not established.	2	2	0
Karimganj	10/2007-08	AIR	Construction of FM Radio Station	7	2	12	15.84	15 October 2009	FM Radio station not constructed, the land is lying idle. Acquisition proceeding lapsed.	3	5	14
Total				267	4	14						

Source: Departmental records.

Appendix-1.3

(Reference to paragraph 1.1.8.3)

District-wise alienation of agricultural land for non-agricultural purposes by way of acquisition and extent of farmers affected

District	LA case No.	Requiring Department	Area of land			Village/ Mouza	Purpose	Date of handing over	No. of farmers affected	Remarks
			B	K	L					
Kamrup (M)	05/2005 and 06/2005	Director General, Assam Rifles, Shillong	434	2	19	Matikutuni and Pachinapara/ Dakhin Rani	Establishment of Assam Rifle Battalion Headquarter	2010 and 15 March 2011	50	ADC Kamrup (M) in his report intimated to Government that the land is agricultural land, where 50 agriculturists growing paddy will be affected, of which, 10 agriculturists will be totally deprived of agricultural land. The Additional Chief Secretary vide No. RLA 31/2006/84 dated 16 December 2006 had advised the Collector to look for alternative land in Assam-Meghalaya border.
Kamrup (R)	10/2010	AEGC Limited	132	3	2	Maliata/Chayani	Construction of 44 KV Sub-station	15 March 2011	33	ADC Kamrup (R) vide No. LA 10/2010/30-32 dated 11 January 2001 intimated Government that the land is agricultural land used for paddy cultivation.
Nagaon	01/2005	AIDC Limited	385	0	0	2 Nos. Pipalpukhuri /Kaki	Construction of large cement plant "CALCOM Cement Limited"	31 March 2008	234	As per Land acquisition proceeding submitted to Government vide No. LA 1/2005-55/2007/11 dated 25 December 2007, number of farmers going to be affected was brought to the notice of Government.
Total			952	1	1				317	

Source: Departmental records.

Appendix-1.4

(Reference to paragraph 1.1.8.9)

Over payment of compensation in acquisition of land for public purposes

Name of Pattadar	Area acquired	Patta No.	Awardee's dag No.	Compensation Payable (₹)	Area	Amount paid (₹)	Over payment (7-5)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Kamal choudhury and three others	7B-3K-18L	255	458	35,52,840	0B-2K-0L	2,55,600	-
			2050	-	0B-3K-6L	2,81,160	-
			2050	-	3B-0K-0L	12,78,000	-
			458	-	0B-3K-12L	12,78,000	-
			2050	-	0B-3K-6L	4,60,080	-
			2051	-	3B-0K-0L	2,81,160	-
Total (A)				35,52,840	8B-2K-4L	38,34,000	2,81,160
Ratnaram Nath and five others	4B-2K-17L	589	470	29,20,230	2B-2K-12L	9,71,280	-
			470	-	2B-2K-12L	16,10,280	-
			459	-	1B-2K-17L	10,03,230	-
			Total (B)			29,20,230	6B-3K-1L
Sri Santosh Kr Bajan on behalf of M/s Om North East Agency	4B-3K-12.5L	458	612	30,75,718	0B-2K-17L	24,88,053	-
			2095	-	3B-1K-3.5L	-	-
			2095	-	0B-4K-12L	5,87,565	-
			612	-	0B-1K-8.5L	2,10,444	-
			2095	-	3B-2K-12L	22,49,280	-
			Total (C)			30,75,718	8B-2K-13L
Grand Total				95,48,788		1,29,54,132	34,05,344

Source: Departmental records.

Appendix-1.5

(Reference to paragraph 1.1.9.1)

Non-settlement of land allotted to different individuals and agencies during 2006-09

District	Individual				Corporation/public enterprise/company/hospital				Non-Government Institutions				Registered societies				Charitable trust			
	No. of allottee from 06-07 to 10-11	No. of allottee from 06-07 to 08-09	Area of land settled (B-K-L)	Loss of revenue (₹ in lakh)	No. of allottee from 06-07 to 10-11	No. of allottee from 06-07 to 08-09	Area of land settled (B-K-L)	Loss of revenue (₹ in lakh)	No. of allottee from 06-07 to 10-11	No. of allottee from 06-07 to 08-09	Area of land settled (B-K-L)	Loss of revenue (₹ in lakh)	No. of allottee from 06-07 to 10-11	No. of allottee from 06-07 to 08-09	Area of land settled (B-K-L)	Loss of revenue (₹ in lakh)	No. of allottee from 06-07 to 10-11	No. of allottee from 06-07 to 08-09	Area of land settled (B-K-L)	Loss of revenue (₹ in lakh)
Kamrup (R)	383	383	406-2-6 @ 52,500 (75 per cent of 70,000)	213.39	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dibrugarh	1,391	853	3,803-1-2 @ 45,000 (75 per cent of 60,000)	1,711.45	-	-	-	-	29	16	93-4-19 @ 18,000 (30 per cent of 60,000)	16.91	25	17	218-2-4 @ 18,000 (30 per cent of 60,000)	39.32	10	6	17-2-4 @ 18,000 (30 per cent of 60,000)	3.14
Tinsukia	-	-	-	-	-	-	-	-	14	2	3-0-0 @ 5,700 (30 per cent of 19,000)	0.17	7	1	8-0-0 @ 5,700 (30% of 19000)	0.46	-	-	-	-
Sonitpur	488	373	747-1-2 @ 15,000 (75 per cent of 20,000)	112.08	18	15	14-1-14 @ 15,000 (75 per cent of 20,000)	2.15	54	27	154-3-16 @ 6,000 (30 per cent of 20,000)	9.29	100	46	155-0-9 @ 6000 (30 per cent of 20000)	9.30	4	2	2-2-0 @ 6,000 (30 per cent of 20,000)	0.15
Nogaon	725	140	295-2-16 @ 1,50,000 (75 per cent of 2,00,000)	443.34	NA	NA	9-0-0 @ 1,50,000 (75 per cent of 2,00,000)	13.50	NA	NA	97-0-0 @ 60,000 (30 per cent of 2,00,000)	58.20	-	-	-	-	-	-	-	-
Bongaigaon	1	1	0-2-14 @ 15,000 (75 per cent of 20,000)	0.09	-	-	-	-	2	2	92-1-0 @ 6,000 (30 per cent of 20,000)	5.53	5	4	61-1-8 @ 6,000 (30 per cent of 20,000)	3.68	-	-	-	-
	2,988	1750	5,253-0-0	2,480.35	18	15	23-1-14	15.65	99	47	440-4-15	90.10	137	68	442-4-1	52.76	14	8	19-4-4	3.29

Source: Departmental records.

- NB:** (1) Blockage of revenue calculated on the basis of minimum land valuation of the districts made by Deputy Commissioners by allowing permissible exemptions for different purposes granted by the Government in its instruction (May 1999) for settlement of land.
 (2) Blockage of revenue for non-settlement of land after three years of allotment: ₹2,642.15 lakh (₹2,480.35 lakh + ₹15.65 lakh + ₹90.10 lakh + ₹52.76 lakh + ₹3.29 lakh).

Appendix-1.6

(Reference to paragraph 1.1.9.4)

Government land allotted for various purposes are not used for over three years

District	Allotment order No. and date	Allottee	Area of Land			Village/ Mouza	Purposes	Status of land	Period for which lying unused		
			B	K	L				Y	M	D
(1)	(2)	(3)	(4)			(5)	(6)	(7)	(8)		
Kamrup (M)	RSS.154/97/12 dt.14.3.97	Companies Gemini Hospital Private Limited	21	1	0	Pachim Boragaon/ Jhalukbari,	Establishment of Multi-specialist Hospital	Lying unused	15	2	11
	RSS.414/05/54 dt.14.2.06	Asclepius Hospital & Health care Private Limited	12	0	1	Tetelia/Jhalukbari, Ghy.Beltola, Ghy	-do-	-do-	5	3	9
	RSS.708/95/20 dt.01.6.96	Registered Societies Purbanchal Griha Nirman Unnayan Samity.	30	0	0	Hengrabari/ Beltola, Ghy	Building of residential houses.	-do-	16	11	24
Kamrup (R)	RSS.87/05/09 dt.09.2.05	Companies Nilachal Breweries & Bottlers Limited	40	0	0	Sila/Silasundari ghopa	Setting up of Breweries factories	-do-	6	3	24
	KRS.225/03/69 dt.21.7.06	Corporation Assam Mineral Development Corporation	338	4	14	Deliapara/ Bongaon	Setting up of Stone Quarry	-do-	4	10	15
	RSS.614/02/62 dt.13.5.05	Registered Societies Khanapara Samabay Samiti	51	0	0	Khenapara/ Boko	Cultivation of Boro Paddy & dev. of fishery	Paddy not cultivated & fishery not developed	6	0	25
	NA	Government Department Ministry of chemical and fertilizer, GOI	275	0	0	Sila/Silasundari ghopa	Establishment of (National Institute of Pharmaceutical Engineering & Research (NIPER)	Not established	3	2	25
Dibrugarh	DRS.1/05/7 dt.11.5.05	Government Department DFO, Dibrugarh	745	4	0	Brahmaputra Chapori of Aithan Bogibel	Carrying out compensatory afforestation program	Land is lying vacant & no afforestation made	6	1	7
	DRS.72/04/09 dt.9.12.04	Corporation AIDC	90	0	0	Jamuguri Konwari Pathergaon/ Sassoni	Establishment of IID centre	IID centre not established	6	7	15
Tinsukia	NA (17.3.07)	Government Department DSO, Tinsukia	49	4	13	Borgolai no.1/ Makum	Constn. of Sports Complex	Sports Complex not constructed, only boundary wall given	4	3	22
	TRS(M)31/07/7 dt.28.5.07	GM, DIC, Tinsukia	271	2	10	Borpowai TE/Makum	Setting up of Industrial Estate	Industrial Marketing Infrastructure not constructed	4	1	1

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(Appendix 1.6 contd.....)

(1)	(2)	(3)	(4)			(5)	(6)	(7)	(8)		
Sonitpur	NA dt.21.6.07	Companies Infrastructure Leasing and Financial Services Limited	7	0	0	Tezpur Town/ Mahabhairav	Setting up of Hotel at Ouguri Hills	Preliminary earth cutting work done, but Hotel not set up	4	0	6
	NA dt.30.8.97	Corporation AIDC Limited	1499	0	0	Harchura/ Goroimari	Estt. Of Industrial Growth Centre	Constn. of 2 nos. of Industrial Infrast-structure covering 50 bigha of land seen on the site & remaining 1449 bigha of land lying vacant. 2 industries not functioning.	13	10	12
Nogaon	RSS.877/03/19 dt.3.3.05	Charitable Trust Assam Institute of Bio Science & Agriculture Dev	74	1	10	Reng Beng Kisham/ Kampur Rev.Circle	Special cultivation of tea & medicinal plant	Land was lying vacant, no special cultivation of tea / medicinal plant found, one package drinking water plant with brand name "RELIEF" noticed on one part of land	5	8	14
	RSS.870/02/20 dt.30.3.03	Registered Societies Assam Agro Floro Horticulture Society	77	2	10	Bazia Kissam / Bongn. Rev. Circle	Raising of Horticulture , Medicinal plant, Duck farm	Horticulture , Medicinal plant, Duck farm not raised.	8	3	8
Bongaigaon	BRS.62/01/33 dt. 02.7.01	Registered Societies Bharat Vikash Parishad	15	0	0	Chapaguri pt.I /	Estt. up of Hospital & Paramedical training centre	Hospital & Paramedical Training centre not established.	10	0	23
Kokrajhar	BTC/LR/41/06/7 dt.4.10.07	Registered Societies Roopnath Brahma Foundation of Museum & Cultural complex	50	0	0	Owabari/ Kokrajhar Rev. Circle	Setting up of Roopnath Brahma Foundation of Museum & Cultural complex	Roopnath Brahma Foundation of Museum & Cultural complex was not set up, only boundary wall given	3	9	24
	BTC/LR/48/06/35 dt.13.12.06	Government Department GM, DICC, Kokrajhar	120	0	0	Sijuguri/ Kokrajhar Rev. Circle	Establishment of IID	Industrial Infrastructure Development (IID) not established	4	7	10
Karimganj	RSS.553/2005/33 dt. 26.12.05	Government Department Supdt. ITI, Karimganj	45	0	0	Kalinagar pt- 3/Egarasathi Pargana	Establishment of ITI	ITI was not setup	5	7	10
Nine districts			3883	0	18						

Source: Departmental records.

Appendix-1.7

(Reference to Paragraph-1.2.8.1)

Excess release of fund under salary components for schools during 2006-11

(₹ in crore)

District	Name of office	Year	Category of school	Allotment	Expenditure	Excess
MORIGAON	DIS, Morigaon	2006-07	Upper Primary	1.62	0.95	0.67
		2008-09	Upper Primary	2.2	1.15	1.05
	BEEO, Kapili	2006-07	Lower Primary	2.2	1.42	0.78
		2010-11	Lower Primary	3.42	2.84	0.58
	Upper Primary		4.4	2.29	2.11	
	BEEO, Mayong	2006-07	Lower Primary	7.22	5.67	1.55
			Upper Primary	4.76	3.6	1.16
		2008-09	Lower Primary	7.68	6.85	0.83
			2009-10	Lower Primary	9.11	8.5
		2010-11	Lower Primary	12.37	7.65	4.72
			Upper Primary	8.06	7.1	0.96
	BEEO, Bhurbhanda	2006-07	Lower Primary	7.36	4.97	2.38
			Upper Primary	6.11	3.79	2.32
		2009-10	Upper Primary	4.95	0.02	4.93
			2010-11	Lower Primary	11.9	9.43
	Upper Primary	8.02		7.01	1.01	
	BEEO, Laharighat	2006-07	Lower Primary	8.91	6.99	1.92
			Upper Primary	9.59	5.67	3.92
		2007-08	Upper Primary	6.9	6.39	0.51
			2008-09	Lower Primary	9.32	8.5
Upper Primary		7.97		6.87	1.1	
2009-10		Lower Primary	11.14	10.45	0.69	
		2010-11	Lower Primary	14.79	13.39	1.4
Upper Primary			12.63	11.62	1.01	
SIBSAGAR	DIS, Sibsagar	2006-07	Lower Primary	6.01	5.49	0.52
			Upper Primary	2.16	1.49	0.67
		2007-08	Upper Primary	2.54	1.75	0.79
			2008-09	Lower Primary	7.06	6
		Upper Primary		3.8	1.99	1.81
		Upper Primary	6.66	3.03	3.63	
	BEEO, Demow	2006-07	Upper Primary	10.92	8.48	2.44
			2007-08	Lower Primary	15.29	13.28
		Upper Primary		10.9	9.59	1.31
		2008-09	Lower Primary	17.49	15.65	1.84
			Upper Primary	12.36	11.03	1.33
		2009-10	Upper Primary	16.55	15.27	1.28
	2010-11		Upper Primary	19.27	17.14	2.13
	BEEO, Sonari	2006-07	Lower Primary	14.58	7.18	7.4
			2007-08	Upper Primary	6.48	5.05
		2008-09		Lower Primary	23.52	14.91
			Upper Primary	7.15	6.4	0.75
		2009-10	Lower Primary	19.63	17.43	2.2
			Upper Primary	7.95	7.36	0.59
	BEEO, Nazira	2006-07	Lower Primary	16.11	12.95	3.16
			Upper Primary	9	7.5	1.5
		2007-08	Lower Primary	17.81	16.49	1.32
			Upper Primary	9.42	8.33	1.09
		2008-09	Lower Primary	20.46	18.64	1.82
Upper Primary			10.61	9.33	1.28	
2010-11	Upper Primary	16.64	15.21	1.43		

(Appendix 1.7 contd.....)

District	Name of office	Year	Category of school	Allotment	Expenditure	Excess
SIBSAGAR (Contd)	BEEO, Amguri	2006-07	Lower Primary	14.13	12.41	1.72
			Upper Primary	11.89	9.6	2.29
		2007-08	Upper Primary	12.53	10.84	1.69
			2008-09	Lower Primary	16.87	15.65
		Upper Primary		13.89	11.9	1.99
		2009-10	Upper Primary	14.84	14.03	0.81
	2010-11		Lower Primary	25.44	24.89	0.55
		Upper Primary	21.58	18.19	3.39	
	BEEO, Sapekhati	2006-07	Lower Primary	10.09	8.45	1.64
			Lower Primary	11.12	8.85	2.27
		2007-08	Upper Primary	5.36	4.72	0.64
			2008-09	Lower Primary	16.21	11.22
		Upper Primary		7.98	5.66	2.32
		2009-10	Lower Primary	12.9	11.86	1.04
2010-11	Lower Primary	16.73	15.87	0.86		
NAGAON	BEEO, Lanka	2006-07	Upper Primary	5.08	3.95	1.13
			2008-09	Lower Primary	8.46	6.97
		2009-10	Upper Primary	7.08	4.79	2.29
			Lower Primary	8.55	7.83	0.72
		2010-11	Lower Primary	11.78	10.76	1.02
	Upper Primary	9.5	8.21	1.29		
	BEEO, Jogijan	2006-07	Upper Primary	4.38	3.37	1.01
			2008-09	Lower Primary	5.76	5.01
		Upper Primary	6.27	4.45	1.82	
	2010-11	Upper Primary	7.81	7.29	0.52	
		BEEO, Kathiatali	2006-07	Lower Primary	7.74	6.33
	Upper Primary			5.40	4.65	0.75
	2007-08		Upper Primary	5.81	5.11	0.70
	2008-09		Upper Primary	6.48	5.90	0.58
2010-11	Lower Primary		14.23	12.00	2.23	
	Upper Primary	10.86	9.15	1.71		
BARPETA	DIS, Barpeta	2006-07	Lower Primary	3.47	2.70	0.77
			Upper Primary	3.50	2.25	1.25
		2007-08	Upper Primary	3.07	1.08	1.99
			2008-09	Lower Primary	3.71	2.31
		Upper Primary		4.54	3.44	1.10
	2009-10	Upper Primary	5.29	3.08	2.21	
	BEEO, Gobardhana	2006-07	Lower Primary	4.24	2.68	1.56
			Upper Primary	2.74	1.27	1.47
		2008-09	Upper Primary	3.78	1.36	2.42
	2010-11	Lower Primary	5.15	2.68	2.47	
	BEEO, Barpeta	2006-07	Lower Primary	6.6	5.04	1.56
			Upper Primary	5.69	3.1	2.59
		2008-09	Upper Primary	6.38	4.62	1.76
		2009-10	Lower Primary	7.63	7.05	0.58
	Upper Primary		8.27	7.59	0.68	
	BEEO, Bajali	2006-07	Lower Primary	5.84	4.74	1.10
			Upper Primary	4.77	4.09	0.68
BEEO, Mandia	2006-07	Lower Primary	7	6.01	0.99	
		Upper Primary	5.94	4.57	1.37	
	2008-09	Lower Primary	8.35	7.59	0.76	
		Upper Primary	8.1	5.34	2.76	

(Appendix 1.7 contd.....)

District	Name of office	Year	Category of school	Allotment	Expenditure	Excess
BARPETA (Contd)	BEEO, Changa	2006-07	Lower Primary	6.3	4.44	1.86
			Upper Primary	4.77	2.96	1.81
		2008-09	Lower Primary	6.22	5.28	0.94
			Upper Primary	4.06	3.33	0.73
		2009-10	Lower Primary	7.93	7.33	0.60
		BEEO, Rupshi	2006-07	Lower Primary	5.25	4.48
	Upper Primary			5.01	4.14	0.87
	2008-09		Lower Primary	8.21	5.46	2.75
	2010-11		Lower Primary	9.66	8.82	0.84
		Upper Primary	9.35	8.18	1.17	
KARIMGANJ	DIS, Karimganj	2006-07	Lower Primary	4.89	3.79	1.10
		2007-08	Lower Primary	4.55	4.05	0.50
		2008-09	Lower Primary	5.13	4.46	0.67
		2009-10	Lower Primary	6.78	4.86	1.92
			Upper Primary	4.03	3.22	0.81
	BEEO, Badarpur	2006-07	Lower Primary	4.53	3.58	0.95
			Upper Primary	2.86	2.27	0.59
		2009-10	Upper Primary	3.55	2.98	0.57
	BEEO, N. Karimganj	2006-07	Lower Primary	5.72	4.6	1.12
		2008-09	Lower Primary	6.53	5.87	0.66
	BEEO, S. Karimganj	2006-07	Lower Primary	6.56	5.52	1.04
		2007-08	Lower Primary	6.64	6.06	0.58
		2009-10	Lower Primary	8.81	8.03	0.78
	BEEO, Patharkandi	2006-07	Lower Primary	7.88	6.26	1.62
		2007-08	Lower Primary	7.55	7.02	0.53
		2008-09	Lower Primary	8.66	7.95	0.71
		2009-10	Lower Primary	10.04	9.07	0.97
	2010-11	Lower Primary	13.05	12.52	0.53	
	BEEO, R.K. Nagar	2006-07	Upper Primary	6.25	5.15	1.10

Source: Departmental records.

Note: Excess release below ₹0.50 crore was not shown.

Appendix-1.8

{Reference Paragraph-1.2.8.2(a)}

Statement showing the position of belated release of funds by GOI/GOA

(₹ In crore)

Year	GOI/GOA	Release of 1st installment				Release of 2nd and subsequent installment			
		Amount	Date of sanction	Date of receipt	Delay (in days)	Amount	Date of sanction	Date of receipt	Delay (in days)
2006-07	GOI	363.72	30.4.06	28.6.06	59	250.54	NA	7.3.07 & 30.3.07	158 to 181 days
	GOA	23.00	10.1.07	28.2.07	216	70.00	27.12.06 to 20.2.07	6.3.07 to 24.3.07	0
2007-08	GOI	28.13	12.10.07	17.11.07	201	260.65	NA	13.2.08	136
	GOA	31.80	10.12.07	28.1.08	43	0	0	0	0
2008-09	GOI	72.26	11.5.08	16.6.08	47	349.34	18.9.09 & 15.12.08	23.9.08 to 24.12.08	0 to 85
	GOA	50.00	25.8.08	6.10.08	83	11.37	16.3.09	13.5.09	203
2009-10	GOI	224.80	15.6.09	29.6.09	60	250.00	3.11.09 & 25.3.10	13.11.09 to 31.3.10	44 to 182
	GOA	55.00	23.11.09	28.1.10	184	5.00	18.3.10	24.6.10	194
2010-11	GOI	349.54	NA	11.6.10	42	330.09	NA	22.2.11 to 16.3.11	145 to 167
	GOA	60.00	NA	11.2.11	216	31.00	24.3.11	31.3.11	10

Source: Departmental records.

Note: Fund released position against KGBV & NPEGL were not taken into account.

Appendix-1.9

(Reference to Paragraph-1.2.9.4)

Statement showing the details of Closing Balance lying undisbursed/unutilised with the DEE ranging from below one year to 33 years

SL No	DCR no	Date	Drawn in favour of	Original Bill no & date of withdrawal	Purpose	Amount (in ₹)	Period of lying and Year -wise G. Total
1	2	3	4	5	6	7	8
1	680722	7.1.78	M/S Barthakur Industries	Not available with the DEE	Not available with the DEE	1,703.00	33 years 3 months
2	320649	1.2.78	M/S Barthakur Industries	Do	Do	384	33 years 2 months
3	105193	28.2.78	M/S Barthakur Industries	Do	Do	1,744.00	33 years 1 month
4	105495	16.3.78	M/S Barthakur Industries	Do	Do	2,500.00	33 years
1978 Total						6,331.00	6,331.00
5	O18958	31.3.81	M/s Saranjan Karjjyalaya	Do	Do	9,000.00	30 years
1981 Total						9,000.00	9,000.00
6	731023	21.2.82	Sreegura Press	Do	Do	10,449.50	29 years 1 month
1982 Total						10,449.50	10,449.50
7	886924	1.9.83	Pioneer Sports	Do	Do	268.10	27 years 7 months
8	887115	6.9.83	Pioneer Sports	Do	Do	52	27 years 7 months
9	888270	18.10.83	Goenka Whole sale	Do	Do	500	27 years 6 months
10	888465	28.10.83	ASIDC	Do	Do	500	27 years 5 months
11	888693	31.10.83	ASIDC	Do	Do	364.70	27 years 5 months
12	570097	8.11.83	ASIDC	Do	Do	3,547.00	27 years 5 months
1983 Total						5,231.80	5,231.80
13	892813	26.4.84	Assam Sports Syndicate	Do	Do	249.30	26 years 7 months
1984 Total						249.30	249.30
14	716569	11.1.86	Laxmi Art Centre	Do	Do	305	25 years 3 months
15	229122	19.2.86	Garmats & Gift	Do	Do	707.20	25 years 2 months
16	115412	4.3.86	B&S Enterprises	Do	Do	2,165.20	25 years 1 month
1986 Total						3,177.40	3,177.00
17	887282	14.9.87	Pioneer Sports	Do	Do	63	23 years 6 months
1987 Total						63	63
18	208239	14.3.88	RB Industries	Do	Do	3,163.40	23 years
1988 Total						3,163.40	3,163.00
19	470583	29.12.89	Pegasun Socio Culture	Do	Do	1,000.00	21 years
1989 Total						1,000.00	1,000.00
20	962606	17.4.90	Pr. DIET, Uderband	Do	Do	178.80	21 years
21	962494	17.4.90	Pr. BTC, Rangia	Do	Do	134	21 years
22	795994	22.12.90	DIS, Silchar	Do	Do	80	20 years 3 months
23	795993	22.12.90	Pr. BTC, Dudhnoi	Do	Do	40	20 years 3 months
1990 Total						432.80	432.80

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1	2	3	4	5	6	7	8
24	183760	19.7.94	Nandan Prakashan	Do	Do	2,269.00	16 years 8 months
1994 Total						2,269.00	2,269.00
25	951586	12.10.04	DEE, Assam	Do	Ref. amt. DI Karimganj	4,856.00	6 years 6 months
2004 Total						4,856.00	4,856.00
26	558969	30.3.05	DEE, Assam	Do	OBB	4,000.00	6 years
27	559266	20.4.05	DEE, Assam	Do	PMGY	18,812.00	5 years 11 months
28	559291	26.4.05	DEE, Assam	Do	OBB	468	5 years 11 months
29	359687	2.8.05	DEE, Assam	Do	OBB	15,039.00	5 years 8 months
30	559839	16.8.05	DEE, Assam	Do	Incentive Prg.	5,00,000.00	5 years 8 months
31	559840	16.8.05	DEE, Assam	Do	OBB	1,568.00	5 years 8 months
32	559999	16.9.05	DEE, Assam	Do	OBB	5,529.00	5 years 7 months
2005 Total						5,45,416.00	5,45,416.00
33	659523	16.3.06	DEE, Assam	135 dt.23.12.05	Learning Material	37,853.00	5 years 3 months
2006 Total						37,853.00	37,853.00
34	803263	5.10.07	DEE, Assam	180 dt.10.2.06	FA	240	5 years 1 month
35	802409	9.4.07	DEE, Assam	195 dt.20.3.07	TFC	7,68,923.00	4 years
2007 Total						7,69,163.00	7,69,163.00
36	848220	7.4.08	DEE, Assam	173 dt. 8.2.06	FA	240	5 years 1 month
37	848550	9.5.08	DEE, Assam	207 dt.31.3.08	Publication of bulletin	86,871.00	3 years
38	848972	29.8.08	DEE, Assam	206 dt.3.3.08	Purchase of vehicle	18,61,000.00	3 years
39	848972	29.8.08	DEE, Assam	171 dt.27.3.08	MDM	13,00,10,000.00	3 years
2008 Total						13,19,58,111.00	13,19,58,111.00
40	261390	24.12.09	MDM	139 dt.5.12.09	MDM	38,63,000.00	1 year 3 months
41	4no of BDs	28.10.09	DC	294 dt.21.3.05	Char development	21,00,000.00	6 years
42	27 no of BDs	10.12.09	DC	15 dt.27.4.09	MDM	15,60,000.00	2 years
43	27 no of BDs	24.12.09	DC	130 dt.5.12.09	MDM	57,45,000.00	1 year 3 months
44	848221	7.4.09	DEE, Assam	193 dt.19.3.07	Water facility	8,38,021.00	4 years
45	849654	6.1.09	DEE, Assam	189 dt.19.3.07	MDM	33,332.00	4 years
46	335016	14.3.09	DEE, Assam	150 dt.1.2.08	Cash Award	7,81,730.00	3 years 1 month
47	335510	18.5.09	DEE, Assam	88 dt.4.12.08	MDM	1,29,71,165.00	2 years 3 months
48	335578	23.5.09	DEE, Assam	109 dt.12.1.09	MDM	2,66,96,000.00	2 years 3 months
49	335510	18.5.09	DEE, Assam	174 dt.28.3.08	Bicycle	6,86,580.00	3 years
50	335578	23.5.09	DEE, Assam	20 dt.27.4.09	MDM	5,08,14,000.00	1 year 11 months
51	O55143	14.10.09	DEE, Assam	110 dt.19.1.09	MDM	12,41,099.00	2 years 2 months
52	O55264	28.10.09	DEE, Assam	230 dt.9.3.04	PMGY	12,36,859.00	7 years
53	O55318	5.11.09	DEE, Assam	17 dt.27.4.09	MDM	4,24,80,000.00	1 year 11 months
54	O55353	8.12.09	DEE, Assam	161 dt.14.3.08	Umbrella	5,02,720.00	1 year 3 months
Total 2009						15,15,49,506.00	15,15,49,506.00
55	261119	21.1.10	DEE, Assam	158 dt.5.1.10	N/A	3,00,000.00	1 year 3 months
56	20 no of BDs	31.3.10	DEEO	228 dt.25.3.10	F. Assistance	72,00,000.00	1 year
57	22 no of BDs	26.2.10	DEEO	177 dt.10.2.10	F. Assistance	2,87,28,000.00	1 year 1 month
58	22 no BDs	26.2.10	DEEO	178 dt.10.2.10	F. Assistance	1,00,32,000.00	1 year 1 month
59	20 no BDs	31.3.10		229 dt.25.3.10	F. Assistance	82,76,400.00	1 year
60	260814	8.4.10	DEE, Assam	232 dt.30.3.10	MDM	34,74,000.00	1 year 1 month

1	2	3	4	5	6	7	8
61	260209	30.30.10	DEE, Assam	183 dt.26.2.10	Supply of Desk Bench	30,57,27,500.00	1 year 1 month
62	260810	8.4.10	DEE, Assam	221 dt.25.3.10	Fire Extinguisher	12,60,00,000.00	1 year
63	260812	8.4.10	DEE, Assam		Cons. of Bildg.	15,39,000.00	N/A
64	17 no BDs	1.11.10	DC	97 dt.26.8.10	F. Assistance	2,87,01,400.00	7 months
65	3 no BDs	1.11.10	DC	96 dt.26.8.10	F. Assistance	39,07,200.00	7 months
66	5 no BDs	4.8.10	DC	172 dt.6.2.10	F. Assistance	70,17,600.00	1 year 1 month
67	848304	7.4.10	DEE, Assam	184 dt.27.2.06	Construction	1,00,000.00	5 years 1 month
68	335582	23.5.10	DEE, Assam	16 dt.27.4.09	MDM	7,43,35,000.00	1 year 11 months
69	261196	9.2.10	DEE, Assam	211 dt.29.3.07	MDM	18,70,312.00	4 years
70	261272	10.3.10	DEE, Assam	194 dt.20.3.07	TLM	9,97,263.00	4 years
71	444860	14.8.10	DEE, Assam	71 dt.27.7.10	MDM	19,36,99,000.00	8 months
72	O444526	24.8.10	DEE, Assam	131 dt.15.11.08	MDM	1,04,641.00	2 years 4 month
73	O444506	25.8.10	DEE, Assam	195 dt.29.3.08	Science Kits	18,65,17,122.00	3 years
74	O444032	2.9.10	DEE, Assam	127 dt.29.2.09	Cash Award	11,74,000.00	2 years 1 month
75	O444138	4.10.10	DEE, Assam	200 dt.25.3.10	MDM	27,20,000.00	1 year
76	O444066	10.9.10	DEE, Assam	73 dt.26.7.10	MDM	27,83,000.00	8 months
77	O444139	4.10.10	DEE, Assam	70 dt.26.7.10	MDM	6,61,61,000.00	8 months
78	O444213	25.10.10	DEE, Assam	271 dt.26.3.07	Const. of B. Wall	4,46,582.00	4 years
79	O444320	6.12.10	DEE, Assam	169 dt.31.3.09	Rep. of DEEO	20,00,000.00	2 years
80	O444210	21.10.10	DEE, Assam	222 dt.25.3.10	SCCP office	87,00,000.00	1 year
81	444475	29.12.10	DEE, Assam	182 dt.10.12.10	MDM	2,000.00	3 months
82	O444484	28.12.10	DEE, Assam	219 dt.26.3.07	MDM	4,18,56,000.00	4 years
2010 Total						1,11,43,69,020.00	1,11,43,69,020.00
83	2713380	3.1.11	DEE, Assam	200 dt.22.3.07	MDM	470.00	4 years
84	273359	10.1.11	DEE, Assam	168 dt.3.12.10	L. tax	13,516.00	3 months
85	273442	11.1.11	DEE, Assam	178 dt.28.3.08	MDM	17,88,993.00	3 years
86	523998	19.1.11	DEE, Assam	196 dt.19.3.08	Plan	3,16,34,695.00	3 years
87	523999	19.1.11	DEE, Assam	192 dt.19.3.07	Const. of KSR	65,39,000.00	4 years
88	528953	28.1.11	DEE, Assam	86 dt.17.8.10	MDM	1,53,30,000.00	7 months
89	989969	17.2.11	DEE, Assam	119 dt.6.2.09	MDM	81,391.00	2 years 1 month
90	636948	7.3.11	DEE, Assam	111 dt.19.1.09	MDM	26,60,699.00	2 years 2 months
91	637136	10.3.11	DEE, Assam	166 dt.30.11.10	MDM	1,82,529.00	4 months
92	637212	11.3.11	DEE, Assam	22 dt.27.4.09	MDM	1,04,89,754.00	1 year 11 months
93	637201	11.3.11	DEE, Assam	155 dt.30.3.09	Rep. of staff qtrs.	66,59,639.00	2 years
94	1092	26.3.11	DEE, Assam	209 dt.31.3.08	MDM	36,87,248.00	3 years
95	1091	26.3.11	DEE, Assam	141 dt.18.3.08	MDM	13,42,84,000.00	3 years
96	1247	30.3.11	DEEO	72 dt.26.7.10	Const. of KSR	21,34,47,787.00	8 months
97	1113	30.3.11	DEE, Assam	18 dt.27.4.09	Const. of Kitchen room	28,82,25,000.00	1 year 11 months
98	1 no BDs	4.8.11	DC	171 dt.8.2.10	F. Assistance	22,11,600.00	1 year 1 month

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1	2	3	4	5	6	7	8
99	6 no BDs	4.8.11	DC	170 dt.25.3.08	F. Assistance	14,30,000.00	3 year
100	266118	21.1.11	DEE, Assam	155 dt.5.1.10	N/A	2,00,000.00	1 year 3 months
101	266117	21.1.11	DEE, Assam	157 dt.5.1.10	Cash Award	25,00,000.00	1 year 3 months
102	637213	11.3.11	DEE, Assam	164 dt.30.11.10	Bicycle	5,99,91,400.00	4 months
103	273719	13.1.11	DEE, Assam	168 dt.30.1.10	Rep. of DEEO office	3,92,718.00	1 year 2 months
104	637164	11.3.11	DEE, Assam	169 dt.13.12.10	Rep. of DIS office	4,54,423.00	3 months
105	1072	24.3.11	DEE, Assam	184 dt.26.2.10	Rep. of BEEO	28,92,379.00	1 year 1 month
106	1093	28.3.11	DEE, Assam	15 dt.23.4.09	MDM	53,06,460.00	1 year 11 months
107	273586	12.1.11	DEE, Assam	165 dt.13.11.10	MDM	2,59,67,462.00	4 months
108	637772	16.3.11	Maa Engineering	184 dt.26.2.10	Rep. of Electric	47,900.00	1 year 1 month
109	637769	16.3.11	NM Electricals	184 dt.26.2.10	Rep. of Electric	47,877.00	1 year 1 month
110	639570	30.3.11	A. Housing	72 dt.26.7.10	Const. of KSR	7,83,65,350.00	8 months
111	639571	30.3.11	HOUSEFEED	18 dt.27.4.09	Const. of KSR	12,74,01,625.00	1 year 11 month
112	639206	28.3.11	Aroup Kr. Ghosh	184 dt.26.2.10	Rep. of Office Bidg.	3,66,812.00	1 year 1 month
113	9 no. BDs	16.2.11	DC	22 dt.27.4.09	MDM	3,35,000.00	1 year 11 months
114	16 no. BDs	20.2.11	DC	116, 117, 165 dt.13.10.10	MDM	4,18,30,000.00	5 months
115	12 no. BDs	11.3.11	DC	166 dt.30.11.10	MDM	92,43,964.00	4 months
116	1 no BD	23.2.11	DC, Nalbari	206 dt.5.2.11	F. Assistance	5,10,000.00	N/A
117	B/A Baroda		DEE, Assam	N/A	PMGY	17,429.00	N/A
118	B/A India		DEE, Assam	N/A	PMGY	18,02,457.00	N/A
Total 2011						1,07,63,39,577.00	1,07,63,39,577.00
119	B/A SBI				DDO Account	19,52,59,320.00	19,52,59,320.00
G. Total							2,67,08,74,189.20

Appendix-1.10*(Reference to Paragraph-1.2.10.3)***Discrepancies in number of OOSC furnished by SSAM and selected districts**

Year	Name of districts	OOSC as per SMO	OOSC as reported by the districts	Difference
2006-07	Barpeta	NA	NA	-
	Kamrup	NA	217766	-
	Karimganj	NA	NA	-
	Kokrajhar	NA	9800	-
	Morigaon	NA	12733	-
	Nagaon	NA	NA	-
	Sivsagar	NA	13583	-
2007-08	Barpeta	22276	21624	(+)652
	Kamrup	20493	20493	-
	Karimganj	8534	NA	-
	Kokrajhar	5779	6864	(-)1085
	Morigaon	13011	13011	-
	Nagaon	31291	27382	(+)3909
	Sivsagar	9256	9256	-
2008-09	Barpeta	14467	14288	(+)179
	Kamrup	13094	13094	-
	Karimganj	4825	4825	-
	Kokrajhar	4826	4903	(-)77
	Morigaon	3198	3198	-
	Nagaon	21781	31291	(-)9510
	Sivsagar	6672	6672	-
	Total	68,863	78,271	(-) 9,408
2009-10	Barpeta	2685	2647	(+)38
	Kamrup	2110	2110	-
	Karimganj	1054	856	(+)198
	Kokrajhar	3928	4865	(-)937
	Morigaon	1338	1338	-
	Nagaon	4508	21781	(-)17,273
	Sivsagar	1968	1968	-
	Total	17,591	35,565	(-)17,974
2010-11	Barpeta	7530	7478	(+)52
	Kamrup	4535	4201	(+)334
	Karimganj	8534	2115	(+)6419
	Kokrajhar	3039	5441	(-)2402
	Morigaon	2941	2941	-
	Nagaon	13264	4508	(+)8756
	Sivsagar	3621	3621	-
	Total	43,464	30,305	(+)13,159

Source: Data furnished by the district offices.

Appendix-1.11
(Reference to paragraph: 1.2.11.2)
PTR in 122 schools in seven selected districts

Selected district	Category of school	Pupil Teacher Ratio (PTR) during the year									
		2006		2007		2008		2009		2010	
		Min	Max	Min	Max	Min	Max	Min	Max	Min	Max
KAMRUP	Lower Primary	13:1	107:1	14:1	111:1	13:1	115:1	15:1	100:1	16:1	222:1
	Upper Primary	5:1	53:1	4:1	47:1	4:1	45:1	3:1	44:1	5:1	44:1
BARPETA	Lower Primary	10:1	218:1	9:1	202:1	8:1	200:1	7:1	189:1	5:1	152:1
	Upper Primary	14:1	30:1	11:1	26:1	10:1	27:1	11:1	33:1	10:1	35:1
MORIGAON	Lower Primary	31:1	378:1	27:1	351:1	16:1	198:1	20:1	185:1	18:1	168:1
	Upper Primary	13:1	49:1	16:1	54:1	13:1	58:1	11:1	55:1	12:1	41:1
KOKRAJHAR	Lower Primary	8:1	86:1	10:1	97:1	11:1	82:1	8:1	76:1	10:1	65:1
	Upper Primary	6:1	37:1	5:1	37:1	6:1	37:1	5:1	33:1	7:1	31:1
SIBSAGAR	Lower Primary	4:1	28:1	4:1	25:1	4:1	26:1	3:1	27:1	3:1	24:1
	Upper Primary	2:1	19:1	2:1	18:1	3:1	20:1	3:1	20:1	3:1	27:1
NAGAON	Lower Primary	11:1	295:1	10:1	210:1	10:1	231:1	11:1	240:1	9:1	214:1
	Upper Primary	2:1*	88:1	2:1	80:1	2:1	79:1	2:1	75:1	7:1	67:1
KARIMGANJ	Lower Primary	12:1	364:1	13:1	331:1	13:1	268:1	10:1	229:1	9:1	282:1
	Upper Primary	8:1	80:1	7:1	77:1	8:1	62:1	7:1	71:1	6:1	75:1

Source: Data furnished by the district offices.

Appendix-1.12

(Reference to Paragraph-1.2.12.2)

Statement showing the male/female teacher ratio of six out of seven selected districts for the years 2006-11

Name of district	Year	IN LOWER PRIMARY SCHOOL				IN UPPER PRIMARY SCHOOL			
		Total Teacher	Male	Female	Ratio M/F	Total Teacher	Male	Female	Ratio M/F
BARPETA	2006-07	3038	2481	557	82:18	1857	1668	189	90:10
	2007-08	2928	2368	560	81:19	1837	1644	193	89:11
	2008-09	2962	2387	575	81:19	1816	1607	209	88:12
	2009-10	2840	2258	582	80:20	1816	1600	216	88:12
	2010-11	2896	2333	563	81:19	1460	1228	232	84:16
MORIGAON	2006-07	1803	1274	529	71:29	1288	1017	271	79:21
	2007-08	1787	1265	522	71:29	1258	989	269	79:21
	2008-09	1799	1273	526	71:29	1225	961	264	78:22
	2009-10	1736	1218	518	70:30	1203	944	259	78:22
	2010-11	1699	1192	507	70:30	1269	1004	265	79:21
KARIMGANJ	2006-07	2716	1907	809	70:30	1649	1328	321	81:19
	2007-08	2683	1901	782	71:29	1607	1289	318	80:20
	2008-09	2670	1905	765	71:29	1576	1267	309	80:20
	2009-10	2653	1893	760	71:29	1545	1267	278	82:18
	2010-11	2606	1864	742	72:28	1523	1261	262	83:17
KOKRAJHAR	2006-07	2179	1689	490	78:22	1649	1328	321	81:19
	2007-08	2098	1515	583	72:28	1007	866	141	86:14
	2008-09	2091	1619	472	77:23	1001	811	190	81:19
	2009-10	2101	1605	496	76:24	997	798	199	80:20
	2010-11	2028	1523	505	75:25	962	808	154	84:16
SIBSAGAR	2006-07	N/A							
	2007-08	N/A							
	2008-09	9068	4736	4332	52:48	2771	1772	999	64:36
	2009-10	7426	4655	2771	63:37	2654	1702	952	64:36
	2010-11	8874	4638	4236	52:48	2619	1667	952	64:36
NAGAON	2006-07	N/A							
	2007-08	4694	2503	2191	53:47	3548	2621	927	74:26
	2008-09	5296	3087	2209	58:42	3576	2634	942	74:26
	2009-10	5432	3214	2218	59:41	3464	2552	912	74:26
	2010-11	5936	3739	2197	63:37	3479	2572	907	74:26

Source: Departmental records.

Appendix-1.13 (A)

(Reference to Paragraph-1.2.12.4)

State position of intake capacity and Teachers Training imparted during 2006-11

Category of TTIs	Intake capacity	Teacher training imparted during				
		2006-07	2007-08	2008-09	2009-10	2010-11
BTC/PTTC	1,670	964	0	355	343	2133
DIET/ DRC	1,825	1,062	0	850	281	4295
Normal	505	260	0	148	152	1,265

Source: Furnished by DEE based from SCERT data.

Appendix-1.13 (B)

(Reference to Paragraph-1.2.12.4)

Statement showing the intake capacity and number of teachers imparted training in seven selected districts during 2006-11

District	Name of the Institution	Intake capacity			Training imparted				
		Male	Female	Total	2006-07	2007-08	2008-09	2009-10	2010-11
KAMRUP	DIET, Mirza	-	100	100	53	Nil	19	Nil	543
	BTC, Rangia	75	-	75	54	Nil	47	22	277
BARPETA	DIET, Howly	100	-	100	45	Nil	48	Nil	166
	BTC, Howly	-	100	100	29	Nil	17	30	48
	BTC, Changa	50	50	100	49	42	4	54	74
MORIGAON	DIET, Morigaon	100	-	100	125	Nil	47	69	310
SIBSAGAR	DIET, Sibsagar	50	-	50	67	Nil	43	Nil	148
	BTC Sonari	50	50	100	24	Nil	Nil	Nil	49
NAGAON	DIET, Nagaon	100	-	100	40	Nil	24	32	449
	BTC, Raha	-	100	100	58	Nil	22	17	190
KARIMGANJ	DIET, Karimganj	50	25	75	36	Nil	57	14	1
	BTC, Kaliganj	50	50	100	59	Nil	48	29	47
KOKRAJHAR	DIET, Kokrajhar	100	-	100	53	72	66	11	187
	BTC, Kokrajhar	50	50	100	75	11	42	18	247

Source: Data furnished by SCERT.

Appendix-1.14

(Reference to Paragraph: 1.2.17.1 (ii))

Year-wise position of enrolment, quantity required, GOI's allotment of MDM rice, lifting etc., for the years 2006-11

(A)

(In quintal)

Year	Enrolment (LP+UP)	Requirement (LP+UP)	Allotment (LP+UP)	(+) Excess/(-) Short allotment & PC	Lifting (LP+UP)	PC of short lifting over the allotment	PC of lifting against requirement
2006-07	41,40,558	5,86,111.957*	7,86,179.200*	(+) 2,00,067.243 (34.13)	4,86,484.700	38.12	83.00
2007-08	41,70,880	11,92,931.679	7,26,956.000	(-) 4,65,975.679 (39.06)	6,32,781.630	12.95	53.04
2008-09	41,91,501	11,68,724.514	5,08,046.400	(-) 6,60,678.114 (56.53)	3,84,638.270	24.29	32.91
2009-10	40,37,734	10,69,755.866	4,37,571.997	(-) 6,32,183.869 (59.10)	3,81,465.551	12.92	35.66
2010-11**	43,16,253	11,49,525.657	6,66,995.476	(-) 4,82,530.181 (41.98)	5,82,627.887	12.15	50.68
Total	2,08,56,926	51,67,049.673	31,25,749.143		24,67,998.038		47.76

* Only for LPS.

** Including students of newly upgraded school from EGS.

(B)

Year	Class	Enrolment	Total enrolment	Rate of Rice per child (In gram)	Total no of class days during the academic year	Quantity required	Allotment	Quantity lifted	Quantity allotted against the requirement (+) Excess (-) Less	Quantity lifted against the allotment (+) Excess (-) Less
2006-07	I-IV (LP)	2581991	4140558	100	227	5,86,111.957	7,86,179.200	4,86,484.700	(+) 4,86,484.700	(-) 2,99,694.500
	V-VII (UP)	1558567		150		0.000	0.000	0.000	0.000	0.000
2007-08	I-IV (LP)	2445706	4170880	100	237	5,79,632.322	7,14,216.000	6,32,781.630	(+) 1,34,583.678	(-) 81434.370
	V-VII (UP)	1725174		150		6,13,299.357	12,740.070	0.000	(-) 6,00,559.357	0.000
2008-09	I-IV (LP)	2367302	4191501	100	229	5,42,112.158	4,85,534.400	3,77,104.980	(-) 56,577.400	(-) 1,08,429.420
	V-VII (UP)	1824199		150		6,26,612.356	22,512.000	7,533.290	(-) 6,04,100.356	(-) 14,978.710
2009-10	I-IV (LP)	2298928	4037734	100	218	5,01,166.304	3,96,059.500	3,56,818.140	(-) 1,05,106.804	(-) 39,241.360
	V-VII (UP)	1738806		150		5,68,589.562	41,512.497	24,647.411	(-) 5,21,077.065	(+) 16,865.086
2010-11	I-IV (LP)	2592672	4316253	100	222	5,75,573.184	6,27,013.600	5,48,502.520	(-) 51,440.416	(-) 78,511.080
	V-VII (UP)	1723581		150		5,73,952.473	39,981.876	34,125.367	(-) 5,33,970.597	(-) 5856.509
		2,08,56,926	2,08,56,926		1133	51,67,049.673	31,25,749.143	24,67,998.038		

Source: Data furnished by DEE.

Appendix-1.15
(Reference to paragraph: 1.2.19.1)
Position of schools without enrolment

SL No	District	Name of Educational Block	Name of School	Position of teacher
2006-07				
1	Cachar	Udarband	1643 No Arkatipur Grant LPS	NA
2	Jorhat	Majuli	Chayani LPS	NA
3	Jorhat	Titabar	Titabar Town Pre-primary	1
4	Karbi-Anglong	Chinthong	Thongnok Bey	NA
5	Sonitpur	Bishownath	Borphukhri Garden LPS	NA
6	Sonitpur	Gabharu	Khaza Garib Newas LPS	NA
7	Sibsagar	Amguri	Charing Chapari MES	NA
Total			7	1
2007-08				
1	Cachar	Raja Bazar	334 No Manipur Roqtab LPS	NA
2	Darang	Kalaigaon	Bidhya Niketan LPS	NA
3	Darang	Sipajhar	Tanuram Saharia LPS	2
4	Jorhat	Central Jorhat	116 No Handique Gaon LPS	NA
5	Jorhat	Central Jorhat	Napamua Kakilachuck LPS	NA
6	Jorhat	Central Jorhat	329 No Mahara LPS	NA
7	Jorhat	Jorhat	37 No Raidongia LPS	NA
8	Jorhat	NW Jorhat	19 NoGozpuria LPS	NA
9	Kamrup	Rani	935 No Balhapur LPS	NA
10	Karbi-Anglong	Lumbajong	Upper Hapjan LPS	NA
11	Karbi-Anglong	Nilip	Artubonglong LPS	NA
12	Karimganj	Urban Karimganj	Subash Nagar Pre-primary	NA
13	Kokrajhar	Dotama	S.C. Basumatari Memorial LPS	NA
14	Kokrajhar	Dotama	Uttar Lorendanga LPS	NA
15	N.C. Hills	Diyungbra	Arlongparla LPS	NA
16	N.C. Hills	Diyungbra	Terelongaso LPS	NA
17	N.C. Hills	Diyungbra	Bonglang	NA
18	N.C. Hills	Diyungbra	Bonglangbra LPS	NA
19	N.C. Hills	Diyungbra	Digremdisa A.C. LPS	NA
20	N.C. Hills	Diyungbra	Taralangoso LPS	NA
21	N.C. Hills	Harangajao	Thaijuwari LPS	NA
22	N.C. Hills	Harangajao	Miyungkro LPS	NA
23	N.C. Hills	Maibong	Dima Hajong LPS	NA
24	Sibsagar	Demow	Attahbari Pre-primary school	1
Total			24	3
2008-09				
1	Darang	Sipajhar	Ojapara LPS	NA
2	Jorhat	Central Jorhat	168 No Lakhoria LPS	NA
3	Kamrup	Chhyaygaon	Dighalibil LPS	NA
4	Karbi-Anglong	Chinthong	Ningkreng LPS	NA
5	Karbi-Anglong	Sochenng	Khatkasala LPS	NA
6	NC Hills	Harangajao	Longma II LPS	NA
7	sibsagar	Demow	Paraliguri Balya Bhowan	2
Total			7	2

(Appendix-1.15 contd.....)

2009-10				
1	Golaghat	West Jorhat	2 No Barpak LPS	NA
2	Hailakandi	Katlichara	Amtila LPS	1
3	Hailakandi	Lala	770 No Borbond Pt-II LPS	1
4	Jorhat	Jorhat	Akahu Gaon LPS	NA
5	Jorhat	Jorhat	503 No Sewashram LPS	NA
6	Jorhat	Majuli	Palasani Chapari LPS	NA
7	Kokrajhar	Gossai gaon	2377 No Bengaijhora LPS	NA
8	Lakhimpur	Narayanpur	2 No. Dhemagarah Bodo LPS	NA
9	Nagaon	Kathiatoli	Nonoi Mudoiani LPS	NA
10	NC Hills	Harangajao	Bhojol LPS	NA
11	NC Hills	Harangajao	Jatinga Lampu A/C LPS	NA
12	NC Hills	Mahur	Mahur Phonglo LPS	NA
13	Sonitpur	Gabharu	Baghmora LPS	NA
14	Sonitpur	Gabharu	Ram krishna Sewsram LPS	2
15	Sonitpur	Dhakiajuli	Sopai Rowmari Pathar LPS	NA
16	Sonitpur	Naduar	Madhab Balika LPS	2
Total			16	6
2010-11				
1	Darrang	Kaligaon	Bamunpara Girls LPS	2
2	Darrang	Sipajhar	RG Baruah Sowrani LPS	1
3	Dibrugarh	Khowang	Jun Miri LPS	2
4	Jorhat	East Jorhat	Kurmi Gaon LPS	NA
5	Jorhat	Jorhat	Karangajania LPS	NA
6	Jorhat	Jorhat	357 No. Khongia Balika LPS	1
7	Jorhat	Jorhat	Tilikiam Bamun Gaon LPS	NA
8	Jorhat	NW Jorhat	8 No kolakhowa LPS	NA
9	Jorhat	NW Jorhat	Durgeswar Dev Goswami LPS	NA
10	Karbi-Anglong	Lumbajong	Loringlangso LPS	1
11	Kokrajhar	Dotama	SC Basumatari Memorial LPS	NA
12	NC Hills	Diyungbra	Simbao LPS	1
13	NC Hills	Diyungbra	Diyung Jaosho LPS	NA
14	NC Hills	Diyungbra	Kimthow LPS	NA
15	NC Hills	Diyungbra	Nobdi Langyen LPS	NA
16	NC Hills	Diyungbra	Wari Lampu LPS	NA
17	NC Hills	Diyungbra	Kekrangsip LPS	NA
18	NC Hills	Diyungbra	New Kekrangsip LPS	NA
19	Tinsukia	Hapjan	Betioni Bakulani LPS	NA
20	Tinsukia	Hapjan	Bokapathar Pubarun LPS	NA
21	Tinsukia	Sadiya	Borjhiya Gaon LPS	2
22	Hailakandi	Lala	Chirorbonda HRM MES	7
23	Hailakandi	Lala	Gopal Dutta MES	1
24	Jorhat	East Jorhat	Swahid Kanaklata MES	3
Total			24	21
Grand Total			78	33

NA: Not available.

Source: Data furnished by SSAM.

Appendix-1.16

(Reference to Paragraph: 1.2.19.4)

Schools where ACRs were constructed during 2006-11 without requirement and ACRs not constructed where required

Sl. No	Name of School	Name of District	Enrollment	No of Teacher	ACRs constructed	Year construction of	Total class rooms including ACRs	Area used for classes	Audit comments
1	Dhai Ali Girls MES	Sibsagar	59 - 89	23-25	2	2007 & 2008	Bldg 1(28'X18.5') Bldg 2(28'X18.5') Bldg 3(28'X18.5')	3CR	In view of poor enrolment two ACR was not required
2	Simaluguri Railway MES	DO	50-68	15-17	1	2008	Bldg 1(60'X14') Bldg 2(27'X18')	3 CR	In view of enrolment ACR was not required.
3	184 No. Telial LP	Do	10-22	3-4	1	2008	Bldg 1(46'X24') Bldg 1(27'X24')	5CR	Class room was not required in view of poor enrolment.
4	Napam Bokajan MES	Do	15-20	5-6	1	2008	Bldg 1(50'X26') Bldg 2(25'X24')	3CR	Class room was not required in view of poor enrolment
5	857 Asom Kesori Assamese LPS	Karimganj	44-55	1	1	2008	Bldg 1(28'X18') Bldg 2(30'X15')	2CR	ACR was not required in view of single teacher and poor enrolment
6	No.822 Mambari LPS	Karimganj	71-96	1-2	0	0	Bldg 1(40'X15')	Hall type	ACR was required in view of enrolment
7	Diaghijari Navjyoti MES	Kokrajhar	69-84	13	2	2008	Bldg 1(187'X18')	6CR	In view of poor enrolment ACR was not required.
8	Kunjoduba LPS	Kokrajhar	27-34	2-3	2	2008	Bldg 1(56'X27')	2 CR	More than one ACR was not required in view of enrolment
9	268 No. Tamuli Pukhuri LPS	Sibsagar	26-48	3-5	1	2006	Bldg 1(150'X16') Bldg 2(30'X20')	NA	In view of poor enrolment ACR was not required
10	Hati Pati Tribal LPS	Sibsagar	28-52	3	1	2010	Bldg 1(40'X16')	NA	In view of poor enrolment ACR was not required
11	Keteki Bari Bonua LPS	Sibsagar	50-62	5-6	2	2008	Bldg 1(27'x12') Bldg 2(27'x12')	6CR	ACR was not required in view of poor enrolment.
12	Khelua MES	Sibsagar	58-64	8-11	1	2009	Bldg1(64'X18') Bldg2(27'X1')	3CR(16'X18)	In view of poor enrolment no ACR was needed.
13	Moinating Mazdoor LPS	Sibsagar	73-85	3	3	2007&2009	Bldg 1(58'X14') Bldg 2(27'X18') Bldg 3(54'X18')	6 CR	In view of enrolment and no. of teachers construction of 3 ACRs unjustified.
14	Lakhimi Nagar MES	Sibsagar	102-117	27	1	2008	Bldg1(122'X70') Bldg 2(42'X16')	6 CR	In view of enrolment extra ACR was not required.
15	Thikadar Basti Boradacharan MES,	Nagaon	257-315	7	1	2006	Bldg 1(105'X17') Bldg 2(28'X17')	4 CR	In view of enrolment and no. of teacher more ACR was required.
16	Krishna Mohan Bidya Niketan	Nagaon	66-101	7-8	2	2007&2008	Bldg 1(54'X24') Bldg 2(48'X18') Bldg 3(25'X18')	5 CR	In view of enrolment no further ACR was required.
17	Reng Beng Janajati MES	Nagaon	361-406	6	2	2006 & 2008	Bldg 1(27'X18') Bldg 2(27'X18') Bldg 3(30'X18')	3CR	In view of enrolment and no. of teacher, more ACR was required
18	Paschim Haibargaon Islam patty LPS	Nagaon	335-472	15-16	1	2007	Bldg 1(123'X23')	1 hall type	In view of enrolment and no. of teacher, more ACR was required
19	Gagalmari Marbil LPS	Morigaon	335-395	1-2	2	2007	Bldg 1(62'X18')	5 CR	In view of enrolment more CR was required
20	Uralata LPS	Morigaon	138-236	1	2	2008	Bldg 1(60'x18') 2(56'x18')	4CR	2 ACRs was not required.
21	1445 no. Bhaktardova navjyoti LPS	Barpeta	180-238	2-2	1	2006	Bldg(28'X18') Bldg(50'X15')	3 CR	More ACR was required in view of more enrolment
22	529 no. milekuchi LPS	Barpeta	150-218	1	0	-	Bldg 131'X53')	3 CR	More ACR was required in view of more enrolment

Appendix-1.17
(Reference: paragraph 1.3.19)

Statement showing generation, coverage and accumulation of waste at secondary point

Sl. No.	Source	Projection of waste generation TPD	Coverage (in per cent)	Actual accumulation at secondary point	Actual generation in 2009 increased @ 17 per cent	Coverage (in per cent)	Accumulation at secondary point	Actual generation in 2010 increased @ 23 per cent	Coverage (in per cent)	Actual accumulation at secondary point 2010
		2006			2009			2010		
1	Domestic	172.21	43	74.05	202	43	86.43	213	43	91.16
2	Commercial establishment	56.53	100	56.53	66	100	66	70	100	70
3	Restaurant	9.4	100	9.4	11	100	11	12	100	12
4	Hotels	2.68	100	2.68	3	100	3	3	100	3
5	Markets	11.98	100	11.98	14	100	14	15	100	15
6	Schools and institutions	3	100	3	4	100	4	4	100	4
7	Street sweeping and drain cleaning	48	100	48	56	100	56	59	100	59
8	Temples	1.2	100	1.2	1	100	1	1	100	1
9	BWM	4.11	100	4.11	5	100	5	5	100	5
10	Construction	2.5	100	2.5	3	100	3	3	100	3
11	Others	5	100	5	6	100	6	6	100	6
	Total	316.61		218.45	371		255.43	391		269.16

Source: GMC and GWMCPL records.

Appendix-2.1

(Reference to Paragraph-2.1.1)

Loss of interest due to allowance of interest free Mobilization advance to Contractors (₹in lakh)

Package/ Phase	Amount of MA paid	Date of payment	Amount adjusted	Date of adjustment	Amount of MA outstanding	period	Loss of interest @ 10 per cent on out- standing MA
Package I of Phase I	517.96	26.02.2009	77.73	03.03.2010	517.96	26.02.2009 to 2.03.2010 (12 months, 5 days)	52.51
			20.52	07.05.2010	440.23	03.03.2010 to 06.05.2010 (2 months, 4 days)	7.72
					419.71	07.05.2010 to 30.09.2010 (4 months, 24 days)	16.56
Package II of Phase I	91.08	25.08.2009	5.03	26.02.2010	91.08	25.08.2009 to 25.02.2010 (6 months)	4.51
					86.05	26.02.2010 to 30.09.2010 (7 months, 5 days)	5.07
Phase II	549.60	29.01.2010	27.11	25.06.2010	549.60	29.01.2010 to 24.06.2010 (4 months, 27 days)	22.13
					522.49	25.06.2010 to 30.09.2010 (3 months, 6 days)	13.74
Total							122.24

Source: Departmental records.

Appendix-2.2
(Reference to Paragraph-2.1.2)
Allotment of fund vis-à-vis expenditure

Name of the Division	Year	Fund allotted (₹ in crore)	Total Fund received (₹ in crore)	Expenditure incurred (₹ in crore)
Itakhola Irrigation Division	2004-05	8.00	8.00	8.00
	2006-07	7.67	7.67	7.53
	2008-09	3.70	3.70	3.70
Total		19.37	19.37	19.23
Tezpur Mechanical Division	2004-05	2.00	2.00	2.00
	2006-07	1.33	1.33	1.33
	2008-09	0.90	0.90	0.90
Total		4.23	4.23	4.23
Grand Total		23.60	23.60	23.46

Source: Departmental records.

Appendix-2.3

(Reference to Paragraph-2.1.5)

Details of bankers' cheques received from UNICEF, Kolkata

Sl. No.	Bankers' cheques No. and date	Amount received (₹)
Amount received by Director of Social Welfare, Assam		
1.	521427 dtd. 27.11.2003	8,00,000
2.	521606 dtd. 11.02.2004	16,000
3.	523710 dtd. 29.09.2004	10,00,000
4.	523769 dtd. 30.09.2004	25,000
5.	523924 dtd. 19.11.2004	3,00,000
6.	526573 dtd. 31.08.2005	10,00,000
7.	553282 dtd. 28.03.2006	25,000
	Total	31,66,000
Amount received by District Social Welfare Officer, Kamrup, Guwahati		
8.	522726 Dtd.01.06.2004	8,00,000
9.	107321-29 dtd. 27.05.2004	8,00,000
10.	527001 dtd. 21.10.2005	3,00,000
11.	554918 dtd. 12.10.2006	3,00,000
12.	554863 dtd. 12.10.2006	16,880
	Total	22,16,880
	Grand total	53,82,880

Source: Departmental records.

Appendix-2.4*(Reference to Paragraph-2.1.5)***Discrepancies between Subsidiary cash book and information received
from District Social Welfare Officer, Kamrup**

As per information furnished by DSWO, Kamrup			As per Subsidiary cash book of DSW, Assam			Nature of discrepancy
Cheque No. and date	Amount (₹ in lakh)	Date of handing over	Cheque No. and date	Amount (₹ in lakh)	Date of handing over	
521427/ 27.11.03	8.00	02.06.04	521427/ 27.11.03	8.00	23.12.03	Entered in cash book before actual receipt
523710/ 29.09.04	10.00	12.10.04	523710/ 29.09.04	10.00	08.11.04	Entered in cash book after 27 days of receipt
523924/ 19.11.04	3.00	30.11.04	523924/ 25.10.04	3.00	30.11.05	i) Cheque date differed. ii) Entered in cash book after one year. iii) Expenditure shown incurred before receipt of money.
526573/ 31.08.05	10.00	24.10.05	526573/ 31.08.05	10.00	20.10.05	Expenditure shown incurred before receipt of money.
523769/ 19.11.04	0.25	25.11.04	523769/ 30.09.04	0.25	30.11.04	Cheque date differed.
522726/ 01.06.04	8.00	02.06.04	522726/ 24.05.04	8.00	5.06.04	Cheque date differed.
55498/ 12.10.06	3.00	06.01.07	554863/ 12.10.06	3.00	07.03.07	Cheque No. and amount not agreed.
554863/ 12.10.06	0.17	06.01.07	554818/ 12.10.06	0.17	07.03.07	Cheque No. and amount not agreed.
527001/ 21.10.05	3.00	07.12.05	527001/ 21.10.05	3.00	15.12.05	-
	45.42			45.42		

Source: Departmental records.

Appendix-3.1
(Reference to Paragraph-3.8.6.3)
Statement showing details of interest payment

(₹ in lakh)

Sl. No.	Name of contractor	Name of Division	Case No/order No. and date	Outstanding amount	Interest	Total amount paid	Ch. No. Vr.No. & date
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	Sri Ram Saikia	Sivasagar	(C) 249/09/ No.WP©2426 /08 Date 13.06.2008	0.52	0.54	1.06	Ch. No. 0779873/15598 dtd 7.12.10
2.	Sri Biswajit Bordoloi	Dibrugarh WR Division	MS No. 13/07/ dt.26.05.2006	3.11	1.95	5.06	2 & 3 dtd 22.3.10
3.	Sri Ritupan Senchua	- do -	MS No. 32/07 Dt.23.12.2008	3.49	3.62	7.11	2 & 27 dtd 6.8.10
4.	Sri Padmeshwar Gogoi & others	N. Lakhimpur WR Division	104/2009 No.WP©379/ 2008 Date 07.05.2008	41.99	34.61	76.60	8 dtd 16.2.10
5.	M/S D.L. Engineering	Karimganj W.R. Division	02 of 2008 No.WP©2642 /2006 Dt.07.06.2006	0.76	1.71	2.47	219 dt.25.3.10
Total				49.87	42.43	92.30	

Source: Information collected from Department.

Appendix-3.2

(Reference to Paragraph-3.9.1)

Statement showing the position of delayed completed schemes under selected division (Position as on 31-3-2011)

Sl. No	Name of Division	Programme	Name of project	Ref. & date of approval	Amount under AA/Revised AA (₹ in lakh)	Date of NIT	Stipulated period (Days)	Date/ month of work order	Nos. of group of NIT	No of contactors	date of commencement	Date of completion	Delayed by (Month)	up to date expenditure (₹ in lakh)
1	Dibrugarh	State Plan	Anti-erosion measures at Kardoiguri area to protect Simaluguri Satra from the erosion of river Brahmaputra	WR(C)262/09/3 dtd 22.12.09	111.00	5.12.09	45	9-2-10	10	74	Dec'09	April'10	3	88.00
2	Karimganj	JRC	Extension of bank stabilization measures on L/B of river Kushiyara at Steamerghat area of Karimganj town at D/S of existing work from Ch 110 – 250m)	WR(G)07/06/14 dtd 25.10.06	182.98	10-10-05	30	15-2-07	55	208	Feb'07	Mar'09	24	182.98
3	Sibsagar	NABARD (RIDF-XII)	R/S to Desang bund R/B from Desangpani to AT Road including A/E measures at different reaches	WR(C)50/07/9 dtd. 3.7.07	715.00	24-1-07	45	6-3-07	48	271	Mar'07	Mar'09	23	715.00

4	Dibrugarh	EFC	R/S to Dibrugarh town protection dyke from Maijan to Mohanaghat & B/dyke from Dibrugarh to Dehingmukh Ph-1, II & III	WR9C)18/07/5 dtd 19.3.07	196.00	16-11-06	30	21-12-07	43	167	April'07	Mar'10	35	186.20
5	Sibsagar	EFC	A/E measures of Desang bund L/B from Akhoiphutia to Desangmukh (protection work at Ch 48th & 49th Km) Ph-I	WR(C)327/06/5 dtd 4.6.07	227.66	5-9-06	60	4-12-06	28	74	June'07	Aug'08	13	194.70
6	Dibrugarh	ACA	Extension of A/E measure against the erosion of river Buridehing at U/S of Mergherita town (Dehing poria village)	WR©15/09/11 dtd 10.2.09	329.62	20-12-08	90	20-2-09	15	145	Feb'09	Dec'09	8	329.62
7	Dibrugarh	ACA	A/E measures to Dehing bund L/B from Aghonibari to Sessughat (protection work at 71st km)	WR©14/09/11 dtd 10.2.09	298.76	20.12.08	90	26.2.09	15	99	Feb'09	March'10	11	224.20
8	Sibsagar	ACA	Drainage development of Darika Basin including control of water flow of river Brahamaputra	WR©10/09/11 dtd 7.2.09	225.00	15.12.08	90	7.1.09	1	11	Jan'09	Dec'09	9	225.00

9	Baksa	ACA	Erosion protection of Nepalpara village including construction of M/E on R/B of Rowtamukh river	WR©285/08/11 dtd 4.2.09	100.00	6.12.08	30	30.12.08	9	21	Dec'08	June'09	6	100.00
10	Karimganj	ACA	R/S to embkt along B/B of river Longai from Nilambazar to Krishna nagar, Ph-I (L/B)	WR(G)8/09/6 dtd 2.3.09	200.00	24.12.08	60	25.2.09	12	123	Feb'09	May'11	26	40.00
11	Baksa	ACA	Anti erosion measures against the erosion of river Pagladia at different reaches	WR©3/2010/5 dtd 27.1.10	450.00	6.2.09	30	8.2.10	29	68	Feb'10	Dec'10	9	200.00
12	Karimganj	ACA	Modernisation of Kachua Lock gate including renovation of concrete structure civil works		149.61	18.12.08	60	27.2.09	1	10	Feb'09	Jan'10	9	50.00
13	Kokrajhar	FMP	Improvement, strengthening & training of river Sankosh at Dainamari	WR(C)205/2008/10 dtd. 2.2.09	670.85	1.11.07	30	27.2.09	70	129	Feb'09	March'10	12	624.04
14	Goalpara	FMP	R/S of b/dyke from Khamuza to Beldubi from ch 0 to 17th Km & 26.30th to 35th Km	WR(C)193/2008/10 dtd 17.12.08	743.50	10.11.08	60	18.1.09	54	199	Feb'09	March'11	24	471.48

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15	Karimganj	FMP	R/S to flood prevention in & around Patharkandi by the river Longai Ph I (R/B) Ch 0 to 2238 M	WR(G)11/2008/12 dtd. 30.1.08	694.00	5.11.08	540	12.2.09	29	253	Jan'09	Work in progress (85%)	7	163.00
16	Dibrugarh	FMP	A/E measures to Dehng bund R/B from Bhogamukh to Sessamukh (protn work at 4th Km near Pani Mirigaon)	WR(C)185/2008/8 dtd 12.12.08	247.31	23.10.08	90	2.2.09	13	82	Jan'09	March'10	12	156.05
17	Dibrugarh	FMP	A/E measures at 11th Km of extn of Tengakhat bund upto Jokai RF near Telpani Singimari	WR(C)183/2008/7 dtd 18.10.08	116.00	23.1.08	90	10.12.08	9	53	Oct'08	March'10	15	104.32
18	Dibrugarh	FMP	A/E measures to Dehng bund embkt of river Buri Dehing & its adjoining area including Namphakial village	WR(C)184/2008/8 dtd 10.12.08	230.50	31.12.08	90	12.1.09	9	58	Oct'08	March'10	15	209.22
19	Karimganj	FMP	Protn of Karimganj town from the erosion of river Kushiyara L/B at Kuripati area	WR(G)10/2008/12 dtd 3.1.09	335.50	5.11.08	90	11.2.09	15	48	Feb'09	Work in progress (98%)	23	79.00
20	Baksa	FMP	A/E works at Khalengduwar closing of diversion channel of Nonoi to Kulshmukh	WR(C)110/2008/4 dtd 3.10.08	500.00	1.11.07	30	24.10.08	60	102	Jan'09	March'10	14	281.10
21	Baksa	FMP	River training works at diff reaches of Dhansiri river	WR(C)11/2008/4 dtd 3.10.08	496.81	1.11.07	30	11.8.08	63	134	Sept'08	March'10	17	279.63

22	Karimganj	FMP	Protn of Karimganj town from the erosion of river Longai at Longaighat area	WR(G)9/2008/12 dtd 30.10.09	592.16	5.11.08	540	11.2.09	28	145	Jan'09	Work in progress (85%)	6	138.50
23	Baksa	FMP	River training works at Golondi river including avulsion at Angragaon village	WR(C)112/2008/10 dtd 12.12.08	747.90	2.11.07	45	1.10.08	112	175	Aug'08	March'10	16	584.40
24	Goalpara	FMP	Extn of Goalpara town protn from erosion of river Brahmaputra from Ch 1340 M to its D/S	WR(C)192/2008/10 dtd 17.12.08	745.38	10.11.08	60	1.1.08	25	110	March'09	Work in progress (38%)	23	204.51
					9305.54									5830.95

Source: Information collected from Department.

Appendix-3.3
(Reference to Paragraph-3.14 (i))

Statement of allotment of work without inviting tender

(₹ in lakh)

Sl. No.	Name of the scheme	Name of Division	Sanctioned estimated cost	Total NIT value	Value of work allotted as per approved comparative statement relating to NIT	Value of work allotted directly (Other than Approved NIT)	Total value of work allotted	Up to date expenditure
1	River Training work at different reaches of Dhansiri River under FMP	Baksa	496.81	295.26	295.26	201.55	496.81	279.63
2	Anti erosion measures at Khalenduar (Closing of diversion channel of Nonoi to kulshik river under FMP	Baksa	500.00	319.16	319.16	180.84	500.00	584.44
3	River training work at Golandi river including closing avulsion at Angragaon village under FMP	Baksa	728.68	599.97	599.97	128.71	728.68	281.10
4	Erosion protection of Nepalpara village including construction of M/E in both bank of Rowtamukh river under ACA	Baksa	100.00	62.97	62.97	37..03	100.00	100.00
5	Anti erosion measures against bank erosion of river pagaldia at different reaches under ACA	Baksa	450.00	419.46	419.46	29.13	448.59	200.00
6	`R/S to Desang bund from Desangpani to A.T Road including A/E measures of different reaches	Sivasagar	715.00	503.95	503.95	211.05	715.00	714.98
7	Drainage development of dorika basin including control of back flow of river Brahmaputra	Sivasagar	225.00	210.00	210.00	15.00	225.00	224.99
8	R/S of B/Dyke from Desangmukh to Dikhowmukh	Sivasagar	690.00	606.00	606.00	84.00	690.90	690.90
9	A/E measure of Dikhow bund R/B from Bagharchuk to Baliaghat	Sivasagar	293.97	197.57	197.57	95.80	293.37	293.37.
10	A/E measures to Desangbund L/B from Akhoiphutia to Desangmukh Ph-I	Sivasagar	227.66	204.84	204.84	22.82	227.66	204.89

11	A/E measures to Desangbund L/B from Akhoiphutia to Desangmukh Ph-I	Sivasagar	275.00	260.00	259.44	15.56	275.00	275.00
12	R/S to B/Dyke from Kharmuza to Beldubi from Ch.0.00 M to 17.00M etc.	Goalpara	743.50	718.47	718.47	25.03	743.50	471.48
13	Extension of Goalpara Town Protection from the erosion of river Brehmaputra from Ch.1340m to its downstream	Goalpara	745.38	412.20	412.20	333.18	745.38	204.51
14.	R/S to flood prevention in 2 around Patherkandi by the river Longai Ph. I (R/B) Ch. 0 M to 2238 M	Karimganj	694.00	551.00	551.00	143.00	694.00	163.00
15.	Protection of Karimganj town from erosion of river Longai at Longaighat area	Karimganj	592.16	460.00	460.00	132.16	592.16	138.50
15.	Protection of Karimganj town from erosion of river Kushiara on its L/B at Kuripatty area	Karimganj	335.50	250.00	250.00	85.50	335.50	79.00
17.	A/E measures at 11 th Km of extension of Tengakhat bund up to Jokai R.F. near Telpani Singimari	Dibrugarh	116.00	97.35	97.35	18.65	116.00	104.32
18.	Extension of A/E measures against the erosion of river Bunidehing at up stream on L/B Mangherita town	Dibrugarh	329.62	181.22	181.22	148.40	329.62	329.62
	Total		8258.28	6349.42	6348.86	1908.86	8257.17	5339.73

Source: Information collected from Department.

Appendix-3.4
(Reference to Paragraph-3.14 (i))
Statement showing the details of work allotted to non-tenderers

(₹ in lakh)

Sl. No.	Name of Division	Name of the scheme	No. of contractors involved	Payment made
(1)	(2)	(3)	(4)	(5)
1.	Goalpara	R/S to B/dyke from Khanmuza to Beldubi etc.	3	0.84
2.	- do -	Extension of Goalpara town protection from the erosion of river Brahmaputra	25	34.76
3.	Karimganj	R/S to embankment closing both bank of river Longai from Nilambazar to Krishnanagar – ACA	72	10.79
4.	- do -	Protection of Karimganj town from erosion of river Longai at Longaighat area	55	29.68
Total			155	76.07

Source: Information collected from Department.

Appendix-3.5

(Reference to Paragraph-3.14 (iii))

Statement showing the execution/ commencement of work prior to accordance of Technical Sanction

(₹ in lakh)

Sl. No.	Division	Name of scheme	AA No. with amount	TS No. with amount	Date of commencement	Up to date expenditure
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	Sivasagar WR Division	R/S to B/dyke from Laibeel to Rajbari including A/E measure	WRI87/2008/18 dtd. 18.12.08 for ₹ 542.45	ACE/WR/WS-183/ 2009/3 dtd 27.7.09 ₹ 542.25	1/09	166.45
2.	- do -	R/S to B/dyke from Laibeel to Desangmukh i/e A/E measure at Kokilamari, Soniboria Bazar area	WRI88/2008/9 dtd 18.12.08 ₹ 747.59	ACE/WR/WS-183/ 2009/2 dtd 27.7.09 ₹ 747.59	1/09	230.91
3.	Sivasagar WR Division	R/S to Desangbund R/B embkt from Desangpari to AT Road under NABARD	WRI50/2007/9 dtd 19.2.07 ₹ 715.00	Addl CE/WR/WS/169/04/7A dtd 10.6.08 ₹ 715.00	3/07	714.97
4.	Baksa WR Division	Erosion protection of Nepalpara village including construction of M/E in B/B of Rowtamukh river under ACA	WRI285/2008/11 dtd 4.2.09 ₹. 100.00	Addl CE/KZ/WR/TS/62 dtd 7.3.09	2/09	100
5.	- do -	A/E measures against the bank erosion of river Pagaldia at different reaches under ACA	WRI3/2010/5 dtd 27.1.10 ₹ 450.00	WR(ED)Tech/5590/09/7 dtd. 6.3.10	2/10	100
6.	Kokrajhar WR Division	FDR to protection of village Dhanguri, Thaisuguri, Lawkriguri, Gundhabil, Anduguri from the erosion of river Hel under CRF	RGR 462/2005/4 dtd 5.8.06 ₹ 69.82	DWR/TB/6/BTAD/55 dtd 21.5.08 ₹ 69.82	1/06	69.81
7.	Goalpara WR Division	R/S of b/dyke from Kharmuza to Beldubi from Ch 0 to Ch 17th Km & 26.30th to 35th Km	WRI193/2008/10 dtd 17.12.08 for ₹ 743.50	WR(ED)Tech/5325/07/12 dtd 9.7.09 ₹ 743.50	2/09	214.48
8	- do -	Extn of Goalpara town protn from erosion of river Brahmaputra from Ch 1,340 M to its D/S	WRI192/2008/10 dtd 17.12.08 for ₹ 745.38	WR(ED)Tech/5323/07/11 dtd 9.7.09 ₹ 744.38	3/09	204.50

(1)	(2)	(3)	(4)	(5)	(6)	(7)
9.	Karimganj W R Division	Raising and strengthening (R&S) to flood protection and drainage in Patherkandi ph II (r/b Longai river)	WR(C) 51/2008/12 Dt. 30.1.09 ₹ 694.00 lakh	CEWR(C&H)/Misc.15/ pt.III/59 Dt.1.10.09 ₹ 694.00 lakh	2/09	163
10	- do -	Protection of Karimganj town from river Kushiara on its left bank at Kuripatty	WR(C) 10/2008/12 Dt. 30.1.09 ₹ 335.50 lakh	CEWR(C&H)/Misc.15/ pt.III/62 Dt 16.11.09 ₹ 335.50.00 lakh	2/09	79
11.	- do -	Protection of Karimganj town from erosion of river Longai	WR(C) 9/2008/12 Dt. 30.1.09 ₹ 592.16 lakh	CEWR(C&H)/Misc.15/ pt.III/63 Dt 16. 11.09 ₹ 335.50.00 lakh	3/09	138.50
12	- do -	R&S to embankment along right bank of Longai from Nilambazar to Krishna Nagar ph I	WR(C) 08/2009/6 Dt. 23.11.09 ₹ 200.00 lakh	CEWR(C&H)/TB/ Misc. /15/ pt.III/61 Dt 23. 11.09 ₹ 199.31 lakh	3/09	46.30
13.	- do -	Modernization of Kachua lockgate including renovation of concrete structure	WR(C)08/2009/6 Dt. 2.3.09 ₹ 149.61.00 lakh	CEWR(C&H)/TB/ Misc. /15/ pt.III/56 Dt 7.7.09. ₹ 71.39 lakh CEWR(C&H)/TB/ Misc. /15/ pt.III/56 Dt 27.2.09. ₹ 150.00 lakh	3/09	35
Total						2,262.92

Source: Information collected from Department.

Appendix-3.6
(Reference to Paragraph-3.14 (iv))

Statement showing commencement of work prior to accordance of Administrative Approval and Technical Sanction
(₹ in lakh)

Sl. No.	Division	Name of scheme	AA No. with amount	TS No. with amount	Date of commencement	Date of completion	Expenditure incurred
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	North Lakhimpur WR Division	Immediate measures to Kakoi R/B from Lilabari T.G. to Kadam including breach closing with A/E measures 2007-08	Revenue sanction vide No. RGR 45/2008/5 dtd 7.7.08 ₹ 106.67	ACE/WR/W/29/F/34 1/07/6 dtd 5.6.09 ₹ 106.67	3/08	5/08	96.00
2.	Baksa WR Division	River training work at different reaches of Dhansiri river under FMP	WRI111/2008/4 dtd 3.10.08 ₹ 496.81	Addl.CE/KZ/WR/TS/31 dtd 6.10.08	9/08	3/10	269.33
3.	- do -	River training works at Golandi river including closing avulsion at Angahgaon village	WRI112/2008/10 dtd 12.12.08 ₹ 728.68	Addl CE/KZ/WR/TS/40 dtd 19.12.08	10/08	3/10	570.70
4.	- do -	A/E measures to protect the village Naubardha from the erosion of river Suklai	BTC/WR-261/2008/2 dtd 6.11.08 ₹ 35.14	Addl CE/KZ/WR/TS/35 dtd 10.11.08 ₹ 35.14	12/07	5/08	34.17
5.	- do -	Construction of embkt along R/B of river Suklai	BTC/WR-261/2008/2 dtd 6.11.08 ₹ 31.63	Addl CE/KZ/WR/TS/37 dtd 10.11.08 ₹ 31.63	5/07	3/08	30.97
6.	- do -	Extension of embkt along R/B of river Suklai including protection works Ch 1260 M to 3160 M	BTC/WR-261/2008/3 dtd 6.11.08 ₹ 45.28	Addl CE/KZ/WR/TS/36 dtd 10.11.08 ₹ 45.28	12/07	3/08	44.85
7.	- do -	Erosion protection at No. 1 Ghogra village from the erosion of river Bhola	BTC/FC-4/2005-06/26 dtd 3.2.10 ₹ 28.28	Addl CE/KZ/WR/TS/214 dtd 8.3.10 ₹ 28.28	11/07	12/07	28.14

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
8.	Baksa WR Division	Closing avulsion works at Niz Udalguri area at R/B at river Golandi river BTAD 2007-08	BTC/FC-4/2005-06/24 dtd 3.2.10 ₹ 14.99	Addl CE/KZ/WR/TS/214 dtd 8.3.10 ₹ 14.14	6/07	7/07	14.99	
9.	- do -	Emergent closing avulsion work at Phatasimalu village from river Panchoni	BTC/FC-4/2005-06/25 dtd 3.2.10 ₹ 11.51	Addl CE/KZ/WR/TS/214 dtd 8.3.10 ₹ 11.51	3/08	4/08	11.49	
10.	- do -	Emergent protection works at Puthimari embkt at 10 th KM Kellengchowk	BTC/WR-299/2010/2 dtd 27.1.10 ₹ 27.33	Addl CE/KZ/WR/TS/134 dtd 2.2.10 ₹ 27.33	5/09	6/09	26.45	
11.	- do -	FDR to Puthimari R/B embkt (Restoration at Khatpara) for 2006-07	RGR 447/2007/16 dtd 7.8.07 ₹ 48.99	DWR/TB/6/BTAD/2 6 dtd 29.9.07 ₹ 48.99	4/07	6/07	48.90	
12.	- do -	FDR to Puthimari R/B embkt at habibari (construction of retirement) for 2006-07	RGR 447/2007/16 dtd 7.8.07 ₹ 46.80	DWR/TB/6/BTAD/3 2 dtd 29.9.07 ₹ 46.80	4/07	6/07	46.80	
13.	- do -	FDR to Puthimari R/B (restoration at Kellengchowk) for 2006-07	RGR 447/2007/16 dtd 7.8.07 ₹ 70.31	DWR/TB/6/BTAD/2 7 dtd 29.9.07 ₹ 70.31	5/07	8/07	70.30	
14.	Kokrajhar WR Division	A/E measures to protect Khagrabari Melmilpara and Kasudola village area from the erosion of river Champamati undedr ACA	BTC/FC/16/2004/43 dtd 27.6.06 ₹ 323.11	DWR/TB/BTAD/C/2 8 dtd 14.7.06 ₹ 306.00	3/06	-	290.70	
15.	- do -	Strengthening of embkt on R/B of river Cjhampamati river on u/s of NH 31I under ACA	WRI 323/2006/5 dtd 14.3.07 ₹ 373.12	ACE/LAZ(ED)Tech/ 4074/03/14 dtd 26.4.07 ₹ 373.12	12/06	-	373.12	
Total:								1956.61

Source: Information collected from Department.

Appendix-3.7
(Reference to Paragraph-3.16 (iv))
Statement showing the position of enlisted records maintained/ not maintained by the Divisions

Sl No	Branch	Name of Records/ Register	Mangaldai	Tezpur	North Lakhimpur	Dhakua khana	Ghy East	Silchar	Dhemaji	Kokrajhar	Baksa	Goalpara	Dibrugarh	Sivasagar	Karimganj
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
1	Accounts														
2		Register of Deposit	M (3/2000)	M (3/2000)	M (3/10)	M	M	M	M	M (3/10)	M (8/10)	M (3/10)	M (3/10)	M	NM
3		Register of Misc PWA	NM	N	M (3/09)	NM	M	M	NM	M (3/10)	M (8/10)	M (3/10)	M 10/10	M	M (3/11)
4		Register of WMC	NM	N	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
5		Register of CSSA	M (5/09)	M (5/09)	NM	NM	M	M	NM	NM	M (8/10)	M (3/10)	M	NM	NM
6		Register of Works	M (3/09)	M (3/10)	M (8/10)	M	M (2/10)	M	M	M (3/10)	M (8/10)	M (3/10)	M	M	NM
7		Contractors Ledger	NM	NM		NM	NM	M	M	NM	NM	NM	M	M	NM
8		Works Abstract	NM	NM	M (8/10)	NM	NM	NM	M	M (8/10)	M (8/10)	M (3/10)	M	M	NM
9		Proforma Bill Register	NM	NM	NM	NM	M	NM	M	NM	NM	M (3/10)	NM	M	NM
10		Check Measurement Register	M	M	NM	NM	NM	NM	M	NM	NM	NM	NM	NM	NM
11		Permanent Site Accounts Register	NM	NM	NM	NM	NM	NM	M	NM	NM	NM	NM	NM	NM
12		Hand Receipt Payment Register	NM	MM	NM	NM	M	NM	NM	NM	NM	NM	NM	NM	NM
13		Register of Asset	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
14		Register of Valuables	NM	NM	NM	NM	NM	NM	NM	NM	M	M (3/10)	NM	NM	NM
15		FOC Register	M	M	M (8/10)	M	M	M	M	M (8/10)	M (9/10)	M (3/10)	M (3/10)	M	M (3/11)
16		Expenditure Control Register	M	M	NM	M	M	M	M	NM	M (9/10)	M	NM	NM	NM
17		Advance Register to Contractor/Supplier	M	M	M (3/05)	NM	M	M	M	M (8/10)	NM	NM	NM	NM	NM
18		Register of Transfer Entry	M	M	NM	NM	NM	NM	NM	NM	NM	NM	M	NM	NM
19		Register of Misc. Recoveries	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	M	NM	NM
20		Register of Supply order	M	M	NM	M	M	M	M	M (8/10)	NM	NM	NM	NM	NM

Audit Report (Civil) for the year ended 31 March 2011

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
21		Contractors Bill Register	M	M	M	M	M	M	M	M (8/10)	M	NM	M	M	M (3/11)
22		Register of Liabilities	M	M	M	M	M	M	M	M (8/10)	NM	NM	M	M	NM
23		Register of Deposit Work	M (12/09)	M (12/09)	M	NM	M	M	M	M (8/10)	NM	NM	M	M	NM
24		Register of Revenue Recovery	NM	NM	NM	NM	M	NM	NM	NM	M	NM	NM	NM	NM
25		Form 51	-	-	-	-	-	-	-	-	-	-	-	-	-
26		Register of Arbitration Cases	-	-	-	-	-	-	-	-	-	-	-	-	-
27		Register of AG's Outstanding Paras	NM	NM	NM	NM	NM	NM	NM						
28	Technical Branch														
29		Register of A.A.	M	M	M	M	M	M	M	M (8/10)	M (8/10)	M	NM	M	NM
30		Register of T.S.	M	M	M	M	M	M	M	M (8/10)	M (8/10)	M	NM	M	NM
31		Register of W.O.	M (6/10)	M (6/10)	NM	M	M	M	M	M (8/10)	M	M	NM	NM	NM
32		Register of Tender Agreement	M	M (9/10)	M (9/10)	M	M	M	M	M (8/10)	M	M	NM	NM	NM
33		Register of NIT	M (3/10)	M (3/10)	M	M	M	M	M	M (8/10)	M	NM	NM	NM	NM
34		Register of Survey	-	-	-	-	-	-	-	-	-	-	-	-	-
35		Sanction Register	NM	NM	NM	NM	M	NM	M	NM	NM	M (8/10)	M	M	NM
36		Monthly Progress Report	M	M	M	M	M	M	M	-	-	-	-	-	-
37		Quarterly Progress Report	M	M	M	M	M (9/10)	M	M	-	-	-	-	-	-
38		Forest/Trade Permit / Indent File	-	-	-	-	-	-	-	-	-	-	-	-	-
39		Register of Q.C./CE/SE	-	-	-	-	-	-	-	-	-	-	-	-	-
40	Store														
41		P.S.L.	-	-	-	-	-	-	-	-	-	-	-	-	-
42		M.P.S.S.A.	-	-	-	-	-	-	-	-	-	-	-	-	-
43		T & P Ledger	M	M (9/10)	M (9/10)	NM	M	M	M	NM	M (8/10)	M (9/10)	NM	NM	NM

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
44		History Sheet of Vehicle	NM	NM	NM	NM	NM	NM	M	M (8/10)	NM	NM	NM	NM	NM
45		Log Book of Vehicle	M (9/10)	M (9/10)	M	NM	NM	NM	NM	M (8/10)	NM	NM	NM	NM	NM
46		Furniture Register of I.B./ Office	M (9/10)	M	NM	M	M	M	M	M (8/10)	M	NM	NM	M	NM
47		Numerical Account	M	M	NM	M	NM	NM	NM	NM	NM	NM	NM	NM	NM
48	Establishment														
49		Register of Recovery of Rent License Fee	NM	N	M (3/10)	NM	NM	NM	NM	M (3/10)	M (8/10)	NM	M	NM	M (3/06)
50		Incumbency Register	M	M	M	M	M	M	M	M (8/10)	M	M (3/10)	M	M	M (3/11)
51		Dead Stock Register	NM	M	NM	M	NM	NM	NM	NM	NM	NM	NM	NM	NM
52		Register of Cheque Book	M	M	M	M	M	M	M	M (8/10)	M (8/10)	NM	M	M	M 3/11)
53		Advance Register													
54		Pay	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
55		TA	NM	NM	M (8/10)	NM	NM	NM	NM	M (8/10)	NM	M (3/10)	NM	NM	NM
56		LTC	NM	NM	M (8/10)	NM	NM	M	M	M (8/10)	NM	NM	M	NM	NM
57		HBA	M (9/10)	M (9/10)	M (9/10)	M	NM	M	M	M (8/10)	NM	NM	M	M	NM
58		GPF	M (9/10)	M (9/10)	M	M	NM	M	M	M (8/10)	NM	M (9/10)	M	M	NM
59		Vehicle	NM	NM	NM	NM	NM	NM	M	M (8/10)	NM	NM	NM	NM	NM
60		Cash Book	M	M	M	M	M	M	M	M (8/10)	M (8/10)	M	M	M	M (3/11)
61		Register of Treasury Remittance	-	-	-	-	-	-	-	-	-	-	-	-	-
62		Subsidiary Cash Book	M	M	M	M	M	M	M	M (8/10)	M (8/10)	M	M	M	NM
63		Register of Sale of Tender Form	M (3/10)	M (3/10)	M (4/10)	NM	M	M	M	M (8/10)	NM	M (3/10)	NM	M	NM
64		Aquittance Roll	M	M	M	M	M	M	M	M (8/10)	M	M (9/10)	NM	M	NM
65		Imprest Register	NM	NM	NM	NM	M	NM	NM	NM	NM	NM	NM	NM	NM
66		Register of Contingency	M	M	M	NM	M	M	M	M (8/10)	M	M (9/10)	NM	M	NM
67		Register of Service Books	M	M	M	M	M	M	M	M (8/10)	M	NM	NM	NM	NM
68		Bill Register	M	M	M	M	M	M	M	M (8/10)	M	NM	M	M	M (3/11)
69		Register of M.B.	M	M	M	M	M	M	M	M (8/10)	M	M (9/10)	M	NM	M (3/11)
70		Movement Register of MB's	M (9/10)	M	M	M	M	M	M	NM	NM	NM	NM	NM	M (3/11)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
71		Register of Contractors	M	M	M	M	M	M	M	M (8/10)	M	M (9/10)	M	M	NM
72		Register of Bank Guarantee	M	M	NM	M	M	M	NM	NM	NM	NM	NM	NM	NM
73		Occupation Register of IB	M (4/10)	M (4/10)	M	M	M	NM	M	NM	NM	NM	NM	NM	NM

Source: Information collected from Department

M: Maintained.

NM: Not maintained.

Appendix-4.1
(Reference to paragraph 4.1.5)

Statement showing details of part payments made to the contractors

Sl. No.	Supply order No. & Date	Name of suppliers	Materials supplied	Quantity supplied	Bill No. & Date	Rate per RM (₹)	Cost of Materials (₹)	Part payment made (₹)	Voucher. No. & Date	Cheque No. & Date
1	NA	M/S Munna Phonglosa, Haflong	GI Pipes	NA	NA	NA	NA	16,00,000	6 dt.14.01.08	00085/980986 dt. 14.01.08
2	NA	Dilip Phonglo, Haflong	GI Pipes	6720 RM	HFG/PHE/01 Dtd.6.11.07	254	17,06,880	12,00,000	5 dt.14.01.08	980984/00084 dt.14.01.08
3	NA	Jibangshu Paul	25 mm dia GI Pipes	6730 RM	NA	172	11,57,560	8,50,000	3&3A dt.7.03.08	368706/00137 dt.7.03.08
4	ACE/PHE/HFG/M -7/2007-08/1294 dtd Nil	Jibangshu Paul	25 mm dia GI Pipes	6730 RM	NA	172	11,57,560	3,50,000	7 dt.14.01.08	980985/00084 dt.14.01.08
5	ACE/PHE/HFG/M -7/2007-08/829 dt.31.1.08	M/S Munna Phonglosa, Haflong	40 mm dia G.I. pipe	9850 RM	Div/MP/07-08 dt. NIL	254	25,01,900	20,00,000 3,64,611	1 dt.8.4.08 4 dt.8.5.08	083702/00141 dt.8.4.08 083712/00141
6	ACE/PHE/HFG/M -7/2007-08/863 dtd. 29.01.08	M/S Munna Phonglosa, Haflong	40 mm dia (Medium) G.I. pipe	1440 RM	09/MP/07-08 dt. NIL	254	3,65,760	4,00,000	9 dt.9.4.08	083708/00141
			25 mm dia G.I. pipe	3700 RM	09/MP/07-08 dt. NIL	172	6,36,400	5,40,865	2 dt.8.5.08	083712/00141
7	ACE/PHE/HFG/M -7/2007-08/834 dtd Nil	M/S Munna Phonglosa, Haflong	P.S. Plate 6000 litre capacity	154 nos.	07/MP/07-08	7585	11,68,090	11,00,890	3 dt.8.5.08	083712/00141
8	NA	Dilip Phonglo, Haflong	P.S. Plate 6000 litre capacity	84 nos.	DIL/HFG/PHE/01	7585 8.8% Tax	6,37,140 56,068 6,93,208	6,00,842	6 dt.8.5.08	083713/00141
9	ACE/PHE/HFG/M -7/07-08/821 dt.17.1.08	Dilip Phonglo; Haflong	P.S. Plate	112 nos.	DIL/HFG/PHE/02 dt. NIL	7585 each	8,49,520	5,00,000 3,00,000 920	2 dt.8.4.08 8 dt.9.4.08 7 dt.8.5.08	083703/00141 083707/00141 083713/00141
10	ACE/PHE/HFG/M -7/2007-08/871 dtd 29.01.08	Dilip Phonglo, Haflong	40 mm dia G.I. pipe	9850 RM	DIL/HFG/PHE/03 dt. NIL	254	25,01,900	20,00,000 59,681	3 dt.8.4.08 5 dt.8.5.08	083703/00141 083713/00141
11	ACE/HFG/AC-6(Pt)/07-08/830 dt.18.1.08	Sujata Enterprise, Guwahati	14 Diesel pump set	4 sets	Invoice No.1257 dt. 17.3.08	98,496 4% VAT	3,93,984* 15,760 4,09,744	3,91,984 (including VAT)	5 dt.8.4.08	DD No.1296 "155382" dt.8.4.08 for ₹11,75,952 against cheque No.083705/00141 dt.8.4.08
12	NA	Sujata Enterprise, Guwahati	14 Diesel pump set	8 sets	Invoice No. 1256 dt. 17.3.06	98,496 4% VAT	7,87,968# 31,519 8,19,487	7,83,968 (including VAT)	6 dt.8.4.08	
Total							1,39,68,009	1,30,43,761		

* Includes Entry Tax of ₹2,000 # Includes Entry Tax of ₹4,000.

Source: Departmental records.

Appendix-4.2

(Reference to paragraph 4.1.10)

Statement of receipt and expenditure of ₹seven crore (as per cash book) received under State Priority Scheme during 2007-08 (₹ in lakh)

Details of receipt					Details of expenditure							
Date of Entry in cash book	Amount received	Cheque No & date	Date of Deposit into Bank	Bank account No	Date of withdrawal from bank	Account No	Amount withdrawn	Voucher No. and date	To whom Paid	Materials for which payment was made	Quantity (In nos.)	Amount paid in cash
25/9/07	350.00	629/0062805 dt 5/9/07	25/9/07	11315096522	9/2/2008	11315095622	138.75	1 of 9/2/2008	M/s S R Enterprise	Water Filter	7500	138.75
28/11/07	350.00	0063746/638	28/11/07	11315096522	12/2/2008	11315095622	137.96	2 of 12/2/2008	M/s H.K. Enterprise	Tarpaulin 20x20	3000	137.96
										Automatic sewing machine	200	
										Hand sewing machine	300	
										Foot sewing machine	1700	
					14/2/08	11315095622	375.00	3 of 14/2/08	M/s JK Traders, Haflong	Rei/Muga Reeling Machine	3000	375.00
					15/2/08	11315095622	43.62	4 of 15/2/08	M/s N D. Enterprise	Rearing Tray (915mmx600mm x8mm)	3000	43.62
										Steel rack 2.1 m X 6 m X 1.8 m	300	
										Plastic Mantages	3000	
					27/2/08	NA	4.67	5 to 12 of 27/2/08	Seven drivers & Technical persons	Carrying charges& fitting & fixing charges		0.75
								13 to 17 of 27/2/08	Hotel manager	Fooding etc		0.32
								18 to 26 of 27/2/08	Nine Truck Driver	Carrying charges		3.60
	700.00											700.00

Source: Departmental records.

Appendix-4.3
(Reference to paragraph 4.1.12)
Difference of the value of material shown received in stock
and payments made under ICDS 2007-09

(in ₹)

Name of CDPO	Value of materials received	Amount shown paid			Difference
		2007-08	2008-09	Total	
1	2	3	4	5	6
Child Development Project Officer, Diyungbra	86,97,105	66,86,875	41,57,545	1,08,44,420	-21,47,315
Child Development Project Officer, New Sangbar	3,10,400	18,44,696	7,34,510	25,79,206	-22,68,806
Child Development Project Officer, Jatinga Valley, ICDS Project	1,93,927	86,14,448	41,20,700	1,27,35,148	-1,25,41,221
Child Development Project Officer, Diyung Valley, ICDS Project	90,25,626	66,40,485	20,51,450	86,91,935	3,33,691
Child Development Project Officer, Harangajao, ICDS Project	37,88,835		39,37,385	39,36,585	-1,47,750
Total	2,20,15,893	2,37,86,504	1,50,01,590	3,87,87,294	-1,67,71,401

Source: Departmental records.

Appendix-4.4

(Reference to paragraph 4.2.1)

Procurement and issue of GI pipes under Augmentation of Maibong Water Supply Scheme

Sl. No.	Supply order No. & date	Name of the supplier	Specification	Quantity	Rate (₹)	Quantity supplied (RM)	Dates of receipt	Bill value (₹)	Voucher No. & date	Quantity of materials issued to site (RM)	Value (₹)	Balance (RM)	Amount (₹)
1.	ACE/PHE/HFG/M-7(Pt-II)/08-09/624 dtd.15.09.08	Shristy Crop Care	150 mm	2300	2317	2298.82	November 2008	53,26,365	200 24.02.09	2,298.82	5326365	Nil	0
2.	-do-/348 dtd.10.07.08	Monjoy Thaoson	150 mm	440	2317	438.28	November 2008	10,15,395	201 24.02.09	43,8.28	1015395	Nil	0
3.	-do-/784 dtd.26.11.08	Dilip Phonglo	150 mm	1000	2317	999.90	December 2008	23,16,769	33 & 76 27.03.09	59.10	136935	940.80	21,79,834
4.	-do-/780, dtd.26.11.08	Munna Phonglosa	80 mm	1000	1049	999.12	December 2008	10,48,077	75 23.03.09	Nil	Nil	999.12	10,48,077
5.	-do-/776 dtd.26.11.08	M/s. Longthasa Supply Syndicate	80 mm	2000	1049	1998.35	December 2008	20,96,269	11 02.03.09	Nil	Nil	1998.35	20,96,269
6.	-do-/772 dtd.26.11.08	Bibrata Langthasa	150 mm	300	2317	299.96	December 2008	21,62,967	12 02.03.09	Nil	Nil	299.96	21,62,967
			80 mm	1400	1049	1399.39	December 2008					1399.39	
7.	-do-/265, dtd.27.06.08	Monika Hojai	150 mm	500	2317	500.00	December 2008	11,58,500	53 02.03.09	Nil	Nil	500.00	11,58,500
8.	-do-/257 dtd.27.06.08	Chandra Sen Hojai	150 mm	500	2317	499.84	December 2008	11,58,129	51 02.03.09	Nil	Nil	499.84	11,58,129
9.	-do-/261 dtd.27.06.08	Arup Langthasa	150 mm	500	2317	499.92	December 2008	11,58,315	49 02.03.09	Nil	Nil	499.92	11,58,315
10.	-do-/789 dtd.27.11.08	Findavda Suchew	100 mm	1100	1525	1100.00	December 2008	16,77,500	52 02.03.09	402.40	513660	697.60	10,63,840
11.	-do-/793 dtd.27.11.08	Manna Phonglosa	150 mm	1000	2317	999.96	December 2008	23,16,907	74 23.03.09	Nil	Nil	999.96	23,16,907
Total				12,040		12,033.54		2,14,35,193		3,198.60	70,92,355	8,834.94	1,43,42,838

Source: Departmental records.

Appendix-4.5
(Reference to paragraph-4.2.2)

Details of supply order of GI pipes and payments made

Sl. No.	Name of the Supplier	Supply Order No. and date	Name of the schemes	Requirement of GI pipes		Quantity supplied (RM)	Rate per RM (₹)	Bill value (₹)	Payment made (₹)	Voucher No. and date	
1.	M/s Jeet Enterprise	ACE/PHE/HFG/M-7(pt-II)/08-09/962 dated 7.02.2009	Daudang Lower	65 mm	2,050 RM	1,349	819	94,74,938	88,40,000	54, 55 dtd.2.03.2009	
			Lower Jagdi	50 mm	3,090 RM	3,590	635				
			Thingje West	40 mm	13,040 RM	9,770	457				
			Khomonnom	25 mm	13,040 RM	4,355	310				
			Upper Choto Laisong	20 mm	1,348 RM	1,331	207				
			Total		32,568 RM	20,395 RM					
			N/Ngalsong								
			Lasong West								
			NKIA Bunglo								
			Upgradation of Longshep								
			Upgradation of Diduki								
Upgradation of Phaiding											
Hange Naga Basti											
Lower Noblaidisa											
Borowapu West											
Naya Bathari											
Upper Longkhor											
2.	M/s Loknath Trading	ACE/PHE/HFG/M-7(pt-II)/08-09/958 dated 7.02.2009	Lower Khepre	80 mm	800 RM	787	1,049	88,00,756	83,20,000	56, 57 dtd.2.03.2009	
			N/Didambra	50 mm	725 RM	725	635				
			N/Thingvom	40 mm	13,830 RM	11,224	457				
			Gerem Gisim	25 mm	7,695 RM	7,695	310				
			Total		23,050 RM	20,431 RM					
			Langting Rly Siding								
			P/Wardrangdis								
			U/Natun Disao								
			Numjang Lower								
U/Didaodip											
U/Khailemdisa											
Grand total					55,618 RM	40,826 RM		1,82,75,694	1,71,60,000		

Source: Departmental records.