

**ANNUAL TECHNICAL INSPECTION REPORT**

**on**

**Panchayati Raj Institutions**

**and**

**Urban Local Bodies**

**FOR THE YEAR ENDED 31 MARCH 2012**

**In terms of the Technical Guidance and Supervision  
by the Comptroller and Auditor General of India**

**GOVERNMENT OF ASSAM**

**OFFICE OF THE ACCOUNTANT GENERAL (AUDIT) ASSAM,**

**GUWAHATI**

## TABLE OF CONTENTS

	Reference to	
	Paragraph	Page (s)
Preface		v
Overview		vii-xii
<b>CHAPTER – I</b>		
<b>SECTION ‘A’</b>		
<b>AN OVERVIEW OF THE ORGANISATION, FINANCES, DEVOLUTION AND ACCOUNTABILITY FRAMEWORK OF PRIs and ULBs</b>		
Introduction	1.1	1
State Profile	1.2	2
Size of Local Bodies (LBs)	1.3	3
Organizational setup in State Government and LBs	1.4	3
Functioning of PRIs	1.5	5
Functioning of ULBs	1.6	6
Standing Committees	1.7	6
Staffing pattern of PRIs and ULBs	1.8	7
District Planning Committee (DPC)	1.9	9
State Finance Commission (SFC) Grants	1.10	11
Decentralised Planning	1.11	13
Merger of all parallel bodies with Zilla Parishad (ZP)	1.12	15
Financial profile of PRIs	1.13	15
Financial profile of ULBs	1.14	19
Revenue resources and expenditure management of LBs	1.15	24
Thirteenth Finance Commission (13 <sup>th</sup> FC) Grant	1.16	25
Database on LB Finances	1.17	27
Accountability Framework	1.18	28
Vigilance Mechanism	1.19	30
Audit Mandate	1.20	32
Conclusion	1.21	34
<b>SECTION ‘B’</b>		
<b>FINANCIAL REPORTING</b>		
Legal framework	1.22	35
Internal control system in LBs	1.23	42
Internal Audit	1.24	43
Audit of accounts of LBs	1.25	43
Administrative Reports	1.26	45
Conclusion	1.27	46

<b>CHAPTER - II</b>		
<b>THEME AUDIT</b>		
Theme Audit on Backward Regions Grant Fund	2.1 – 2.9	47-68
<b>CHAPTER – III</b>		
<b>TRANSACTION AUDIT</b>		
<b>PANCHAYAT AND RURAL DEVELOPMENT DEPARTMENT</b>		
Loss of revenue	3.1.1.1	69
Misappropriation of funds	3.1.1.2	70
Suspected embezzlement of IAY Funds	3.1.1.3	71
Fraudulent payment	3.1.1.4	72
Lapse of DDP fund	3.1.2.1	73
Diversion Twelfth Finance Commission Grants	3.1.2.2	74
Unproductive expenditure	3.1.2.3	75
Irregular allotment of IAY Houses	3.1.3.1	77
Diversion of DDP Fund	3.1.3.2	78
Unauthorized expenditure	3.1.3.3	79
<b>URBAN DEVELOPMENT DEPARTMENT</b>		
Blocking up of funds	3.2.1.1	81
Avoidable financial burden	3.2.1.2	82
Excess expenditure	3.2.1.3	84

<b>APPENDICES</b>		
<b>Appendix No.</b>	<b>Details</b>	<b>Page (s)</b>
I	Roles and Responsibilities of Standing Committees of PRIs.	87
II	Variation of staff strength across the MBs and TCs in general areas of the State.	88
III	Conditions for eligibility for Performance Grants of 13 <sup>th</sup> FC and its compliance by the State Government	90
IV	List of PRIs and ULBs audited during July 2011 to March 2012.	92
V	Statement showing non-reconciliation of Bank balances as per Bank Pass book and Cash Book.	93
VI	Statement showing short/non-accountal of receipts.	94
VII	Statement showing expenditure incurred by PRIs/ULBs without preparation of budget.	95
VIII	A. Statement showing unrealistic budget prepared by PRIs. B. Statement showing unrealistic budget prepared by ULBs.	97
IX	Statement showing pending utilization certificate against different implementing agencies.	98
X	Statement showing non-adjustment of advances	99
XI	Internal Control System at the level of LBs.	100
XII	Statement showing delay in release of fund in two test checked districts.	101
XIII	Statement showing delay in release of fund in SIRD, Assam.	101
XIV	Statement showing Receipt and Utilization of fund under BRGF during 2007-08 to 2011-12.	102
XV	Statement showing receipt and release of fund to PRIs and ULBs.	103
XVI	Statement showing district wise allocation of fund and SC/ST population in BRGF districts.	104
XVII	Statement showing expenditure on inadmissible works out of BRGF during 2007-12.	105
XVIII	Statement showing receipt and utilization of funds by the PRIs and ULBs.	107
XIX	Statement showing loss of revenue due to non settlement of markets/beels with highest bidders.	111
XX	Statement showing IAY benefits provided by quoting the other beneficiaries BPL Id. No.	113

## PREFACE

The Annual Technical Inspection Report (ATIR) has been prepared for submission to the Government of Assam (GoA) in accordance with the terms and conditions of the Technical Guidance and Supervision (TGS) on the audit of accounts of Panchayati Raj Institutions (PRIs) and Urban Local Bodies (ULBs) as entrusted by the GoA to the Comptroller and Auditor General (CAG) of India under Section 20 (1) of the CAG's (DPC) Act, 1971. This is the eighth Report prepared on PRIs and ULBs in Assam.

2. The purpose of this report is to provide an overview of the functioning of PRIs and ULBs in the State and draw the attention of the concerned Executive Departments to take appropriate remedial action wherever necessary.

3. The Report contains three chapters. Chapter I contains two Sections. Section 'A' contains an overview of the organization, finances, devolution and accountability framework and Section 'B' contains the comments on financial reporting of PRIs and ULBs. Chapter II contains Theme Audit on Backward Regions Grant Fund (BRGF) and Chapter III contains results of Transaction Audit of PRIs & ULBs.

4. The cases mentioned in this Report for the year 2011-12 is a consolidation of major audit findings arising out of audit of accounts of 57 PRIs {(five Zilla Parishads (ZPs), 11 Anchalik Panchayats (APs) and 41 Gaon Panchayats (GPs)} and 17 ULBs {(six Municipal Boards (MBs) and 11 Town Committees (TCs)} conducted during 2011-12 (July to March 2012) 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 2011-12 have also been included wherever necessary.

## OVERVIEW

A synopsis of important findings contained in this Report is presented in this overview.

### CHAPTER – I

#### SECTION ‘A’ ORGANISATION, FINANCES, DEVOLUTION AND ACCOUNTABILITY FRAME WORK OF PANCHAYATI RAJ INSTITUTIONS (PRIs) & URBAN LOCAL BODIES (ULBs)

There were 2407 PRIs and 89 ULBs in the State as on 31 March 2012. The Principal Secretary, Panchayat and Rural Development Department (PRDD) and the Principal Secretary, Urban Development Department (UDD) are the administrative heads of PRIs and ULBs {except Guwahati Municipal Corporation (GMC)} respectively. The Secretary, Guwahati Development Department (GDD) is the administrative head of GMC.

*(Paragraphs 1.1; 1.4)*

There was acute shortage of manpower at each level of PRI and urgent need to make them fully operational with adequate manpower. There was no prescribed staffing pattern for ULBs. The staffing pattern of ULBs and GMC proposed by the respective departments is under the consideration of the State Government. A clear policy in this regard need to be formulated by the State Government in the context of enhanced work load entrusted to PRIs & ULBs.

*(Paragraph 1.8)*

District Planning Committee (DPC) had been formed in all districts of General Areas, but they were yet to perform their mandated functions as envisaged in Article 243 ZD of the Constitution.

*(Paragraph 1.9)*

Devolution of Fund, Functions and Functionaries (3Fs) to Panchayats and Municipalities is far below the desired level. Nevertheless, the GoA has created a Panchayat/Municipal window in the State Budget and every year a substantial portion of budgetary outlays under plan and non-plan in the revenue account is earmarked for Panchayats and Municipalities against the transferred subjects. In the absence of suitable administrative machinery under the PRIs and ULBs, the amount earmarked is being spent through the functionaries of the respective line departments.

*(Paragraph 1.11)*

The State Government in November 2011 appointed 10 Ombudsmen and two Deputy Ombudsmen in 12 out of 27 districts in the State under section 27 (1) of the MGNREG Act, 2005. However, there was no provision in the Assam Panchayat Act (AP Act), Assam Municipal Act (AM Act) and GMC Act regarding setting up of Ombudsman for LBs.

*(Paragraph 1.19.1)*

**SECTION 'B'**  
**FINANCIAL REPORTING OF PANCHAYATI RAJ INSTITUTIONS (PRIs) &  
URBAN LOCAL BODIES (ULBs)**

The present system of accounting of both rural and urban bodies suffers from various shortcomings relating to formats used, manner of reporting and more importantly the way budget is prepared. The accounts of ULBs were continued to be maintained on cash basis and thereby true and fair view of financial affairs of ULBs and their assets and liabilities were not disclosed.

*(Paragraph 1.22)*

There were more than one Cash Book which were not closed daily or monthly in 21 PRIs for the period ranging from 2002-03 to 2010-11. Asset Registers were not maintained by 57 test checked PRIs and the State Government also did not call for any return on the nature of asset, year of creation and monetary value of the assets.

*(Paragraph 1.22.2)*

Annual accounts were not prepared by any of the 74 test checked LBs, reflecting poor internal controls and inadequate accounting arrangements in LBs. These records are important as they are included to constitute evidence of proper receipt and utilization of funds.

*(Paragraph 1.22.5)*

The results of audit conducted by DALF remained unreported in the absence of Annual Consolidated Reports. As a result no follow up action could be taken up by the Finance Department thereby weakening the accountability mechanism of LBs in Government.

*(Paragraph 1.25.2)*

## CHAPTER II

### THEME AUDIT ON BACKWARD REGIONS GRANT FUND (BRGF)

There were short release of ₹473.63 crore (₹23.04 crore under Capacity Building and ₹450.59 crore under Development Grant). Short release of funds was due to under utilisation of funds and delay in submission of proposals and Utilisation Certificates by the State Government.

*(Paragraph 2.7.1.1)*

In the two test checked districts, the Government of India (GoI) released ₹61.55 crore as development grants during 2007-11 and ₹31.96 crore to State Institute of Rural Development (SIRD) for capacity building of 11 BRGF districts. However, State Government failed to release the funds to PRIs, SIRD and North Eastern Regional Institute of Water and Land Management (NERIWLM) within the stipulated period of 15 days.

*(Paragraph 2.7.1.2)*

In the two test checked districts, it was noticed that Perspective Plans were prepared without indicating the priority of works to mitigate the critical gaps in the development. As a result, the provision of guidelines to prioritize the identified critical gaps in the backward district addressing specific requirement was not achieved.

*(Paragraph 2.7.2.1)*

There was total absence of institutional support arrangements under BRGF at PRIs and ULBs level to strengthen the planning process and preparation of Annual Plans in a participatory mode.

*(Paragraph 2.7.2.6)*

Morigon and Bongaigaon ZPs diverted the BRG fund of ₹41.70 lakh for execution of projects outside the plan approved by HPC in violation of the scheme guidelines. Besides, the necessity for such changes addressing the backwardness had also not been specified.

*(Paragraph 2.7.3.1)*

Gram Sabhas were not involved in the selection of beneficiaries. Self Help Groups (SHGs) were selected by the President and Members of the Morigaon ZP. Criteria adopted for selection of SHGs were not found on record. As a result the genuineness in selection of beneficiaries also could not be ascertained in audit.

*(Paragraph 2.7.3.2)*

Incurring of expenditure on other purposes not covered under the guidelines meant that the rural people were deprived of the otherwise intended benefits from the stipulated sectors that would accrued from diverted fund of ₹47.25 lakh.

*(Paragraph 2.7.3.3)*

₹3.19 crore released by the GoI for capacity building remained unutilised as of March 2012. Keeping of scheme fund unutilised not only affected the achievement of desired target for providing training to Elected Representatives (ERs) but also resulted in blocking up of Government funds to that extent.

*(Paragraph 2.7.4.1)*

Government did not institute any monitoring system to ensure the quality of works executed under BRGF scheme.

*(Paragraph 2.7.5.2)*

The State Government had not issued any guidelines on Social Audit as of August 2012 as envisaged under Para 4.15 of BRGF guidelines.

*(Paragraph 2.7.5.3).*

## CHAPTER III

### AUDIT OF TRANSACTIONS

Due to non-settlement of markets/beels with the highest bidder by the Chief Executive Officer (CEO), Nagaon Zilla Parishad suffered a loss of revenue of ₹2.45 crore.

*(Paragraph 3.1.1.1)*

CEO, Zilla Parishad (ZP), Nalbari withdrew funds through self cheques in violation of the relevant executive instruction and failed to produce records of utilisation and whereabouts of ₹62.35 lakh pointing to misappropriation of Government money.

*(Paragraph 3.1.1.2)*

Out of ₹9.75 lakh paid to 39 Indira Awas Yojana (IAY) beneficiaries, ₹4.86 lakh was received by persons other than the beneficiaries themselves without any evidence of construction of IAY houses pointing towards possibility of misappropriation of IAY Fund.

*(Paragraph 3.1.1.3)*

Block Development Officers, Boko and Rangia Development Blocks incurred an expenditure of ₹7.96 lakh for providing financial assistance to 27 non deserving

beneficiaries by quoting other eligible beneficiaries BPL Id no. in violation of the scheme guidelines.

***(Paragraph 3.1.1.4)***

Proposal for works under religious activities by DPCs of Kamrup, Nalbari and Nagaon districts in violation of scheme guidelines led to lapse of District Development Fund (DDP) fund for ₹1.37 crore.

***(Paragraph 3.1.2.1)***

CEO, Nalbari ZP, unauthorisely diverted ₹65 lakh from Twelfth Finance Commission (TFC) grants to discharge the liabilities of DDP and also failed to produce the details of utilization in support of expenditure of ₹65 lakh which points to possibility of misappropriation of the amount.

***(Paragraph 3.1.2.2)***

Commencement of work without ascertaining sufficiency of funds led to unproductive expenditure of ₹1.08 crore on Construction of Indoor Hall at Morigaon.

***(Paragraph 3.1.2.3)***

Executive Officers, Barkhetri Anchalik Panchayat and Borigog Banbhag Anchalik Panchayat, Nalbari district incurred unauthorised expenditure of ₹3.08 crore towards allotment of 751 IAY houses, earmarked for SC/ST beneficiaries, to non-SC/ST beneficiaries.

***(Paragraph 3.1.3.1)***

The CEO, Nalbari ZP spent ₹21.07 lakh from DDP fund on inadmissible items rendering this expenditure unauthorised.

***(Paragraph 3.1.3.2)***

The CEO, Lakhimpur Zilla Parishad incurred unauthorized expenditure of ₹20.60 lakh by disbursing money to 206 ineligible beneficiaries in contravention of the guidelines of National Family benefit Scheme (NFBS).

***(Paragraph 3.1.3.3)***

Due to inordinate delay in finalization of Detailed Project Report (DPR) of Barpeta Strom Water Drainage (SWD) project funded under Urban Infrastructure Development Scheme for small and medium Towns (UIDSSMT) led to blocking up of funds of ₹9.38 crore.

***(Paragraph 3.2.1.1)***

Delay in handing over the sites to the contractor led to delay in commencement of the works and consequent extra liability of ₹2.26 crore (₹9.95 crore - ₹7.69 crore) on Silchar Municipal Board.

*(Paragraph 3.2.1.2)*

Chairperson of Sarbhog Town Committee (STC) and Barpeta Municipal Board (BMB) incurred an excess expenditure of ₹6.85 lakh on material component beyond the prescribed norms of material labour ratio 60:40 in violation of scheme guidelines of Swarna Jayanti Sahari Rojgar Yozana (SJSRY).

*(Paragraph 3.2.1.3)*

## CHAPTER - I

### SECTION 'A'

#### AN OVERVIEW OF THE ORGANISATION, FINANCES, DEVOLUTION AND ACCOUNTABILITY FRAMEWORK OF PANCHAYATI RAJ INSTITUTIONS (PRIs) AND URBAN LOCAL BODIES (ULBs)

##### 1.1 Introduction

The 73<sup>rd</sup> and the 74<sup>th</sup> Constitutional Amendments Acts marked a new era in the federal democratic set up of the country so far as it conferred Constitutional status to the Panchayats and Municipalities and recognized them as the third tier of Government.

In Assam, three tier Panchayats at Village level, intermediate co-terminus with Sub Divisional level and District level have been constituted.

Similarly for urban areas, a Municipal Corporation (MC) for Guwahati, Municipal Boards (MBs) for comparatively larger urban areas and Town Committees (TCs) for transitional and relatively small urban areas have been functioning.

The Amendments provide for devolution of powers and responsibilities with respect to preparation of plans and programmes for economic development and social justice. It also provides transferring of 29 and 18 subjects listed in Schedule XI and XII respectively of the Constitution of India for PRIs and ULBs. The Constitutional Amendments establish a system of uniform structure, conducting of regular election, regular flow of funds etc. The legislative framework for conduct of business of the PRIs include:

- Assam Panchayat (AP) Act, 1994,
- Assam Panchayat (Financial) {AP (F)} Rules, 2002,
- The Assam Panchayat (Administrative) {AP (A)} Rules, 2002 and
- Government instructions issued from time to time.

The administrations of ULBs are governed by the provisions of:

- Guwahati Municipal Corporation (GMC) Act, 1971,
- Assam Municipal (AM) Act, 1956 and
- Assam Municipal Accounts (AMA) Rule, 1961.

As a follow up, the state was required to entrust these LBs with such powers, functions and responsibilities as to enable them to function as Institution of Self Government. In particular, the LBs were required to prepare plans and implement schemes for economic development and social justice including those included in the XI and XII Schedule of the Constitution.

Article 243 of the Constitution of India provides that, elections in Panchayats and Municipalities shall be held once in every five years. Elections to the PRIs in the State were last conducted between December 2007 and January 2008. Elections in ULBs in the State were held in July 2009. In respect of GMC, last election was held in December 2003. The State Government had dissolved the elected body of the GMC in May 2008. As per provision under Article 243 (U) (3) of the Constitution of India an election to constitute a Municipality shall be completed before the expiry of a period of six months from the date of its dissolution. However, no Government notification in this regard had been published till January 2013. It had been functioning without an elected body till then.

Governor of Assam in pursuance of the provision of Articles 243 I and 243 Y of the Constitution of India, read with Section 2 (1) of the Assam Finance Commission (Miscellaneous Provision) Act, 1995 had so far constituted four State Finance Commissions (SFCs) covering the period 1996–2016, which had submitted their reports to the State Governments.

There were 2407 PRIs and 89 ULBs in the State as on 31 March 2012. All the 2407 PRIs are in General Areas. The Panchayati Raj system does not exist in the Sixth Schedule Areas. Local governance in the Sixth Schedule Areas is vested with the Autonomous District Councils (ADCs). Of the 89 ULBs, 72 are in General Areas and governed according to the provisions of the AM Act, 1956. The remaining 17 ULBs falling within the Sixth Schedule Areas are governed by the rules framed by the respective ADCs. Recommendations of the Assam State Finance Commissions (ASFCs) did not cover the ADCs.

## 1.2 State Profile

Assam is situated in the North East Region of India bordering seven states *viz.* Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Tripura and West Bengal and two countries *viz.* Bangladesh and Bhutan. With a geographical area of 78,438 Sq.kms i.e., about 2.4 *per cent* of the country's total geographical area, Assam provides shelter to 2.6 *per cent* population of the country.

According to the Census of India, 2011 the population of Assam stands at 3.12 crore, of which 2.68 crore (86 *per cent*) lived in rural areas and 0.44 crore (14 *per cent*) lived in urban areas. The decadal growth of the State's population works out to 16.93 *per cent* during the decade 2001-2011 as against 17.64 *per cent* of the country as a whole. The

density of population of the state has gone up to 397 per sq.km as against India's density 382 per sq.km as per 2011 Census.

The comparative demographic and development profile of the state *vis-à-vis* national profile is given in **Table 1.1** below.

**Table 1.1: Important statistics of the state**

Sl. No.	Indicator	Unit	State value	National value
1	Population	Lakh	312	12106
2	Population density	Sq.km	397	368
3	Urban population	<i>Per cent</i>	14.10	31
4	Rural population	<i>Per cent</i>	85.90	69
5	Gender ratio	Female per 1000 male	954	940
6	Population below poverty line	<i>Per cent</i>	34.4	29.8
7	Literacy	<i>Per cent</i>	73.18	74.04
8	Birth rate	Per thousand	22.8	21.8
9	Infant mortality rate	Per thousand	55	44
10	Total unemployment	Per thousand (2009-10)	91	50

*Source: Economic Survey, Assam 2011-12 and Economic Survey 2012-13, Govt. of India*

### 1.3 Size of LBs

The position of LBs in Assam in terms of number, average population and average area is given in **Table 1.2**.

**Table 1.2: Position of LBs**

Level of LB	No.	Average Area per LB (Sq Km)	Average population
Zilla Parishad (ZP)	20	2032.93	1009940
Anchalik Panchayat (AP)	185	219.78	109183
Gaon Panchayat (GP)	2202	18.46	9173
Municipal Corporation (MC)	1	216.00	808021
Municipal Board (MB)	33	9.13	46628
Town Committee (TC)	55	3.58	9866

### 1.4 Organizational Setup in State Government and LBs

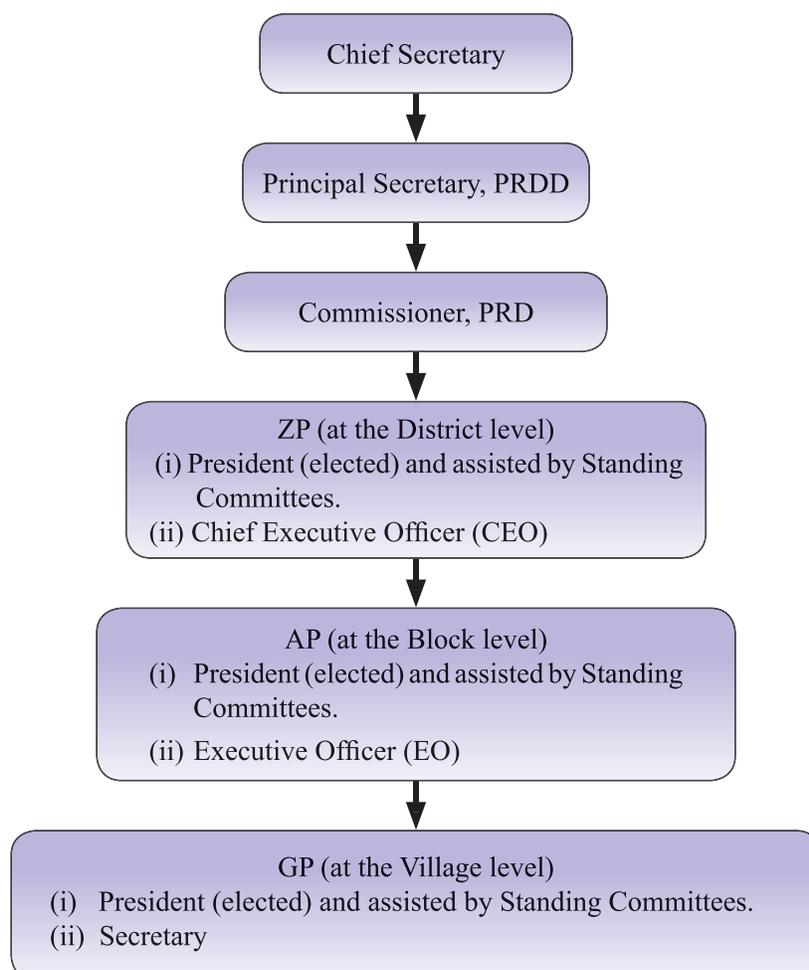
The Chief Secretary of the State is the overall in-charge of monitoring the functions and activities of LBs in the State. The Principal Secretary, Panchayat and Rural Development Department (PRDD) is the administrative head of PRIs and is assisted by the Commissioner, Panchayat and Rural Development (PRD) in allocating of fund and in exercising overall control and supervision of functions and schemes at the State level.

The Principal Secretary, Urban Development Department (UDD) is the administrative head of ULBs (MBs & TCs) and is assisted by the Directors, Municipal Administration (MA) and Town & Country Planning (T&CP). Principal Secretary, UDD also allocates fund and exercises overall control and supervision of functions and schemes at the State level. The Secretary, Guwahati Development Department (GDD) is the administrative head of GMC.

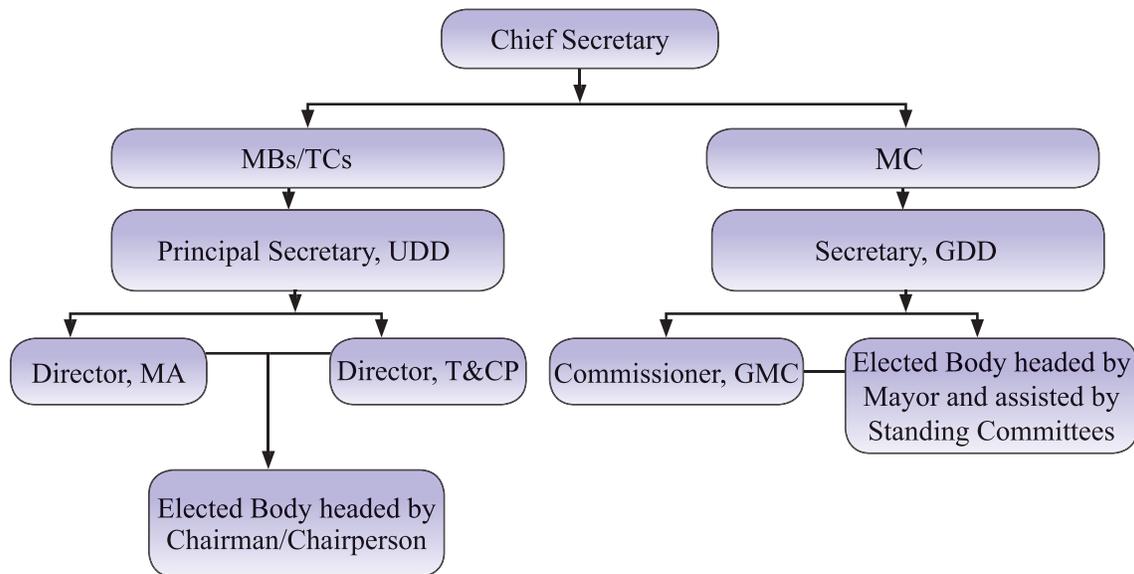
The PRIs and ULBs are functioning through democratically elected bodies. PRI in each tier is headed by a President. As regards ULBs, a TC or MB is headed by a Chairman/Chairperson. The only Municipal Corporation in the State is headed by a Mayor.

Following organograms depicts the organizational set up at State level and LB level with linkage between Administrative set up and elected body:

### Organizational organogram of PRIs



### Organizational organogram of ULBs



### 1.5 Functioning of PRIs

The Administrative set up of Panchayats in the State consists of a three tier system, GP at the village level, AP at the intermediate level co-terminus with Blocks and ZP at district level. The Constitution enjoins the State Government to make appropriate legislation regarding devolution of powers and functions to the Panchayats in such a way as to enable them to function as an Institution of Self Government.

All the tiers will have to be equipped with administrative paraphernalia. Initially qualified and skilled manpower have to be put in place with the PRIs to carry out their traditional functions besides implementation of schemes for social and economic development as well as subjects listed in the Eleventh Schedule of the Constitution of India. Though the post of Chief Accounts Officer (CAO) and Chief Planning Officer (CPO) had been created for each ZP to advise the ZP on financial matters including the preparation of Annual Accounts, Budget and to advise the ZP on plan formulation respectively, however, no appointment has so far been made by the State Government.

Fourth Assam State Finance Commission (FASFC) in its report expressed that, in the absence of suitable administrative machinery under the PRIs, a substantial portion of the budgetary outlays under Plan and Non-plan in the revenue accounts earmarked for Panchayats against transferred subjects is being spent through the respective line

departments. The legislative frameworks for business of PRIs are conducted by AP Act, Rules and Government instructions issued from time to time. Further, subject to the provisions of the Act, a Panchayat may make by-laws to carry out its business. The PRIs in general may not be solely responsible for the stalemate in internal revenue mobilization. The Constitutional Amendment empowered them with powers and authority in this regard and gave them access to such sources as the State Legislature may, by law, confer on them. Accordingly, the AP (F) Rules was framed in 2002 and amended in 2004 and empowers all the three tiers to levy and collect taxes. Through the AP (F) Rules, GPs got the power to levy tax viz tax on houses and structures and tax on trades etc., Consequently framing of bye-laws indicating all details relating to tax base, rates of taxes, exemption limit, manners and time of collection and so on were required. But the relevant bye-laws are yet to be framed (January 2013).

Unless the required legal framework along with an appropriate administrative machinery is put in place, it would be futile to expect PRIs to become pro-active in augmenting internal revenue generation.

## 1.6 Functioning of ULBs

The administrative set up of ULBs in the State are based on three levels viz,

- A Municipal Corporation for a larger urban area,
- Municipal Boards for smaller urban areas and
- Town Committees for transitional areas.

The administration of urban local bodies are governed by the provisions of GMC Act, 1971, AM Act, 1956 and the AMA Rules, 1961 (Rules on Municipal Account and Budget Estimate) as amended from time to time. So far the MBs and TCs in Assam were functioning without an EO for running the day to day administration. Of late, the Municipal Act has ensured putting in place an EO for each and every MB and TC. However, as of now there is no EO in any of the MB/TC where elected body is functioning. In the absence of suitable administrative machinery in ULBs, the amount earmarked for ULBs under transferred subjects is being spent through line departments.

## 1.7 Standing Committees

PRIs shall constitute standing committees to perform the assigned functions. Details of constitution of the standing committees of PRIs are given in **Table 1.3**.

**Table 1.3: Constitution of Standing Committees**

Level of PRIs	Chief Political Executive	Standing Committees	Political executives
(1)	(2)	(3)	(4)
GP	President	i) Development Committee ii) Social Justice Committee iii) Social Welfare Committee	President is the chairman of each of the three committees.
AP	President	i) General Standing Committee ii) Finance, Audit and Planning Committee	President is the chairman of each committee.
		iii) Social Justice Committee	Vice President is the chairman.
ZP	President	i) General Standing Committee ii) Finance, Audit and Planning Committee	President is the chairman of each committee.
		iii) Social Justice Committee iv) Planning and Development Committee	Chairman is elected amongst the elected members of each committee.

Roles and responsibilities of the standing committees are given in *Appendix - I*.

Section 20 of GMC Act, 1971 provides for constitution of standing committees on the following:

- Taxation and Finance, and Planning and Development;
- Public Works;
- Public Health, Conservancy and Water Supply;
- Assessment, Markets and Trades;
- Appeals.

In AM Act, 1956 there is no provision for constitution of standing committee. Decisions regarding formation of plans are taken as per approval of the Boards constituted by the elected Members of MBs/TCs.

Test check of 57 PRIs revealed that the Standing Committees in PRI-levels though constituted, remained only in paper and was not made operational.

### **1.8 Staffing pattern of PRIs and ULBs**

On the matter of staffing pattern fixed by AP (A) Rules 2002, the Third Assam State Finance Commission (TASFC) while observing the acute shortage of staff at all level of PRIs recommended a revised staffing pattern of 30, 20 and 8 for each ZP, AP and GP respectively from 2008-09. It was observed that the revised staffing pattern recommended by TASFC was not implemented by PRDD and also failed to fill up the vacant posts of 4922 (8691 - 3769), as detailed in **Table 1.4**.

**Table 1.4: Existing Norm and Staff in position of PRIs**

Category of Post & level of PRIs	No. of ZP/AP/ GP	Present Norm	Total Staff as per norm	Staff in position
<b>ZP</b>				
1. CEO	20	1	20	20
2. CAO	20	1	20	-
3. CPO	20	1	20	-
4. Head Assistant	20	1	20	-
5. UDA	20	2	40	16
6. LDA	20	4	80	49
7. Accountant	20	1	20	12
8. Junior Engineer	20	1	20	9
9. Tax Collector	20	2	40	7
10. Driver	20	1	20	14
11. Grade IV	20	6	120	59
<b>Total ZP</b>	<b>20</b>	<b>21</b>	<b>420</b>	<b>186</b>
<b>AP</b>				
1. EO				
a) Panchayat Cadre	185	1	185	101
b) ACS Cadre	-	-	-	84
2. UDA	185	1	185	28
3. LDA	185	2	370	152
4. Tax Collector	185	2	370	99
5. Grade IV	185	3	555	156
<b>Total AP</b>	<b>185</b>	<b>9</b>	<b>1665</b>	<b>620</b>
<b>GP</b>				
1. (a) Secretary Graduate	2202	1	2202	1660
1. (b) Secretary, non-graduate	-	-	-	228
2. Tax Collector	2202	1	2202	497
3. Grade IV	2202	1	2202	578
<b>Total GP</b>	<b>2202</b>	<b>3</b>	<b>6606</b>	<b>2963</b>
<b>Grand Total</b>	<b>2407</b>	<b>33</b>	<b>8691</b>	<b>3769</b>

Source: - The FASFC Report.

PRDD could not fill up the vacant posts of PRIs inspite of approval given by the Finance Department. Regarding new staffing patterns, PRDD stated (June 2012) that proposed staffing pattern is under consideration for approval of the Government.

Unlike PRIs, the ULBs do not have any approved staffing pattern for them. As a result, staff strength of ULBs varies from unit to unit depending on the size and paying capacity

of ULBs. Variation of staff strength across the municipal bodies is so wide that it ranges between a minimum of four and a maximum of 195 as detailed in *Appendix - II*.

Although, UDD and GDD submitted study report of staffing pattern of ULBs and GMC to FASFC in December 2011 and in February 2012 respectively. However, GoA is yet to take final decision on that issue.

Unless PRIs and ULBs are properly manned as per approved staffing pattern, they would be unable to handle the huge funds and their accounting in a proper way, which may subsequently lead to mismanagement of funds as huge funds are flowing to PRIs and ULBs from different sources.

Hence, a clear policy in this regard needs to be formulated by GOA keeping in view the imperatives of personnel requirement in the context of enhanced workload entrusted to PRIs and ULBs under different programmes, schemes and projects.

### **1.9 District Planning Committee (DPC)**

With a view to ensure effective planning in coordination with the planning of the state, the State Government under the provision of Article 243 ZD of the Constitution of India had constituted DPCs in all the districts by a government resolution whose tenure is one year. The DPC consists of:

- The members of the House of People who represent the whole or part of the district.
- The members of Assam Legislative Assembly whose major part of the constituencies fall within the district.
- The President of the ZP.
- The mayor or the Chairperson of the MC/MB/TC, as the case may be, having jurisdiction over the headquarters of the district.
- Such number of persons not less than four fifth of the total number of members as may be specified by the Government from amongst the members of the ZP, Councilors of MC or the Municipalities, as the case may be, and the members of the TC in districts on rotation annually and in proportion to the ratio between the population of the rural and urban areas of the district.

Deputy Commissioner (DC) is a permanent invitee to the DPC of the district. The President of the ZP is the Chairman and CEO of ZP is Ex-officio Secretary of the DPC.

### 1.9.1 Role of DPC

As per AP Act, 1994, DPC is to consolidate the plans prepared by the Panchayats and Municipalities in the District and prepare a draft development plan for the district as a whole having regard to:

- the matter of common interest of Panchayats and Municipalities in the district including sectoral planning, sharing of water and other physical and natural resources, the integrated development of infrastructures and environmental conservation;
- the extent and type of available resources whether financial or otherwise ; and
- consult such institutions and organizations as the Governor may, by order, specify.

GoA, PRDD in June 2010 framed guidelines for preparation of a draft District Development Plan for PRIs detailing the method of preparation of draft plan at different stages of PRIs and consolidation of a draft development plan of the district. Though the guidelines provided a scope for a review of implementation and monitoring of the plan by the DPC, it did not prescribe a mechanism for reporting of progress of implementation of district plan to the State Government.

The guidelines prepared by the PRDD referred to Panchayat Plans only. However, guidelines for urban area plans and integration of these plans with the departmental plans for the district as a whole have not been prepared.

Audit findings on the functioning of DPCs of five test check districts<sup>12</sup> are as follows:

- The DPCs did not call for submission of their annual plan from the PRIs and other stake holders with a view to prepare the annual district plan as a whole. Thus, the DPCs failed to perform its primary objective of preparation of district plan as envisaged in the AP Act, 1994.
- PRIs did not prepare any five-year plan. Except for preparation of draft Perspective Plan under Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) and Backward Regions Grant Fund (BRGF)<sup>13</sup> for the period from 2007-08 to 2011-12, Perspective Plan for resources available under other Centrally Sponsored Scheme (CSS) and State Sponsored Scheme (SSS) were not prepared. Thus, the perspective plan under MGNREGS and BRGF did not cover

<sup>12</sup> Morigaon, Kamrup, Bongaigaon, Nalbari and Nagaon.

<sup>13</sup> Morigaon and Bongaigaon

all the resources available under different CSS, SSS and externally aided projects etc. None of the DPCs had engaged technical experts for plan formulation in different fields in preparation of development plans. Thus, the mandate for institution of a comprehensive planning mechanism for the district remained unachieved.

- There was no record to indicate that the plans considered by DPCs had been consolidated from the plans prepared from the grass root level with involvement of underlying GPs. DPCs did not insist on confirmation on involvement of GPs. DPC was, therefore, not built on bottom up approval.

### **1.10 State Finance Commission Grants**

Article 243W of the Constitution had made it mandatory for the State Government to constitute a SFC within a year from the enactment of the Constitutional Amendment Act and thereafter on expiry of every five year to review the financial condition of the ULBs and to make recommendations to the Governor for devolution of funds to ULBs on the following aspects:

- The distribution of net proceeds of taxes, duties and fees between the State and the ULBs.
- Taxes, duties, fees and tolls to be assigned and appropriated by the PRIs.
- Release of grants in aid to the ULBs from consolidated fund of the State.
- Measures needed to improve the financial conditions of the ULBs.

Accordingly, in respect of sharing of the net proceeds of State Taxes with Panchayats and Municipalities, a global approach of sharing the net proceeds of all State Taxes excluding Non-Tax revenue and share of Central Taxes is adopted. The rural-urban bifurcation of the divisible pool was determined on the basis of population (80 *per cent*) and density of population (20 *per cent*) based on 2001 census and duties collected by the State Government during 2011-12 with Panchayat and Municipalities at all levels.

The TASFC was constituted in February 2006 and reconstituted on July 2006. Director, Department of Finance (Economic Affairs) stated (February 2013) that the TASFC was reconstituted in July 2006 due to certain procedural inadequacies of the original notifications dated 6 February 2006. TASFC had recommended devolution of 10 *per cent* of net proceeds of taxes and duties collected by the GoA to the

LBs during 2007-08. There was no award for the first year i.e. 2006-07 as it came to a close before submission (31 March 2007) of their interim report. For the remaining three years, the devolution was pegged at 25 per cent of the net proceeds of taxes and duties collected by the GoA. Consequent upon merger of DRDAs with ZPs and Blocks with APs, the Commission recommended additional devolution during 2008-11 to PRIs to enable them to meet the salary burden of DRDA and Block staffs. In addition to devolution, the TASFC also recommended Grant-in-Aid (GIA) to LBs both rural and urban for specific purposes involving liquidation of arrears and also creation of capacity in terms of human resources and physical infrastructure.

FASFC had submitted (March 2011) a preliminary report covering the first year 2011-12 and submitted the final report (February 2012) covering the periods 2011-12 to 2015-16 recommended only 14 per cent of the net proceeds of taxes and duties collected by the GoA during 2011-12 to Panchayats and Municipalities. Details of quantum of devolution recommended by ASFC and fund released by the GoA to LBs are indicated in **Table 1.5** and **Table 1.6**.

**Table 1.5: Devolution of Fund to LBs**

(₹ in crore)

Year	Net collection of the State Government	Amount to be devolved		Additional devolution	Total	Actual released under SFC		Total released
		PRIs	ULBs including GMC	PRIs		PRIs	ULBs including GMC	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
2007-08	3637.67	266.69	99.08	-	365.77	-	-	-
2008-09	3528.44	641.86	240.25	79.55	961.66	48.60	48.61	97.21 (2.75 %)
2009-10	3733.06	679.07	254.19	85.92	1019.18	67.62	96.15	163.77 (4.38 %)
2010-11	3939.87	716.69	268.27	92.79	1077.75	119.43	151.67	271.10 (6.88 %)
2011-12	4818.53	222.94	83.65	-	306.59	191.62	83.65	275.27 (5.71 %)
<b>Total</b>	<b>19657.57</b>	<b>2527.25</b>	<b>945.44</b>	<b>258.26</b>	<b>3730.95</b>	<b>427.27</b>	<b>380.08</b>	<b>807.35</b>

Source: The FASFC Report and information furnished by Director, Finance (Economic Affairs) Department, Assam.

**Table 1.6: Allocation and release of grant-in-aid to LBs**

(₹ in crore)

Year	Recommended by ASFC	Grant-in-aid released to		Total
		PRIs	ULBs	
2007-08	81.24	-	-	-
2008-09	210.98	-	-	-
2009-10	144.60	-	-	-
2010-11	156.64	36.00	3.29	39.29
2011-12	334.28	36.34	106.03	142.37
<b>Total</b>	<b>927.74</b>	<b>72.34</b>	<b>109.32</b>	<b>181.66</b>

Source: The FASFC Report and information furnished by Director, Finance (Economic Affairs) Department, Assam.

Against recommendation of 10 *per cent*, no devolution grants were released to LBs during 2007-08. However, LBs got 2.75, 4.38, 6.88 and 5.71 *per cent* of devolution grant of net proceeds of Tax and duties of GoA against the recommendation of 25 *per cent* (2008-2011) and 14 *per cent* (2011-12) respectively by SFCs.

Out of recommended GIA of ₹927.74 crore by SFCs, an amount of ₹181.66 crore (19.58 *per cent*) was allocated to LBs during the period 2007-08 to 2011-12.

Thus, due to short release of funds the PRIs and ULBs could not able to implement various welfare activities for the overall economic development.

### **1.11 Decentralised Planning (Status of transfer of Fund, Functions and Functionaries)**

#### **PRIs**

The AP Act envisaged transfer of functions of various departments of the State Government to LBs to meet the requirement of the areas of their jurisdiction and prepare and implement schemes relating thereto for economic development and realization of social justice. This exercise was done through 'Activity Mapping' drawn up by the State Government in June 2007 indicating devolution of powers to PRIs for 23 out of 29 functions included in the XI Schedule of the Constitution. Consequent upon finalization of the Activity Mapping, government orders were issued (June 2007) for devolution in respect of the seven subjects out of 23 included in the document.

Formal orders in respect of other subjects are yet to be issued (February 2012). Moreover, Activity Mapping in respect of remaining six subjects are yet to be done. Of the activities listed in the document, very little is being done at the ground level. Beneficiary identification for some of the CSS is one of the activities which is vested with the GPs. Even this could not be carried out satisfactorily due to lack of man power. Apart from this, the activities said to have transferred to PRIs are still being performed by the authorities of the line departments without associating the PRIs for their implementation.

In fact, the actual implementation and monitoring is being done through some other departmental committees like Planning Cell operating under DC of each district and also by the district level Vigilance and Monitoring Committee of the districts. For meaningful devolution deployment of functionaries from the line departments to the PRIs at all levels is a pre-requisite condition. But the approach adopted so far is only partial by and large, such as empowerment, conducting regular election to PRIs/ULBs, constituting DPCs and

SFCs periodically. Apart from this, every year a substantial portion of budgetary outlays under plan and non-plan revenue account is earmarked for PRIs/ULBs against transferred subjects. Belying the expectation in the activity mapping, devolution of functions at different level of PRIs remains more or less only on paper. Similarly, little progress has been made so far in the matter of devolution of fund against transferred subjects as envisaged in the activity mapping. As of now only Central Finance Commission (CFC) and SFC Funds are passed on to the PRIs on a regular basis. Apart from this, the PRIs get fund under District Development Plan (DDP). In addition, central funds channelized through BRGF are received by PRIs at all levels wherein the other CSS funds viz Indira Awas Yojana (IAY), MGNREGS etc. are received by the APs and GPs from DRDAs of the district.

### ULBs

The following eight subjects out of 18 subjects listed in the XII Schedule are being implemented by the ULBs as their traditional functions:

- Water supply for domestic, industries and commercial purposes.
- Conservancy and Solid Waste management.
- Slum improvement and upgradation.
- Provision of urban amenities and facilities such as park, garden play grounds.
- Burials and burial grounds, cremations, cremation grounds and electric cremations.
- Cattle ponds.
- Public amenities including street lighting, parks, gardens, play grounds.
- Regulation of slaughter houses.

Subjects relating to urban planning including town planning, land use and construction of buildings, slum improvement and up-gradation, roads and bridges, urban forestry, ecology and environment, vital statistics including registration of births and deaths, planning for economic and social development, urban poverty alleviation etc. were not yet transferred to the ULBs.

But the approach adopted in this regard so far is limited to constituting a committee only. The devolution of funds, functions and functionaries (3Fs) as listed in the XII Schedule remain more or less in the paper till date (December 2012).

Thus, in case of ULBs, the process of decentralization has just been initiated with the recent amendment (May 2011) of AM Act 1956.

It is evident from the above that devolution of 3Fs to Panchayats and Municipalities in respect of the transferred subjects is far below the desired level. Nevertheless, the GoA had created a Panchayat/Municipal window in the State Budget and every year a substantial portion of budgetary outlays under plan and non-plan in the revenue account is earmarked for Panchayats and Municipalities against the transferred subjects. For instance, in the year 2011-12 a sum of ₹59.27 crore under non-plan revenue account is earmarked for PRIs and ULBs against transferred subjects, which is nearly 28 *per cent* of the non-plan revenue account of State Budget. In addition, an amount of ₹20.75 crore representing about 21 *per cent*, is earmarked under the plan for PRIs and ULBs against transferred subjects. In the absence of suitable administrative machinery under the PRIs and ULBs, the earmarked amount is being spent by the line departments.

### **1.12 Merger of all parallel bodies with ZP**

Regarding the merger of the DRDAs with the ZPs, TASFC had observed that in the context of Constitutional arrangements under Part IX and IX A read with Schedule XI, there is no separate relevance of DRDAs and it therefore, recommended that DRDAs should be completely merged with the ZPs. However, DRDAs are yet to be merged with ZPs. Reason for non-merger of DRDAs with ZPs is neither on record nor stated though called for. As a result the separate and autonomous existences of PRIs are ignored.

### **1.13 Financial profile of PRIs**

#### **1.13.1 Fund flow to PRIs**

The resource base of PRIs consist of own revenue, assigned and shared revenue, SFC grants, CFC grants, Central Government grants and State government grants under various schemes. Details of sources of fund, its custody and reporting for each tier are given in **Table 1.7**. The authorities responsible for reporting utilisation of fund in respect of ZPs, APs and GPs are CEO, EO and Secretary respectively.

**Table 1.7: Fund flow mechanism in each tier of PRI**

Nature of Fund	ZPs		APs		GPs	
	Source of fund	Custody of fund	Source of fund	Custody of fund	Source of fund	Custody of fund
Own receipts	Assesses and users	Bank	Assesses and users	Bank	Assesses and users	Bank
SFC	State Government	do	State Government	do	State Government	do
CFC	GoI <sup>3</sup>	do	GoI	do	GoI	do
State plan Schemes	State Government	do	State Government	do	State Government	do
CSS	GoI & State Government	do	GoI & State Government	do	GoI & State Government	do

Fund flow arrangements of CFC grants and CCS are given in **Table 1.8**.

**Table 1.8: Fund flow arrangements of CFC grants and CSS to PRIs**

Sl. No	Scheme	Fund flow
(1)	(2)	(3)
1	MGNREGS	Central share is released directly to the DRDAs. State share provided in the Budget is released to DRDAs through PRDD. DRDAs disburse the fund (Central and State share) to APs, which in turn, disburse the share of GPs under their jurisdiction.
2	IAY	Central share is released directly to DRDAs. State share provided in the Budget is released to DRDAs through PRDD. DRDA disburses the fund (Central and State share) to APs under its jurisdiction.
3	Swarna-Jayanti Gram Swarozgar Yojana (SGSY)	Central share is released directly to the DRDAs. State share provided in the Budget is released to DRDAs through PRDD. DRDAs disburse the fund (Central and State share) to APs under its jurisdiction.
4	CFC	GoI transfers the fund to the State, which is released through budget allocation to the ZPs. The ZP after drawal of the fund through treasury, disburses the share to APs and GPs under its jurisdiction.
5	BRGF	GoI transfers the fund to the State which is released through budget allocation to the ZPs, which after drawal of fund through treasury, disburse the share to APs & GPs under their jurisdiction.

Source: Scheme guidelines

<sup>14</sup> GoI:- Government of India

### 1.13.2 Resources: Trends and Composition

The trend of resources of PRIs for the period 2007-08 to 2011-12 is shown in **Table 1.9**.

**Table 1.9: Time series data on PRIs resources**

(₹in crore)					
Source	2007-08	2008-09	2009-10	2010-11	2011-12
Own Revenue	16.00	14.90	17.03	23.46	NA
SFC transfers	-	48.60	295.68	119.36	227.96
CFC transfers	55.17	52.60	152.71	73.44	196.01
SSS	166.14	207.82	123.69	341.86	520.73
CSS	1382.50	1184.95	1712.18	1684.81	1323.36
<b>Total</b>	<b>1619.81</b>	<b>1508.87</b>	<b>2301.29</b>	<b>2242.93</b>	<b>2268.06</b>

Source: 2007-08 to 2008-09 and 2011-12: Commissioner PRD, Assam, 2009-10 and 2010-11. Appropriation & Finance Accounts.

PRIs at all levels had mobilized internal resources from tax and non-tax sources to the extent of ₹14.90 crore during 2008-09 which is more than by ₹9.10 crore as assessment made by TASFC. As reported by TASFC the actual collection from tax and non-tax sources during 2005-06 was ₹7.86 crore. It went up from ₹7.86 crore in 2005-06 to ₹14.90 crore in 2008-09 and further to ₹23.46 crore in 2010-11. However, their internal revenue mobilization in relation to State Tax collection is gradually going down. It was 0.54 *per cent* of State Tax collection in 2005-06 but went down to 0.36 *per cent* in 2008-09 and further to 0.31 *per cent* in 2010-11. Sharp decline in receipts under CSS in 2011-12 in comparison to the previous year was mainly due to deduction of central share for less utilization of funds in previous years by PRIs.

### 1.13.3 Public investment in Social Sector and Rural Development

Details of public investment in Social Sector and Rural Development through major CSS during 2007-08 to 2011-12 are given in **Table 1.10**.

**Table 1.10: Statement showing investment through major CSS**  
(₹in crore)

Sl. No.	Schemes	Year	Fund Released	Expenditure
(1)	(2)	(3)	(4)	(5)
1	MGNREGS	2007-08	564.74	564.74
		2008-09	1040.14	1040.14
		2009-10	867.13	867.13
		2010-11	690.80	690.80
		2011-12	481.72	481.72
2	IAY	2007-08	402.10	402.10
		2008-09	816.38	816.38
		2009-10	747.55	747.55
		2010-11	825.63	825.63
		2011-12	867.28	867.28
3	IWDP <sup>2</sup>	2007-08	29.30	29.30
		2008-09	41.75	41.75
		2009-10	25.71	25.71
		2010-11	15.27	15.27
		2011-12	8.93	8.93
4	SGSY	2007-08	162.36	162.36
		2008-09	240.45	240.45
		2009-10	202.10	202.10
		2010-11	224.72	224.72
		2011-12	132.33	132.33
5	BRGF	2007-08	69.10	69.10
		2008-09	-	-
		2009-10	86.58	86.58
		2010-11	65.29	65.29
		2011-12	140.54	NA
6	NSAP <sup>3</sup>	2007-08	162.68	162.68
		2008-09	173.19	173.19
		2009-10	172.65	172.65
		2010-11	117.18	NA
		2011-12	168.75	NA

Source: Information furnished by Commissioner, PRD, Assam.

The above table shows that there was considerable increase in receipt of funds on IAY and BRGF Schemes compared to previous years, there was decline in receipt on MGNREGS, SGSY and IWDP. The utilization by the PRIs of the funds available has shown improvement.

<sup>15</sup> Integrated Wasteland Development Project

<sup>16</sup> National Social Assistance Programme

### 1.13.4 Funds transferred to State Implementing Agencies outside State Budget

The Central Government has been transferring sizeable quantity of funds directly to the State implementing agencies for implementation of various schemes/programmes in Social Sectors for the social and economic development of the rural population. During 2011-12, significant amounts released for implementation of major programmes/schemes are detailed in **Table 1.11**.

**Table 1.11: Funds transferred directly to State implementing agencies**  
(₹in crore)

Sl. No.	Programme/scheme	Fund transferred by the GoI during 2011-12	Implementing agencies
1	IWDP	8.30	DRDAs
2	MGNREGS	426.86	
3	IAY	767.69	
4	SGSY	108.37	
5	Rashtriya Gram Swaraj Yojana (RGSY) under capacity building	4.42	State Institution of Rural Development (SIRD)
6	MGNREGS under capacity building	3.09	
<b>Total</b>		<b>1318.73</b>	

Source: Commissioner PRD, Assam and SIRD, Assam.

Table shows that out of ₹1318.73 crore, sizeable quantity of funds were transferred under IAY scheme (58.21 per cent) and MGNREGS (32.37 per cent), during 2011-12.

### 1.14 Financial profile of ULBs

The ULB fund comprises receipts from its own sources, grants and assistance from Government and loans obtained from any public financial institutions or nationalized banks or any other institution. The authorities for reporting and use of fund in respect of MBs and TCs are Chairman/Chairperson and the Commissioner in respect of GMC, respectively. Detailed sources of fund, its custody are given in Table 1.12.

**Table 1.12: Fund flow mechanism in ULBs**

Nature of Fund	MC		MBs		TCs	
	Source of fund	Custody of fund	Source of fund	Custody of fund	Source of fund	Custody of fund
Own receipts	Assesses and users	Bank	Assesses and users	Bank	Assesses and users	Bank
SFC	State Government	do	State Government	do	State Government	do
CFC	GoI	do	GoI	do	GoI	do
SSS	State Government	do	State Government	do	State Government	do

Details of fund flow arrangements in CFC Grants and CSS are given in the **Table 1.13**.

**Table 1.13: Fund flow arrangements of CFC Grants and CSS to ULBs**

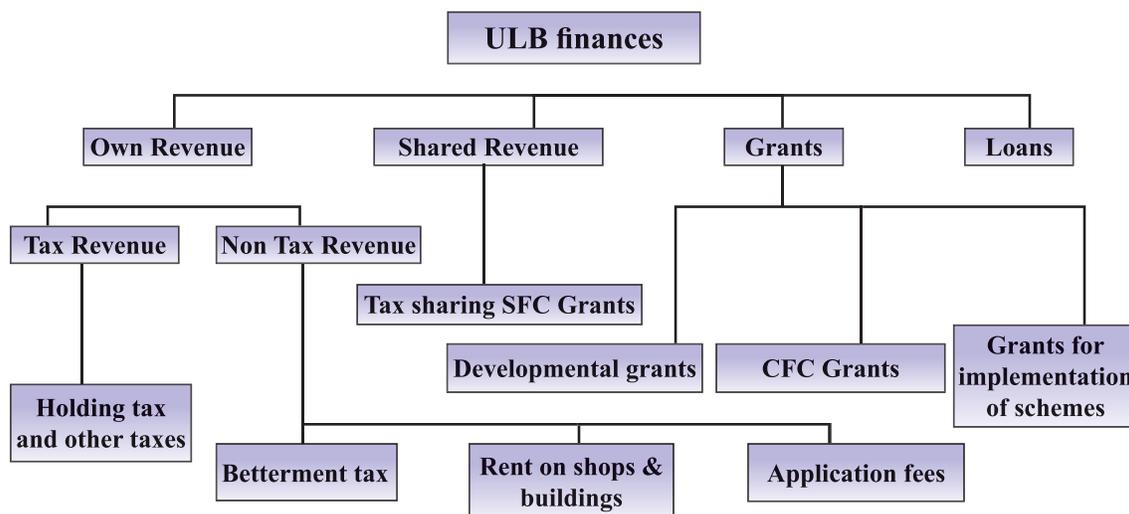
Sl. No	Scheme	Fund flow
1	Swarna Jayanti Shahari Rozgar Yojana (SJSRY).	Central share is released to the UDD, which is the State Urban Development Agency (SUDA). State share provided in the Budget is released to the Director, Municipal Administration who disburses the funds (Central and State share) to the respective ULBs.
2	Jawaharlal Nehru National Urban Renewal Mission (JNNURM).	Central share is released to the SUDA. The State Share provided in the budget is also released to the SUDA which disburses the fund to GMC through Guwahati Metropolitan Development Authority (GMDA).
3	Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT).	Central share is released to the UDD through the State Government. State share provided in the Budget is also released to UDD which disburses the funds to the ULBs through Director, T&CP.
4	Basic Service to Urban Poors (BSUP).	Central share is released to UDD and GDD through State Government. State share provided in the Budget is also released to UDD/GDD which disburses the funds to implementing ULBs through Director, T&CP while GDD disburses the fund to GMC through GMDA.
5	CFC	GoI transfers the fund to the State which is released through budget allocation to the DC of the District. The DC after drawal of the fund from treasury disburses the same to MBs under its jurisdiction.
6	BRGF	GoI transfers the fund to the State which is released through budget allocation to the ZPs which after drawal of the fund from treasury, disburses it to MBs within the district.

Source: Scheme guidelines

#### 1.14.1 Source of Revenue

The main sources of revenue for the ULBs are (a) Government Grants and (b) Own Revenue. Own revenue resources of ULBs comprises 'Tax' and 'Non-Tax' revenue realized by them. Property Tax is the major source of revenue. Government grants comprise fund released by the Central and State Governments based on recommendations of CFC, SFC and GoI's share for various CSS. Besides, ULBs also obtains loans from financial institutions for implementation of various schemes relating to Urban Development, Water Supply and Roads etc.

A flow chart of finances of an ULB is given below:



Under the provision of the Acts in force, all collections such as taxes on holdings, water tax, latrine tax etc., are the sources of tax revenue while building plan sanction fee, rent from shops and buildings, tolls and other fees and charges constituted the main source of non-tax revenue. The State Government also releases GIA and loans to the ULBs to compensate their establishment expenses. ULBs also receives grants and assistance from State Government and Central Government for implementation of schemes and projects. However, the overall financial position of ULBs in the State could not be ascertained in the absence of the complete database of finances of ULBs.

### 1.14.2 Resource Trends and Composition

The trend of resources of ULBs for the period 2007-08 to 2011-12 is shown in Table 1.14.

Table 1.14: Time series data on ULBs resources

Source	2007-08	2008-09	2009-10	2010-11	2011-12
Own Revenue	NA	31.77	NA	NA	NA
SFC transfers	-	48.61	96.15	151.67	189.68
CFC transfers	-	8.65	24.35	12.04	31.97
Interest for delayed payment of CFC grants	-	-	0.84	-	0.11
SSS	37.19	7.52	33.31	20.54	16.13
GoI grants for CSS	48.65	52.77	88.83	33.27	24.09

Source: The FASFC Report and information furnished by State Government.

Sharp decline in receipts under CSS in comparison to previous years was mainly due to deduction of central share for less/non-utilisation of funds by ULBs.

### 1.14.3 Allocation and release of funds

During 2010-11 and 2011-12 public investment in urban development through major CSS and corresponding state shares are shown in **Table 1.15**:

**Table 1.15: Statement showing investment through major CSS and SSS**  
(₹ in crore)

Sl. No.	Name of schemes	Nature of grants	2010-11			2011-12		
			Budget provision	Fund releases to Nodal agencies <sup>6</sup>	Fund released to ULBs	Budget provision	Fund released to Nodal agencies	Fund released to ULBs
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	SJSRY	Central Share	54.00	28.69	26.40	54.00	-	-
		State Share	8.21	8.21	7.55	-	-	-
2	IDSMT <sup>7</sup>	Central Share	7.50	-	-	-	-	-
		State Share	0.05	0.05	0.05	2.00	2.00	2.00
3	IHSDP <sup>8</sup>	Central Share	83.33	6.87	6.87	33.26	-	-
		State Share	4.00	2.50	0.89	4.44	4.44	-
4	UIDSSMT	Central Share	100.00	31.50	-	85.22	31.50	24.04
		State Share	4.00	4.00	3.50	8.73	8.73	8.73
5	10 per cent Pool Fund	Central Share	-	-	-	-	-	-
		State Share	2.80	2.80	2.80	12.00	11.90	2.43
6	Night Shelter for Urban Scheme	Central Share	-	-	-	-	-	-
		State Share	0.15	0.15	0.05	0.57	0.57	0.10
7	BSUP	Central Share	Not communicated	12.26	12.26	-	-	-
		State Share	-do-	-	-	-	-	-
8	Community Participation Fund	Central Share	-do-	0.18	0.18	-	-	-
		State Share	-do-	-	-	-	-	-
9	Solid Waste Management	Central Share	-do-	4.75	4.75	-	-	-
		State Share	-do-	-	-	-	-	-

Source: Director, MA, Director, T&CP, Secretary, GDD, Assam.

Details of the amount received and released to ULBs during 2011-12 is given in **Table 1.16**.

<sup>17</sup> Director, MA, Director, T&CP, Secretary, GDD

<sup>18</sup> Integrated Development of Small and Medium Towns.

<sup>19</sup> Integrated Housing and Slum Development Programme.

**Table 1.16: Statement showing funds released to ULBs during 2011-12**  
(₹ in lakh)

Sl. No.	Name of scheme	Funds received by DMA	Funds actually released to ULBs
1	Garbage Clearance Scheme	500.00	238.00
2	Development of Small Town	98.00	98.00
3	Communication Grant	8.50	8.50
4	Low Cost Sanitation under SCSP	250.00	222.00
5	SJSRY	3574.00	3240.86
<b>Total</b>		<b>4430.50</b>	<b>3807.36</b>

Source: Director, MA, Assam.

Against ₹44.31 crore released by the State Government to Director, MA, Assam during 2011-12, the actual release of funds to ULBs was ₹38.07 crore. Further, as per information furnished by Director, MA, since 2007-08 the unutilized balances amounting to ₹24.86 crore were kept in one savings bank account, two current bank accounts and in the form of bank draft and deposit at Call Receipt as of November 2012. Out of ₹1.78 crore earned as interest on deposit of SJSRY funds on savings bank account, an amount of ₹0.81 crore were released to ULBs for utilization of Urban Wage Employment Programme (UWEP) under SJSRY.

Reasons for retention of funds by Director, MA since long were not intimated though called for and were not ascertainable from the records produced to audit.

However, there is no readily available data on how much is actually spent in a particular year on the above mentioned schemes. Hence, utilization of the funds remained unverified. There is a need for establish the mechanism for proper accounting of these schemes fund for better accountability.

#### 1.14.4 Short release of fund under CSS to ULBs

Details of the amount provided in the budget of the State Government, the amount received and released to ULBs during 2011-12 are given in **Table 1.17**.

**Table 1.17: Status of funds for CSS.**

(₹ in crore)

Sl. No.	Name of scheme	Share of Grant	Budget Provision	Allocation made	Amount Released to ULBs	Short released
1	IHSDP	State Share	4.44	4.44	-	4.44
		Central Share	33.26	-	-	-
2	UIDSSMT	State Share	8.73	8.73	8.73	-
		Central Share	85.22	31.50	24.09	7.41
3	10 per cent Pool Fund	State Share	12.00	11.90	2.43	9.47
		Central Share	-	-	-	-
4	Night Shelter for Urban Slum	State Share	0.57	0.57	0.10	0.47
		Central Share	-	-	-	-
<b>Total</b>			<b>144.22</b>	<b>57.14</b>	<b>35.35</b>	<b>21.79</b>

Source: Information furnished by the Director, T&CP

Against the budget provision of ₹144.22 crore in 2011-12, allocation made was ₹57.14 crore out of which the Director, T&CP released ₹35.35 crore to the ULBs resulting in short release of ₹21.79 crore. The reasons for non-release of funds was not intimated though called for. The short release of funds adversely affected the work under the schemes resulting in denial of intended benefit to the beneficiaries.

### 1.15 Revenue resources and expenditure management of LBs

Revenue resources of PRIs which are known as own fund, are earned from settlement of hat/ghat, fisheries etc., and own revenue resources of ULBs comprise tax and non-tax revenue levied by ULBs as per provision of the Act. The details of own fund of LBs in the State were not collected and consolidated by the Government. Hence, the details of own fund collection of all LBs were not available. The main component of revenue expenditure of the PRIs is payment of salaries to their employees followed by remuneration and sitting allowances of the Elected Representatives (ERs). In the FASFC Report it is mentioned that during 2008-09, expenditure on salary, remuneration etc, of PRIs amounted to ₹63.93 crore. In contrast their internal revenue mobilization during the year was 14.90 crore. In fact their revenue collection was only 23 per cent of their salary expenditure. In 2010-11, their salary and remuneration expenditure escalated to

₹95.58 crore. It is evident that salary burden of PRIs is disproportionately high in relation to their income in spite of the fact that full sanctioned strength is not in position. If the vacant position as per existing norm is filled up or the staffing norm proposed is revised, it will further distort the ratio of own income and salary expenditure.

In case of ULBs, FASFC also expressed that total revenue expenditure of ULBs over the years far outstripped their own revenue, making them perennially dependent on outside support. The deplorable State of finances of ULBs emphasizes the need for own revenue augmentation through additional resource mobilization from existing sources. In this regard ASFC put forward valuable suggestions such as periodic revision of holding tax, as per provision of the Act making realistic valuation of urban tax, creation of additional market place, levy of property tax and service charges on the properties of Central and State Government undertakings and reduction of undeserving exemption and increasing the yield by rationalizing the present outmoded tax structure and facilitating on line payment of taxes etc.

It is apparent that the actual receipt or generation of own fund is inconsequential even to meet the payment of remuneration and sitting allowance and there is a little scope for meeting any other exigencies. Thus, LBs at all levels require to be proactive in augmentation and mobilization of internal revenues by working out periodical action plans after identifying the potential areas.

#### **1.16 Thirteenth Finance Commission (13<sup>th</sup> FC) Grant**

The weights adopted by the Thirteenth Finance Commission (13<sup>th</sup> FC) for inter distribution of funds among the states were 50 *per cent* population, 10 *per cent* area, 10 *per cent* and 20 *per cent* distance from highest per capita income for PRIs and ULBs respectively, 15 *per cent* index of devolution, 10 *per cent* SC/ST population for PRIs and 5 *per cent* CFC grant utilization index. Based on the above principles, the share of PRIs and ULBs for the periods 2010-15 in Assam including sixth Schedule areas amounted to ₹1892.90 crore. The amount so recommended has two components viz, General Basic grants and Performance Grants. For all five years, states will be eligible to draw their Basic grants subject to submission of UCs in time. However, Performance grants will be eligible from the second year of the award period subject to fulfillment of certain conditions laid down in the 13<sup>th</sup> FC recommendations.

The position of grants released by the GoI and further released by the State Government to PRIs and ULBs under the recommendation of 13<sup>th</sup> FC during 2010-12 is shown in **Table 1.18**.

**Table 1.18: Award of 13<sup>th</sup> FC to PRIs and ULBs**

(₹ in lakh)

Programme year	Installment no.	Scheme component	Allocation on fund of		Fund received from GoI		Year of receipt of funds by GoA	Fund released to PRIs and ULBs		Fund released to PRIs and ULBs during year	
			PRIs	ULBs	PRIs	ULBs		PRIs	ULBs	PRIs	ULBs
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
2010-11	1 <sup>st</sup>	General basic grants	7344.00	1179.00	7344.00	1179.00	2010-11	7344.00	1179.00	2010-11	2010-11
		Special Areas basic grants	340.00	25.00	340.00	25.00	2010-11	340.00	25.00	2010-11	2010-11
2010-11	2 <sup>nd</sup>	General basic grants	7167.00	1151.00	7167.00	1151.00	2011-12	7167.00	1151.00	2011-12	2011-12
		Special Areas basic grants	340.00	25.00	340.00	25.00	2011-12	340.00	25.00	2011-12	2011-12
2011-12	1 <sup>st</sup>	General basic grants	9295.00	1492.00	9295.00	1492.00	2011-12	9295.00	1492.00	2011-12	2011-12
		Special Areas basic grants	340.00	25.00	340.00	25.00	2011-12	340.00	25.00	2011-12	2011-12
2011-12	2 <sup>nd</sup>	General basic grants.	9295.00	1492.00	9295.00	1492.00	2011-12	9295.00	-	2011-12	Not released
		Special Areas basic grants	340.00	25.00	340.00	25.00	2011-12	340.00	-	2011-12	Not released
2011-12		General Performance Grant forfeited by non-performing State.	2197.96	466.54	2197.96	466.54	2011-12	-	-	Not released	Not released
2011-12	1 <sup>st</sup>	General Area Performance grants (including 6 <sup>th</sup> Schedule Areas).	3139.00	504.00	3139.00	504.00	2011-12	3139.00	504.00	2011-12	2011-12
2011-12	2 <sup>nd</sup>	General Area Performance grants (including 6 <sup>th</sup> Schedule Areas).	3203.29	514.37	3203.29	514.37	2011-12	3203.29	514.37	2011-12	2011-12
<b>Total</b>			<b>43001.25</b>	<b>6898.91</b>	<b>43001.25</b>	<b>6898.91</b>		<b>40803.29</b>	<b>4915.37</b>		

Source: Director, Finance (Economic Affairs) Department, Assam

As per guidelines issued by the GoI, grants of 13<sup>th</sup> FC are required to be transferred by State Government to the PRIs and ULBs within five days of receipt from the Central Government in case of states having easily accessible banking infrastructure and ten days in case of states with inaccessible banking infrastructure failing which State Government was liable to transfer interest amount to PRIs and ULBs at RBI bank rate for the number of days of delay.

It was observed that State Government released 13<sup>th</sup> FC grants to PRIs and ULBs with a delay of 11 to 23 days which resulted in payment of interest liability of ₹2.77 crore at the RBI bank rate of six *per cent* per annum.

Further, it was also noticed that out of ₹138.17 crore received as Basic grants of 2<sup>nd</sup> installment of 2011-12 and General Performance Grant forfeited from non-performing state (2011-12) by GoI, the State Government released ₹96.35 crore to LBs as of March 2012. Short release of grant of ₹41.82 crore was not found on record. Delayed in release of funds hampered the timely implementation of the projects in the field because time factor played an important role in Assam in view of season specific limitations in execution of works.

#### **1.16.1 Condition for eligibility for Performance grant and its compliance by the State Government**

As per conditions laid down in the 13<sup>th</sup> FC report (2011-12 to 2014-15), the State Government is eligible to draw the share of performance grant for General Areas only if it complies with the nine conditions. These conditions must be met by 31 March 2011 for the states to be eligible to draw down its Performance Grant for the succeeding fiscal year. The conditions for eligibility of Performance Grant and its compliance made by the State Government is given in *Appendix-III*

Due to non-observance of certain eligibility criteria for drawal of Performance Grants of 13<sup>th</sup> FC, the State may lose out on substantial amount in the succeeding years.

#### **1.17 Database on LB Finances**

The SFCs observed that their functioning had been greatly hampered by non availability of adequate and accurate data relating to the physical and fiscal indicators of performance of LBs. It is also observed that the limited data that were available were not only inadequate but also suffered from lack of credibility. The successive CFC had also underscored the need to create a local finance database and encompassing their resources, operations and financial performance indicators. With a view to overcoming this difficulty, the Eleventh Finance Commission (EFC) had earmarked funds for creation of database for LBs and their awards covering the period 2000-05. The Twelfth Finance Commission (TFC) recommended that States may assess the requirement of each LB in this regard and earmark funds accordingly out of the total allocation of TFC grants. Despite the dedicated fund allocation little improvement had been made in development of database.

The 13<sup>th</sup> FC in its report had also expressed similar dissatisfaction. Even after several persuasions by audit, a reliable data base on finances of LBs is yet to develop.

## 1.18 Accountability Framework

### 1.18.1 Power of State Government over PRIs and ULBs

The Constitution of India empowers States to legislate on Panchayats and Municipalities. Further, in exercise of relevant Acts and Rules, the State Government exercises its powers in relation to PRIs and ULBs. Details of the powers of the State Government over the LBs in decentralized setup are given in **Table 1.19**

**Table 1.19: Power of State Government over LBs**

Act/Rule/Authority	Power exercised by Government
(1)	(2)
Section 141 of AP Act, Section 301 of AM Act and Section 426 of GMC Act	<b>Power to frame rules</b> The State Government may make rules for carrying out the aims and objectives of this Act.
Section 125 of AP Act, Section 298 of AM Act and Section 425 of GMC Act	<b>Power to dissolve PRIs and ULBs</b> Government may, by notification in Gazette, dissolve the PRIs and ULBs, if the Government is of the opinion that the LB exceeds or abuses its powers or is not competent to perform or make persistent default in the performance of the duties imposed on it under this Act or any other law, for the time being in force.
Section 124 of AP Act, Section 293 of AM Act and Section 424 of GMC Act	<b>Powers to revoke or suspend resolution of PRIs and ULBs</b> The ZP is empowered to suspend and prohibit an order or resolution of GP, if the ZP is of the opinion that the resolution is improper, cause or likely to cause injury or annoyance to the public or lead to a breach of peace.  The State Government may by an order in writing suspend and prohibit an order or a resolution of an ULB, if the resolution is improper, cause or likely to cause injury or annoyance to the public or lead to a breach of peace.

Section 123 of AP Act	<p><b>Power to restrict or withdraw functions from Panchayats</b></p> <p>A Government may, by notification in the official gazette amend or add any activity, programme or scheme vested in the Panchayat.</p>
Section 121 (1) of AP Act	<p><b>Power to conduct enquiry</b></p> <p>The Government may, at any time for reasons to be recorded, cause an enquiry to be made by any of its officers in regard to any GP, AP or ZP on matter concerning it or on any matters with respect to which the sanctions, approval, consent or orders of the Government is required under this Act.</p>
Section 140 of AP Act read with Rule 4 and 8 of AP (A) Rules	<p><b>Power of appointment, cadre control, transfers etc.</b></p> <p>The employees of the PRIs are Government Servants. The Government shall regulate the classification, method of recruitment, conditions of service, pay and allowances, discipline and conduct of Secretaries of the GPs.</p> <p>The State Government may post from time to time additional staff of Grade I, Grade II, Grade III and Grade IV to ZP or AP or GP as it deemed necessary.</p>
Section 122 of AP Act	<p><b>Power to issue guidelines</b></p> <p>The State Government is empowered to issue directions to any Panchayat in matters relating to State and National Policies and such direction shall be binding on the Panchayat. The State Government may call for any record or register or other document in possession or under the control of any Panchayat.</p>

The AP Act gives the State Government the following powers for ensuring proper functioning of PRIs:

- call for any Panchayat to furnish information or report, plan, estimate, statement, accounts or statistics;
- inspect any office or any record or any document of PRIs;
- inspect the works and development schemes implemented by PRIs; and
- take action for default of Panchayat President/Secretary.

The AM Act, 1956 and GMC Act 1971, also contain similar provisions to enable the State Government to monitor and ensure proper functioning of the ULBs.

Lapses/defects noticed in audit relating to formulation and implementation of schemes, matters relating to finance, etc., are mentioned in Chapters II and III of this Report.

## **1.19 Vigilance Mechanism**

### **1.19.1 Ombudsman**

The ombudsman conducts investigation and enquires into instances of maladministration, corruption, favoritism, nepotism, lack of integrity, excessive action, inaction, abuse of position etc, on the part of officials and ERs of LBs. He can even register cases, *suo moto*, if the instances of the above kind come to his notice. The State Government in November 2011 appointed 10 Ombudsmen and two Deputy Ombudsmen in 12 out of 27 districts in the State under section 27 (1) of the MGNREG Act, 2005. The PRDD, GoA stated (August 2012) that process of selection of Ombudsmen and Deputy Ombudsmen in the remaining 15 districts are in progress. Regarding registration and disposal of cases registered under Ombudsmen, the PRDD failed to furnish any information due to non-receipt of any data from the districts in this regard. Due to non-furnishing of information the status of functioning of Ombudsmen constituted so far could not be ensured.

There was, however, no provision in the AP Act, AM Act and GMC Act regarding setting up of Ombudsman for LBs.

### **1.19.2 Social Audit**

The primary objective of social audit is to bring the activities of LBs under close surveillance of people to enable them to access the records and documents of LBs. Such immediate access to information would facilitate transparency and accountability in day-to-day functioning of LBs. The State Finance Department issued guidelines (May 2009) for social audit which, *inter alia*, included the following:

- Use of Gram Sabhas and Ward Committees as important vehicles for spread of awareness about social audit.
- Appointment of nodal officer at the level of Gram Sabhas and Ward Committees who would register complaints and fix the date for social auditing.
- Wide publication of the date of social audit through local newspapers, hand bills,

leaflets and notice boards etc.

- Presentation by the GP Secretaries and representatives of ULBs of the relevant data on revenue and expenditure of their organizations including bills, vouchers, muster rolls, measurement books, copies of sanction orders and other books of accounts and papers necessary for the purpose of social auditing.

Except for a provision made under the Assam Rural Employment Guarantee (AREG) Scheme under MGNREGA, the State Government was yet to amend the relevant Panchayat and Municipal Acts by including a statutory provision for social auditing.

The PRD stated (August 2012) that process for constitution of independent Directorate of Social Audit has been initiated. Search Committee had been formed for selection of Directorate of Social Audit and Dimoria Development Block, Kamrup (Metro) had been selected as the pilot block for operationalising of the Social Audit.

### **1.19.3 Lokayukta**

The Assam Lokayukta and Upa Lokayukta Act, 1985 (Assam Act XX of 1985) was introduced to improve the standard of Public Administration through investigation of complaint against ministers, legislators and public functionaries including those of PRIs and ULBs. The Act was introduced and received the assent of the Hon'ble President of India on 12 December 1986 and thereafter, the Assam Lokayukta and Upa-Lokayukta Rules were framed in 1988 and the organization was set up on 20 January 1989 in Assam. At present the institution is headed by Upa-Lokayukta as the post of Lokayukta has been lying vacant for the last 17 years (since March 1995). The Upa-lokayukta had received 1032 complaints till March 2012 against which 1012 cases were settled leaving 20 cases pending as of March 2012.

The State Government stated (August 2012) that at present 12 corruption cases and 22 cases of grievances are being investigated by the Hon'ble Upa-Lokayukta, Assam. But no further progress regarding the settlement of cases was made available to audit. Though the State Government has taken various initiatives by publishing advertisement in local newspaper in Assam and launched a website to increase the awareness of the people regarding Lokayukta and Upa-Lokayukta Act. The Lokayukta and Upa-Lokayukta, received on an average only 47 complaints yearly as of March 2012.

Thus, there is a need to increase awareness among the people about the existence and functioning of anticorruption mechanism to make it more effective and useful to the public.

## **1.20 Audit Mandate**

### **1.20.1 Primary Auditor**

Director of Audit, Local Fund (DALF), Assam established under Assam Local Funds (Accounts & Audit) Act, 1930 is the Primary Auditor of all tiers of PRIs and ULBs in the State.

### **1.20.2 Organizational Set up of DALF**

The Local Fund Audit organization in the State of Assam under DALF has 20 circle offices each headed by an Assistant Director to perform audit functions at the district level. Each audit party comprises of one Audit Officer and one or more Assistant Audit Officers. There were 151 audit parties (March 2012) and they work under the direct supervision and guidance of the Assistant Director of the circle.

### **1.20.3 Training of DALF Staff**

Four training programmes for DALF staff were organized by Assam Administrative Staff College in December 2010, February 2011, April 2012 and May 2012 supported by another Orientation programme conducted by DALF in November 2011 and May 2012 respectively wherein, Audit Officers, Assistant Directors and Deputy Directors of DALF were provided training by officers of the erstwhile office of the Senior Deputy Accountant General, (Local Bodies Audit & Accounts), Assam for the capacity building of Officers of DALF.

### **1.20.4 Staff strength of DALF**

Details of sanctioned strength and persons in position in the organization as of 31 March 2012 are shown in **Table 1.20**.

**Table 1.20: Sanctioned strength and persons in position in DALF**

Sl. No.	Post	Sanctioned	Persons in position	Vacant	Percentage of vacancy
1	Director	1	1	-	-
2	Joint Director	2	2	-	-
3	Deputy Director	3	3	-	-
4	Assistant Director	23	23	-	-
5	Registrar	1	1	-	-
6	Audit officer	159	151	8	5.03
7	Assistant Audit Officer	220	115	105	47.72
8	Other ancillary staff	328	241	87	26.52
<b>Overall</b>		<b>737</b>	<b>537</b>	<b>200</b>	<b>27.14</b>

Source: DALF, Assam.

The organization is functioning with an overall 27 *per cent* shortage of personnel within which the shortage in the cadre of Audit Officers (five *per cent*) and Assistant Audit Officers (48 *per cent*) adversely affected the mandated functions of the organization which is depicted at paragraph no.1.25.1.

#### **1.20.5 Audit by CAG of India**

CAG of India conducts audit of substantially financed LBs under section 14 (1) of CAG (DPC) Act 1971 and audit of specific grants to LBs under section 15 of the Act *ibid*, in the office of sanctioning authority. The audit of PRIs and ULBs is also conducted by CAG under section 20 (1) of the Act as per Technical Guidance and Supervision (TGS) module as entrusted by the State Government in May 2002 followed by acceptance of standard terms and conditions of TGS (May 2011) in pursuant to the 13<sup>th</sup> FC recommendations.

Audit of accounts of 57 PRIs (five ZPs, 11 APs and 41 GPs), 17 ULBs, (six MBs and 11 TCs) for the year 2011-12 were conducted during July 2011 to March 2012 as detailed in *Appendix -IV*.

In selection of units for audit, the following criteria were adopted:

- Units due for audit as per norms prescribed by CAG of India.
- Districts in backward area.
- GPs under APs and APs under ZPs with relatively higher population together with consideration of periodicity of audit.
- Newspaper clippings, media reports and complaints received.

## 1.21 Conclusion

Consequent upon the 73<sup>rd</sup> and 74<sup>th</sup> Constitutional Amendments, there has been considerable progress in empowerment of Panchayats/Municipalities. By and large, such empowerments remains confined to setting up of State Election Commission, conducting regular election to PRIs/ULBs, constituting SFCs periodically and devolution of funds as per award of CFCs & SFCs. But little had been done so far to augment the capacity building of PRIs/ULBs and to upgrade their weak administrative set up. In regard to transferred subject to PRIs, activity mapping is reported to have been completed way back in June 2007 for 23 subjects out of 29 subjects listed in the XI Schedule of the Constitution of India. However, ground realities do not confirm operationalisation of the activity mapping so far done. Activity mapping in respect of remaining six subjects are yet to be done. The DPCs did not visualize a comprehensive plan for district development. A significant portion of the funds escaped ZPs control due to direct transfer of GoI funds/ State Government funds to implementing agencies without routing through ZPs. The functioning of LBs had been greatly hampered by the non-availability of adequate data relating to the physical and fiscal indicators of performance of LBs. The limited data that was available was not only adequate but it suffered from lack of credibility also. Audited and authentic data base were not available. Despite dedicated fund allocation by the EFC and TFC in their award periods covering 2000-2005 and 2005-2010 respectively, little progress has been made in the situation even now. Even after constant persuasion by audit a reliable database on LBs finance has yet to come up. Due to non-observance of certain eligibility criteria for drawal of Performance grants of 13<sup>th</sup> FC, the State may lose out on substantial amount in the succeeding years. State Government had appointed 10 Ombudsmen and two Deputy Ombudsmen in 12 out of 27 districts in the State. State Government has yet to amend the Panchayat and Municipality Acts by including the statutory provision for Social audit. There is a need to increase the awareness among the people about the existence and functioning of anti corruption mechanism e.g. Lokayukta and Upa Lokayukta to make it more effective and useful.

## CHAPTER II

### Theme Audit on Backward Regions Grant Fund (BRGF)

#### Executive Summary

The GoI launched BRGF during 2006-07 for 11<sup>th</sup> five year plan (2007-12) in 250 districts of the country. The Main objective of BRGF is to mitigate regional imbalances, contribute towards poverty alleviation in backward districts of the country besides focused development of backward areas by bridging gaps in critical infrastructure as well as other developmental requirements. BRGF provides financial resources for supplementing and converging existing developmental inflows into 250 districts of the country which includes 11 districts of Assam.

Results of Theme Audit on 'BRGF' implemented by LBs in two districts<sup>12</sup> covering the period 2007-12 are summarised below:

- There were short release of ₹473.63 crore (₹23.04 crore under Capacity Building and ₹450.59 crore under Development Grant). Short release of funds was due to under utilisation of funds and delay in submission of proposals and Utilisation Certificates by the State Government. **(Para 2.7.1.1)**
- In the two test checked districts, the GoI released ₹61.55 crore as development grants during 2007-11 and ₹31.96 crore to State Institute of Rural Development (SIRD) for capacity building of 11 BRGF districts. However, State Government failed to release the funds to PRIs, SIRD and NERIWLM<sup>13</sup> within the stipulated period of 15 days. **(Para 2.7.1.2)**
- In the two test checked districts, it was noticed that Perspective Plans were prepared without indicating the priority of works to mitigate the critical gaps in the development. As a result, the provision of guidelines to prioritize the identified critical gaps in the backward district addressing specific requirement was not achieved. **(Para 2.7.2.1)**
- There was total absence of institutional support arrangements under BRGF at PRIs and ULBs level to strengthen the planning process and preparation of Annual Plans in a participatory mode. **(Para 2.7.2.6)**
- Morigon and Bongaigaon ZPs diverted the BRG fund of ₹41.70 lakh for execution of projects outside the plan approved by HPC in violation of the scheme guidelines.

<sup>12</sup> Morigaon and Bongaigaon

<sup>13</sup> North Eastern Regional Institute of Water and Land Management

- Besides, the necessity for such changes addressing the backwardness had also not been specified. **(Para 2.7.3.1)**
- Gram Sabhas were also not involved in the selection of beneficiaries. SHGs were selected by the President and Members of the Morigaon ZP. Criteria adopted for selection of SHGs were not found on record. As a result the genuineness in selection of beneficiaries also could not be ascertained in audit. **(Para 2.7.3.2)**
- Incurring of expenditure on other purposes not covered under the guidelines meant that the rural people were deprived of the otherwise intended benefits from the stipulated sectors that would accrued from diverted fund of ₹47.25 lakh. **(Para 2.7.3.3)**
- ₹3.19 crore (₹0.89 crore + ₹2.30 crore) released by the GoI for capacity building remained unutilised as of March 2012. Keeping of scheme fund unutilised not only affected the achievement of desired target for providing training to ERs but also resulted in blocking up of Government funds to that extent. **(Para 2.7.4.1)**
- Government did not institute any monitoring system to ensure the quality of works executed under BRGF scheme. **(Para 2.7.5.2)**
- The State Government had not issued any guidelines on Social Audit as of August 2012 as envisaged under Para 4.15 of BRGF guidelines. **(Para 2.7.5.3)**

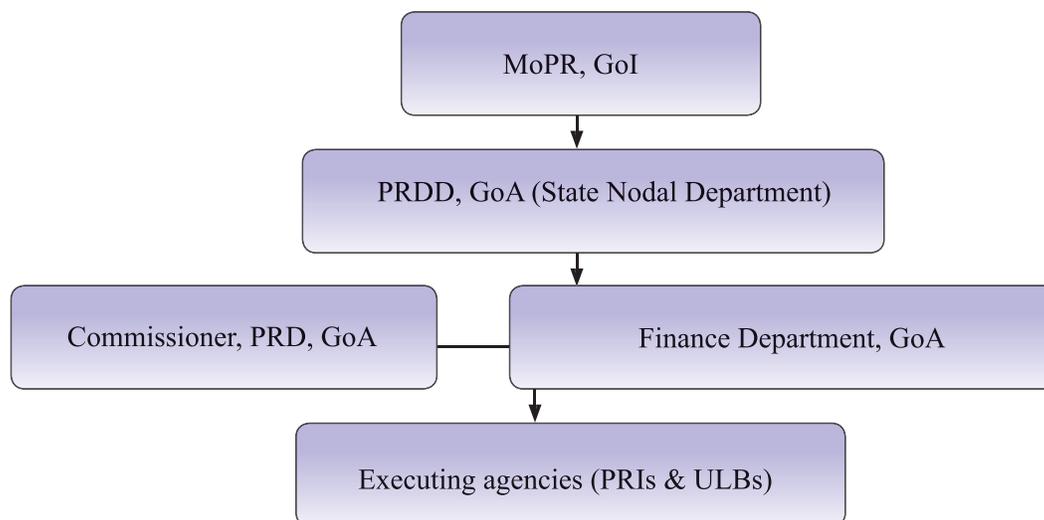
## 2.1 Introduction

The GoI launched BRGF during 2006-07 for 11<sup>th</sup> five year plan (2007-12) in 250 districts of the country. In Assam 11 districts are covered under the BRGF to mitigate regional imbalances, contribute towards poverty alleviation in backward districts of the country besides focused development of backward areas by bridging gaps in critical infrastructure as well as other developmental requirements. However, BRGF in addition, aimed at convergence of existing developmental inflows under various flagship programmes to speed up the development process and had a capacity building component to strengthen Panchayat and Municipality level governance with more appropriate capacity building and provide professional support to LBs for planning, implementation and monitoring their plans. The guidelines of BRGF were issued by the GoI in January 2007. The integrated district plans were to be prepared through participatory planning from grass root level to district level, ensuring inclusion of sub plans of SC/ST.

## 2.2 Organizational Setup

The BRGF is administered by the Ministry of Panchayati Raj (MoPR), GoI, through the High Power Committee (HPC) headed by the Chief Secretary and consisting *inter alia*, the

Development Commissioner, Planning Secretary, Principal Secretary, PRDD, Principal Secretary, UDD and State Secretaries in-charge of the sectors under which works are to be taken up under the programme. The PRDD of the State is the nodal department that administers the BRGF funds in the state. The projects are implemented by Panchayats and Municipalities of the district. The organizational structure for implementation of BRGF is given below:



### 2.3 Scope of Audit

Theme Audit on BRGF implemented by LBs in Morigaon and Bongaigaon districts for the period 2007-11 was conducted during 21 August 2011 to 29 September 2011 and 24 January 2012 to 18 February 2012 respectively by test check of records of two ZPs, four APs and 16 GPs. The two districts were selected based on geographical location of the State and percentage of SC/ST population of the district was also taken into consideration. To update the position of implementation of scheme under BRGF, information was collected from two test checked districts, Commissioner, PRD and also from SIRD, Assam to give emphasis on Capacity Building of BRGF. In addition to that, information was also collected from GPs and ULBs of the two sampled districts.

### 2.4 Audit Objective

The objectives of the audit were to assess whether:-

- the allocation and releases of funds were transferred timely to the implementing agencies in accordance with the provision of guidelines;
- planning for selection of backward districts and projects was based on reliable data and as per the GoI guidelines;

- the projects were implemented as per guidelines in an efficient manner;
- an effective monitoring, internal control and evaluation system was in place to keep track of the implementation of the scheme.

## 2.5 Audit Criteria

The criteria for assessing the achievement of the objectives of the scheme were as under

- BRGF guidelines.
- Minutes of meeting of HPC for execution of BRGF projects.
- Perspective Plan for implementation of individual projects/schemes.
- Prescribed monitoring mechanism.
- Capacity Building for Elected Representatives (ERs) and functionaries of PRIs/ULBs.

## 2.6 Audit Methodology

Theme Audit on BRGF commenced with an entry conference on 21 August 2011 with the Principal Secretary, PRDD and Commissioner, PRD, Assam, and on 6 August 2011 and 24 January 2012 with the CEO, Morigaon Zilla Parishad (MZP) and Bongaigaon Zilla Parishad (BZP) respectively wherein audit objectives, criteria and methodology were discussed. Projects were selected Sector-wise for detailed scrutiny. Audit findings were discussed with the CEOs of the two test checked districts in exits Conferences (29 September 2011 and 17 February 2012).

## 2.7 Audit Findings

The important audit findings are discussed in the succeeding paragraphs.

### 2.7.1 Financial Management

**Audit Objective: Whether the allocation and releases of funds were transferred timely to the implementing agencies in accordance with the provision of guidelines**

Regular and timely release of funds is an essential requirement for effective implementation of any programme. Delay, irregular or short release of funds has a cascading impact on the execution of time-bound activities that are interlinked.

#### 2.7.1.1 Short release of funds

BRGF consists of two funding windows (a) Capacity Building fund and (b) Untied Development fund. 11 districts of Assam are covered under BRGF with annual

entitlement of ₹157.19 crore as Development Grants and ₹11.00 crore as Capacity Building grants being cent *per cent* Central grant to the State.

The year wise position of receipt of funds from GoI, corresponding release by the State Government and utilization of funds by the implementing agencies under BRGF during 2007-12 is given in **Table 2.1**:

**Table 2.1: Receipt and utilisation of funds under BRGF**

(₹ in crore)

Year	Allocation and fund released by GoI				Funds released by State Government to		Amount utilised by the implementing agencies		Percentage of utilization	
	Capacity Building		Development Grants		SIRD	ZPs	SIRD	PRIs and ULBs	Capacity Building	Development Grants
	Allocation	Fund released	Allocation	Fund released						
2007-08	11.00	9.12	157.19	59.98	5.47	59.98	0.12	59.98	1.32	100
2008-09	11.00	-	157.19	53.23	-	-	3.10	-	34.40	-
2009-10	11.00	-	157.19	56.03	2.10	86.58	2.58	63.27	43.73	73.08
2010-11	11.00	13.08	157.19	126.04	8.81	57.70	6.62	NA	60.68	NA
2011-12	11.00	9.76	166.74	49.63	5.49	132.15	9.14	NA	72.08	NA
<b>Total</b>	<b>55.00</b>	<b>31.96</b>	<b>795.50</b>	<b>344.91</b>	<b>21.87</b>	<b>336.41</b>	<b>21.56</b>	<b>123.25</b>		

Source: Commissioner, PRD and SIRD, Assam.

GoI released ₹31.96 crore and ₹344.91 crore to the State against the allocation of ₹55.00 crore and ₹795.50 crore during the year 2007-12 under Capacity Building and Development Grant respectively. Thus, there were short release of ₹473.63 crore (₹23.04 crore under Capacity Building and ₹450.59 crore under Development Grant). Short release of funds was due to under utilisation of funds and delay in submission of proposals and Utilisation Certificates (UCs) by the State Government.

SIRD had utilized ₹21.56 crore against available fund of ₹21.87 crore during 2007-12 leaving unspent funds of ₹0.31 crore. Actual utilization of Development funds released to ZPs could not be ensured due to non furnishing of information by the State Government. Under utilization of available funds by the SIRD led to non/partial implementation of training programmes as discussed in paragraph 2.7.4.

### 2.7.1.2 Delay in Release of funds

As per Para 4.6 of BRGF guidelines, the BRG funds should be transferred to the Panchayats, Municipalities and other implementing authorities within 15 days from the date of release of funds by the GoI. In case of delay in transfer of funds, penal interest at RBI rate shall be required to be transferred by the State Government to the

PRIs/ULBs/other implementing authorities concerned along with the principal amount of the funds.

In the two test checked districts, the GoI released ₹61.55 crore as development grants during 2007-11 and ₹31.96 crore to SIRD for capacity building of 11 BRGF districts. However, State Government failed to release the funds to PRIs and SIRD/NERIWLM within the stipulated period of 15 days.

As there were delays ranging from 30 to 1116 days in release of funds to ZPs and SIRD/NERIWLM, interest of ₹3.05 crore as detailed in *Appendix XII & XIII* was due for payment to Morigaon ZP, Bongaigaon ZP and SIRD/NERIWLM as of March 2012. But no interest for delayed release of funds was transferred to the PRIs as well as to SIRD, Assam by the State Government till December 2012.

The Principal Secretary, PRDD explained (September 2011) in details the sequence of steps followed in the fund flow mechanism till it reached the districts. He also mentioned about the time taken at each step which come to at least three months. He attributed the delay to the procedure and formalities to be observed in each step which ultimately made it difficult to release the fund to the districts within 15 days. The observation of the Principal Secretary is not tenable as the department should have evolved a suitable mechanism for timely transfers of funds for timely implementation of the projects under the Scheme.

Thus, delay in release of funds led to delay in implementation of projects as well as imparting of training in time, besides creating liability of ₹3.05 crore on State Government being interest @ ₹6 per cent p.a.

#### **2.7.1.3 Non-adherence to prescribed fund flow mechanism**

Each BRGF district would receive ₹1.00 crore per annum as Capacity Building Fund. The Untied Development Grants were to be distributed among the districts as a fixed minimum amount of ₹10 crore per annum per district and 50 per cent of the allocation was to be distributed on the basis of the share of the population of the district and remaining 50 per cent would be distributed on the basis of the share of the area of the district. The Government was to indicate the normative formula for inter-se allocation of BRGF grants in each Panchayat and ULBs within the district. But the State Government violating the Central Guidelines distributed the fund received from the GoI, district wise using population figures and divided it between rural and urban using the ratio proportionate to the population in PRIs and ULBs. Fund for the PRIs were allocated at

20 per cent, 30 per cent and 50 per cent among ZP, APs and GPs respectively. Thus, funds were not allocated among the PRIs and ULBs as per guidelines.

In respect of Capacity Building, the fund received from GoI by the State Government were released to the SIRD/NERIWLM for imparting training to the ERs and functionaries of the PRIs without earmarking any district wise allocation of fund as envisaged in the guidelines. Apart from this, no provision of funds were made for imparting training of elected representatives and functionaries of ULBs.

#### 2.7.1.4 Utilisation of funds

Allocation, receipt and utilisation of funds under BRGF during 2007-12 in respect of two test checked districts are shown in **Table 2.2**:

**Table 2.2: Receipt and utilisation of development grants under BRGF**

(₹ in crore)

Plan year	Name of district	Approved cost/ allocation of fund	Fund released by the GoI to GoA	Fund released to Zilla Parishads as of 31 March 2012	Expenditure reported
2007-08	Bongaigaon	13.23	11.90	11.90	11.90
2008-09		13.23	-	-	-
2009-10		13.23	8.60	8.60	6.45
2010-11		13.23	13.23	13.23	-
2011-12		13.88	-	-	-
<b>Sub total</b>		<b>66.80</b>	<b>33.73</b>	<b>33.73</b>	<b>18.35</b>
2007-08	Morigaon	12.79	7.50	7.50	7.50
2008-09		12.79	10.13	10.13	8.31
2009-10		12.79	-	-	-
2010-11		12.79	10.19	10.19	-
2011-12		13.36	-	-	7.39
<b>Sub total</b>		<b>64.52</b>	<b>27.82</b>	<b>27.82</b>	<b>23.20</b>
<b>Total</b>		<b>131.32</b>	<b>61.55</b>	<b>61.55</b>	<b>41.55</b>

Source: Commissioner, PRD, Assam

It would be seen from the above table that, the GoI released ₹61.55 crore to Morigaon and Bongaigaon districts against their total allocation of ₹131.32 crore during the year 2007-12 resulting in short release of ₹69.77 crore (53.13 per cent) to those two districts. The short release was due to non submission of proposals and UCs in time. Moreover, it was also observed that against the total receipt of ₹61.55 crore by the two districts, an amount of ₹10.85 crore remained undisbursed with ZPs as of March 2012 as detailed in *Appendix - XIV*. This had retarded the progress of works under the schemes and also frustrated the intended benefits to the targeted beneficiaries.

### **2.7.1.5 Non utilisation of bank interest**

In terms of Para 4.9 of BRGF guidelines, funds received under the scheme/programme are to be kept in savings bank account and the interest accrued on such deposits should be treated as additional resources under the BRGF and should be utilized as per guidelines of the programme. Guidelines also envisaged that no work under BRGF can be executed/ taken up unless it forms part of Annual Action Plan approved by the concerned DPC of the district.

Scrutiny of records revealed that neither the DPCs of two test checked districts/ SIRD, Assam had made any provisions in the Annual Plans nor the HPC of the State issued any instruction for utilisation of interest earned on unutilised amount of BRGF Grants kept in savings bank account. As such, additional receipt in the form of bank interest amounting to ₹1.06 crore<sup>14</sup> could not be utilised for poverty alleviation programme as well as imparting training to the ERs and Panchayat functionaries in two backward districts of the State resulting blocking up of interest fund to that extent.

### **2.7.1.6 Other irregularities**

The guidelines under BRGF provided for transfer of funds directly into the accounts of the Panchayats and ULBs using mechanism of on line bank transfer. In the two test checked districts it was noticed that the Government instead of transferring the funds directly into the accounts of the Panchayats and ULBs, released the funds to ZPs of the concerned district.

Thus, transferring of funds without following the mechanism of bank transfer as envisaged in the guidelines subsequently affected release of full share to ULBs amounting to ₹0.42 crore as detailed in *Appendix - XV* and frustrated the very objective of the programme. The short release of funds to ULBs was calculated based on population of urban area as adopted by the State Government for distribution of funds to PRIs and ULBs.

<sup>14</sup> ( SIRD ₹ 0.58 crore+ Morigaon ₹0.09 crore+ Bongaigaon ₹0.39 crore)

## 2.7.2 Planning

**Audit Objective: Whether planning for selection of backward districts and projects was based on reliable data and as per the GoI guidelines for BRGF programme**

### 2.7.2.1 Delay in preparation of Perspective Plans

As per the guidelines, BRGF programme was to be commenced within each BRGF district based on study of its backwardness which would include a baseline survey followed by preparing a well conceived district development Perspective Plan covering period of 11<sup>th</sup> Five Year Plan for 2007-12 and Annual Action Plan 2007-08 by March 2007 to redress the backwardness. The Perspective Plan would be prepared with assistance from Technical Support Institute (TSI). However, the State Government agreed to prepare the Perspective Plan in respect of the entire BRGF district for all the five years of 11<sup>th</sup> plan period, i.e. 2007-12 by October 2008 and assigned the works to TSI namely National Institute of Rural Development (NIRD) and Institute of Applied Man Power Research (IAMPR).

Test check of records of two selected districts revealed that in Morigaon, NIRD has been entrusted with the preparation of district Perspective Plan and the NIRD submitted the Perspective Plan in August 2009 after a delay of 10 months from the date of engagement.

Similarly, IAMPR has been assigned (October 2008) by the State Government to provide the Technical Support and play the role of TSI for facilitation in preparation of the district Perspective Plans of Bongaigaon district which was submitted in May 2009 after delay of seven months from the date of engagement of TSI.

As a result, Annual plans of these two districts for ₹29.53 crore was approved by HPC without any Perspective Plans as detailed in **Table 2.3:**

**Table 2.3: Annual Plan approved by HPC without Perspective Plan**

(₹ in crore)

Year	Name of district	Month of approval by HPC	Total amount of annual plan
2007-08	Bongaigaon	NA	11.90
	Morigaon	NA	7.50
2008-09	Morigaon	NA	10.13

Source: ZPs

In the absence of Perspective Plan, assessment of regional imbalances in the development to bridge the critical gaps therein could not be ensured and works of ₹29.53 crore were taken up without ascertaining the prime objective of the programme.

Further, in the two test checked districts, it was noticed that Perspective Plans were prepared without indicating the priority of works to mitigate the critical gaps in the development. As a result, the provision of guidelines to prioritize the identified critical gaps in the backward district addressing specific requirement was not achieved.

#### **2.7.2.2. Non preparation of Sub-Plan showing allocation of funds for SCs/STs**

Paragraph 2.2 of BRGF guidelines envisaged formation of a separate sub plan within the Annual Action Plan of each Panchayat/ULB showing scheme-wise allocation of funds for SCs/STs. Funds at least in proportion of the population of these communities in the Panchayats/ULBs were to be provided under this sub plan. Amenities such as school, anganwadis, health centre etc. were to be provided in areas having substantial SC/ST population. However, no such sub plan was prepared with in the Annual Plans in respect of any of the BRGF districts during 2007-12 even though SC/ST population of 11 BRGF districts ranged from 11.10 *per cent* to 70.10 *per cent* of total population of the State as per Census 2001. Thus, provision of ₹105.67 crore as detailed in **Appendix-XVI** was to be made for development of SCs/STs population of those districts considering the total receipt of ₹336.41 crore as of March 2012. Approval of annual plans without the sub plan for SCs/STs deprived 26.12 lakh SC/ST population of BRGF districts from the benefit of the BRGF.

#### **2.7.2.3 Non-adoption of Plan Plus software**

MoPR, GoI had advised the State Government (October 2009) to adopt software 'Plan Plus' designed by NIC for preparation of the BRGF plan and asked to ensure that the district plans were uploaded by 30 November 2009. Although 665 officials were trained both in the state and district level through workshops during 2007-09, Plan Plus software was not uploaded as of July 2012.

#### **2.7.2.4 Absence of Integrated as well as Participatory Planning**

BRGF programme envisaged decentralised bottom up planning and strengthening of Gram Sabhas in rural areas and Area Sabhas in urban areas. It also required convergence of all developmental inflows under flagship programmes to form an integrated district plan to speed up the development process in backward districts. The participatory plans prepared by Panchayats and Municipalities were to be consolidated into integrated district plan by the DPCs and the same would reflect all financial resources available in the district and ensure their optimal use without delay, diversion, duplication and leakages. However, in the two test checked districts, plans were prepared without comprising all

other programmes and resources available resulting in lack of integration as well as planning.

#### **2.7.2.5 Absence of policy framework and non-issue of guidance**

Despite requirement under Para 1.8 of BRGF guidelines and directions (July 2010) of the GoI, no guidelines were issued by the State Government (July 2012) for:

- *Inter se* allocation of BRGF funds between different levels of PRIs considering the backwardness index or level of development and addressing specific district wise priorities;
- Policy for earmarking a reasonable percentage of funds towards performance incentive, based on specified criteria;
- Prescribing a quality monitoring system which should be regularly reviewed by the HPC;
- Manner of conducting Social Audit by Gram Sabhas/Ward Sabhas in rural areas and Area Sabhas/Ward Committees in urban areas;
- Making implementing agencies accountable to PRIs and ULBs;
- Conducting peer review of progress by Panchayats themselves and constitution of a Review Committee by the DPC to review such reports.

Due to non issue of guidelines and specific instructions by the State Government, the above aspects were not adhered to while implementing the programme in the State and to make it more effective.

#### **2.7.2.6 Professional support staff not posted at Block/ GP level**

BRGF guidelines envisaged for providing a trained community level person to provide knowledge inputs to the community on agriculture, water management, livestock management, post-harvest management, agri-business and a gender empowerment community leader to undertake activity for female literacy and micro finance and one barefoot engineer to enhance local engineering capacity to each GP. Similarly, at the block level, one Panchayat Resource Centre (PRC) was to be set-up with one engineer (for preparation of estimate and monitoring quality of execution), an Accountant (to enforce financial discipline in block and GPs) and a social specialist (to conduct participatory planning by mobilising villagers to attend Gram Sabha/Palli Sabha etc.). The guidelines

and GoI instructions (March 2007) also permitted utilisation of development grants upto five *per cent* (per district) to support the functionaries of PRIs and ULBs and ₹13.00 lakh out of capacity building component per PRC at block level. However, no such manpower was provided in any of the test checked blocks and GPs as of August 2012. As a result smooth implementation of the programme very often got affected.

Thus, there was total absence of institutional support arrangements under BRGF at PRIs and ULBs level to strengthen the planning process and preparation of Annual Plans in a participatory mode.

### **2.7.3 Implementation of BRGF - Development Grants**

**Audit Objective: To assess whether the projects were implemented as per guidelines in an efficient manner**

#### **2.7.3.1 Execution of other projects in place of the projects approved by the HPC**

Scrutiny of records of ZPs of Morigaon and Bongaigaon and Baitamari AP revealed that the funds sanctioned for projects approved by the HPC were diverted to other projects without the prior approval of the competent authority as detailed below:

- In Morigaon ZP a sum of ₹9.70 lakh was sanctioned (2007-08) by the HPC for Agricultural bundh from Suren Bora house (Baramari village) to Jengpari E&D bundh and construction of switch gate at Dimaljan near No. 2 Matiparbal. However, ZP implemented three other schemes viz Road construction for Dungen youth club to Hasiram Biswas house via Dungenpar tinali for ₹1.50 lakh, Raised Platform at Chansimalu Kathpari Sapari for ₹2.20 lakh and construction of road from Dakhin Dharmtul to Matiparbal with earth work and sand gravel for ₹5.00 lakh by utilising the fund earmarked for implementation of other schemes without the prior approval of HPC. On being pointed out CEO, Morigaon ZP stated that, revised schemes were implemented with the approval of DPC. Reply of the CEO is not tenable as the DPC has not been empowered to revise the plan approved by HPC.
- In Bongaigaon ZP a sum of ₹27.50 lakh was sanctioned (2006-07) by the HPC for Purchase of 2 Nos. Power Tiller (KAMCO) for ₹3.50 lakh, construction of Oudubi Chali Jarnah and Switch Gate for ₹20.00 lakh and for distribution of Tractor to Farmers for ₹4.00 lakh. However, Bongaigaon ZP implemented six

other schemes viz Extension of Goalpara-Bangalpara GP office building with earth filling at office campus for ₹2.97 lakh, construction of road from Bhasakar Jyoti Sangha to Bankum Das House under Kashdola Village for ₹5.00 lakh, RCC bridge over Dangtol River at Silgahgri Ph-II for ₹1.00 lakh, Construction of Bongaigaon ZP Ghar for ₹8.00 lakh, construction of SPT bridge over river Kujia at Chipansil Ph-III for ₹3.00 lakh and construction of SPT bridge over river Tuniya at Bechimari for ₹4.00 lakh by utilising the funds earmarked for other schemes without the prior approval of HPC.

On being pointed out, CEO, Bongaigaon ZP stated that the revised schemes were implemented with the approval of DPC. The reply of the authority is not tenable as the DPC has not been empowered to revise the plan approved by HPC.

- Further in Baitamari AP under Bongaigaon ZP a sum of ₹4.50 lakh was sanctioned by the HPC for implementation two schemes namely Construction of Culvert over Haripani Dhara at Jakarmari for ₹3.00 lakh and Construction of HP Culvert with earth filling at Kabitary Pt-III for ₹1.50 lakh. However, audit noticed that the BDO, Baitamari implemented two other schemes viz development of FCI bazar for ₹3.00 lakh and development of Kabitary daily market for ₹1.50 lakh without the prior approval of HPC. In reply BDO, Baitamari stated that the revised schemes were implemented with the approval of President of Bongaigaon ZP and Chairman of DPC which was not tenable as the DPC was not the competent authority to approve the projects. Audit could not ascertain whether the works undertaken by diverting BRGF were actually required for improvement of local infrastructure as no records justifying such changes was found on record.

Thus, the Morigaon and Bongaigaon ZPs diverted the BRG funds of ₹41.70 lakh for execution of projects outside the plan approved by HPC in violation of the scheme guidelines. Besides, the necessity for such changes addressing the backwardness had also not been specified.

#### **2.7.3.2 Undue financial benefits extended to SHGs**

Section 4 (8) (B) of AP Act, 1994 entrusted Gram Sabha for identification of beneficiaries for the implementation of development schemes pertaining to the respective villages. It was decided in the HPC meeting held on 24 September 2010 on implementation and monitoring of BRGF that Power Tillers and other Farm Equipment should be provided to the beneficiaries according to norms followed by the Department of Agriculture. As

per the norms of Agriculture Department, for assistance to landless Small and Marginal Farmers, the agricultural farm equipment may be provided to SHGs formed with five or more number of beneficiaries with 75 per cent subsidy subject to a maximum of ₹1.13 lakh and balance amount was to be borne by the SHGs as beneficiaries contribution. Scrutiny of records revealed that the HPC approved 414 power pumps and 42 power tillers for distribution to SHGs out of BRGF grant during 2007-08. On receipt of proposal from the DPC, Morigaon, 414 Power Pumps and 42 Power Tillers valued ₹161.60 lakh were distributed amongst SHGs selected by the Chairman/members of ZP without involving Gram Sabha. Moreover, 414 power pumps and 42 power tillers were distributed with cent per cent subsidy against admissible of 75 per cent subsidy resulting in undue financial assistance to the tune of ₹40.40 lakh extended to SHGs. Due to non-realising of the beneficiaries contribution, many SHGs could not be given the benefit of the scheme.

Apart from this, the Gram Sabhas were also not involved in the selection of beneficiaries. SHGs were selected by the President and Members of the Morigaon ZP. Criteria adopted for selection of SHGs were not found on record. As a result, the genuineness in selection of beneficiaries also could not be ascertained in audit.

#### **2.7.3.3 Expenditure on inadmissible works**

Contrary to Para 4.31 of BRGF guidelines, an amount of ₹48.55 lakh under BRGF was spent irregularly during 2011-12 on execution of 29 inadmissible works like construction of toilet, latrine and land development on a site belonging to a religious institution and construction of community halls, office building etc. in the two test checked districts as detailed in *Appendix XVII*.

Incurring of expenditure on other purposes not covered under the guidelines meant that the rural people were deprived of the otherwise intended benefits from the stipulated sectors that would have accrued from diverted fund of ₹48.55 lakh.

Thus, expenditure on inadmissible items hampered the redressal of regional imbalances for development of the districts.

#### **2.7.3.4 Excess expenditure**

The DPC of Morigaon district allocated ₹74.54 lakh under BRGF 2008-09 for providing diesel pump to rural farmers living below poverty line for irrigation purposes under the jurisdiction of Morigaon ZP at cent per cent subsidy.

Test check of records revealed that CEO, Morigaon ZP spent ₹74.54 lakh for procurement of 308 numbers 5HP USHA diesel pump set @₹24200.00 per pump set from M/s Assam Machinery Stores, Nagaon during 25 August 2008 to 9 September 2008 instead of accepting lower rate (₹21788.00) offered by M/s Kirloskar Oil Engine Limited, Guwahati. Both the firms offered the same after sale services, period of guarantee and installation, etc. Reason for accepting higher rate was not found on record. Thus, non procurement of pump sets at lower rate having same specification resulted in excess expenditure of ₹7.43 lakh (308 × difference in cost of pump set @₹2412.00 each).

In reply CEO, Morigaon ZP stated that, the purchases were made as per decision of the purchase committee and choice of beneficiaries. The reply of the authority was not tenable as purchases of materials at higher rate instead of accepting lower rate having same specification was in violation of the financial rules of the Government.

Further, the beneficiaries were selected by the President and Members of the Morigaon ZP without consultation with the Gram Sabha. Procedure adopted by the District Panchayat Bodies for selection of beneficiaries was neither found on record nor stated though called for. As a result, actual selection of beneficiaries could not be ascertained in audit.

#### **2.7.3.5 Incorrect reporting to fund sanctioning authority**

Bongaigaon ZP received ₹20.60 crore, of which ₹20.39 crore was incurred and distributed to different implementing agencies viz APs, GPs, MB/TCs during the period 2007-11 and issued UC for the amount of ₹20.39 crore showing unutilised amount of ₹0.21 crore while information collected only from five APs, eight GPs and one MB of Bongaigaon district revealed that an amount of ₹0.51 crore were lying unutilized (February 2012). Thus, there was an excess reporting of expenditure of ₹0.51 crore. Similarly, Morigaon ZP received ₹27.92 crore (including ₹10.00 lakh bank interest), of which ₹24.99 crore was incurred and distributed to APs, GPs, MB during the period 2007-12 and UC issued for the said amount (₹24.99 crore). But as per information furnished by seven APs and 83 GPs it was noticed that an amount of ₹2.89 crore was lying unutilised in their bank accounts till February 2012 resulting in excess reporting of expenditure to that extent. Thus, the two test checked districts had submitted inflated UCs to the extent of ₹3.40 crore (₹0.51 + ₹2.89 crore) as detailed in *Appendix - XVIII* to the MoPR, GoI.

## 2.7.4 Implementation of BRGF - Capacity Building

### 2.7.4.1 Blocking up of funds

With a view to develop the capacity of ERs and functionaries of LBs and to enable them to perform their roles more effectively in the context of the reform in the Panchayati Raj System, the MoPR had provided assistance to the State Government under BRGF to meet the training needs of ERs and functionaries of LBs. The objective of the scheme is to assist the State in carrying out actual training activities for the ERs and officials to meet their capacity requirement.

The funding covers:

- Training of ERs and functionaries of LBs,
- Setting up of infrastructure for satellite based/other modes of distance training,
- Infrastructure for Training Resource Centres at the BRGF district/Block level,
- Orientation of Key officials associated with functions devolved to panchayats,
- Promoting sensitisation of Gram Sabha and
- Sensitisation of media, ERs.

The position of funds received and expenditure incurred by SIRD, Assam during 2007-12 is given in **Table 2.4**:

**Table 2.4: Receipt and utilization of funds under Capacity Building**

(₹ in crore)

Year	Opening balance	Receipt	Bank interest	Total	Expenditure	Balance
2007-08	-	5.47	-	5.47	0.12	5.35
2008-09	5.35	-	0.16	5.51	3.10	2.41
2009-10	2.41	2.10	0.14	4.65	2.58	2.07
2010-11	2.07	8.81	0.09	10.97	6.62	4.35
2011-12	4.35	5.49	0.19	10.03	9.14	0.89
<b>Total</b>		<b>21.87</b>	<b>0.58</b>	<b>22.45</b>	<b>21.56</b>	<b>0.89</b>

Source: SIRD, Assam

As per information furnished by SIRD, Assam, out of total available funds of ₹22.45 crore, an amount of ₹21.56 crore was spent towards imparting training and setting up of infrastructure leaving an unspent balance of ₹0.89 crore as of 31 March 2012. Further, scrutiny revealed that out of ₹21.56 crore, an amount of ₹2.30 crore was released to Resource Centre in IT and skill development to SIRD, Kahikuchi during 2009-10 for Capacity Building and Training (CB&T) programme. The entire amount of ₹2.30 crore remained unutilised as of March 2012. No training programmes had been conducted

due to inadequate infrastructure facilities as reported by the Executive Director. Thus, ₹3.19 crore (₹0.89 crore + ₹2.30 crore) released by the GoI for capacity building remained unutilised as of March 2012. Keeping of scheme fund unutilised not only affected the achievement of desired target for providing training to ERs but also resulted in blocking up of Government funds to that extent.

While accepting the fact Executive Director, Resource Centre in IT and skill development SIRD, Kahikuchi stated (August 2012) that due to General Election and inadequate infrastructure during that period the training programmes entrusted to the resource centres were hampered resulting in blocking up of funds. The reply is not acceptable as without assessing the availability of suitable infrastructure required for organising the training programmes, funds were released to aforesaid resource centre for imparting training to ERs and Panchayat functionaries. To improve the training outreach and ensure that training is conducted continuously, the training facilities in the centres was require to be upgraded to organise training programmes locally.

#### 2.7.4.2 Training achievements

In respect of Capacity Building of PRIs, the SIRD, Assam had taken the leading role. SIRD with its two campuses at Guwahati and 19 Extension Centres/Extension Cum Resource Centres in different places organises subject specific rounds of training every year for the ERs and PRI functionaries. As reported, its faculty includes 25 academic staff at the Head Quarter and 60 academicians in 12 Extension Centre levels. Besides its own faculty members, the SIRD had created a panel of trainers consisting of academicians for the Headquarters and Extension Centres as well as selected officials from line departments who were involved in the training programmes at field level Resource Centres. The estimated training coverage of ERs and functionaries of PRIs as per the plan prepared by the SIRD, Assam during 2007-2012 are appended in the **Table 2.5**.

**Table 2.5: Target and achievement of Training programme of ERs and functionaries of PRIs**

Name of scheme	Elected representative			Functionaries			Other stakeholders		
	Target	Achievement	(-)Short fall/ (+) excess (%)	Target	Achievement	(-)Short fall/ (+) excess (%)	Target	Achievement	(-)Short fall/ (+) excess (%)
BRGF	25149	17561	(-) 7588 (30)	9860	10111	(+) 251 (3)	133500	95968	(-) 37532 (28)

Source: SIRD, Assam

It was seen from the above table that the achievement in imparting training to ERs was less than that of training imparted to the functionaries. In case of other stakeholders, the achievement was 72 *per cent*. Regarding shortfall of training to ERs and other stakeholders, the Director, SIRD, Assam stated (August 2012) that more emphasis was given to Panchayat functionaries as they were directly involved with the implementation of the programmes. The reply of the authority was not tenable as duties and responsibilities of ERs of PRIs have been increased many fold due to decentralisation of power to local governance at an unprecedented scale.

Thus, in order to understand the complexities of these responsibilities and fulfil the responsibilities of their constituencies, the ERs need strong support in the form of training and capacity building so that they could effectively perform their functions. However, scrutiny of records revealed that neither any training was imparted to ERs and functionaries of ULBs nor any provision was made in the Perspective Plan of Capacity Building under BRGF.

#### **2.7.4.3 Utilisation of BRGF funds in non BRGF districts**

Satellite Communication (SATCOM) and information technology are not optimally used in Assam for capacity building and training of ERs and functionaries. The technology had not been sufficiently developed to be able to substitute face-to-face training. However, SATCOM, alongwith allied technological solutions could be a useful resource to further clarify, re-orientation, follow up training inputs and review application of the inputs. To have a better impact on training of both face-to-face and IT based methods a provision of ₹120.36 lakh was made in the Perspective Plan 2007-12 for strengthening and management of SATCOM network for BRGF districts. It was noticed in test check that an amount of ₹10.36 lakh was spent during 7 February 2012 to 17 March 2012 from the funds earmarked for BRGF districts towards strengthening and management of SATCOM network of non BRGF districts beyond the scope of Perspective Plan prepared under BRGF (capacity building) for 2007-12.

Due to diversion of funds, the satellite based terminals for training had not reached some Block and GP levels of BRGF districts where majority of the ERs and officials were the aspirants of capacity inputs.

#### 2.7.4.4 Excess expenditure on Resource Centre

The facilities available in the existing Extension Centres/APs/associated organisations are being utilised by the SIRD, Assam for organising trainings. Apart from SIRD, 12 Extension Training Centres (ETCs) are used for imparting training. In order to improve the outreach, SIRD, Assam proposed the establishing of one Resource Centre (RC) at each AP level, but only 20 were sanctioned under BRGF capacity building. The objective of establishment of RCs are to cater to the training needs at the village level and to serve as a store house of information, education and communication activities in BRGF districts. It was noticed that a provision of ₹8.70 crore was made in the Perspective Plan for 2007-12 as capital cost for construction of 87 units of RCs @ ₹10.00 lakh per unit at Intermediate Panchayat level of BRGF districts. Scrutiny of records revealed that the SIRD established 20 RCs at a total cost of ₹5.86 crore in excess of ₹3.86 crore (₹5.86 crore - ₹2.00 crore) provided in the Perspective Plan.

Thus, due to excess expenditure of ₹3.86 crore on 20 RCs, the SIRD failed to develop at least 38 other units of RCs in the BRGF districts of the State. As reported by SIRD, Assam (December 2012) the physical infrastructure of each RC was developed at a cost of ₹6.61 lakh and after developing the physical infrastructure, arrangements were made for providing furniture, fixtures, training aids, equipments and other materials to make the RCs functional and training programme meaningful. The reply is not acceptable as SIRD had spent ₹1.32 crore (20 × ₹6.61 lakh cost of physical infrastructure of each RC) for construction of 20 RCs and balance ₹4.54 crore were spent for furniture, fixtures and trainings aids etc. Thus, the fact remains that an amount of ₹3.86 crore was spent beyond the purview of the Perspective Plan.

Thus, non-adherence of cost norms made in the Perspective Plan resulted not only in excess expenditure of ₹3.86 crore but also led to failure to fulfil the needs of training at village level besides failure to serve information, education and communication activities in BRGF districts.

## **2.7.5 Monitoring and evaluation**

**Audit Objective: Whether an effective monitoring, internal control and evaluation system was in place to keep track of the implementation of the scheme**

### **2.7.5.1 Review Committee at district level were not constituted**

Para 4.13 of BRGF envisaged that at the district level, a Review Committee shall be constituted by the DPC, chaired by the chairperson of the District Panchayat and Chairpersons of the AP and ULBs in the District in such a manner on rotation basis that the Committee consists of not more than eight-10 members. The Review Committee would examine and review report/schemes prepared by Panchayats. Scrutiny of records of ZPs of the two test checked districts revealed that the Review Committee at district level were not constituted by the DPC owing to which shortcoming in the execution of various works under BRGF remained un-assessed.

### **2.7.5.2 Quality Monitoring System was not instituted**

The guidelines provided that a quality monitoring system shall be instituted in order to maintain quality of works executed under the programme. Moreover, the HPC was also required to review regularly the working of monitoring system to maintain quality of works executed under BRGF programme. However, the Government did not institute (August 2012) any monitoring system to ensure the quality of works executed under BRGF.

### **2.7.5.3 Social Audit**

The basic objective of social audit is to ensure public accountability in the implementation of projects, laws and policies. Social Audits allow people and civic society organizations/groups to enforce accountability and transparency, providing the ultimate users an opportunity to scrutinize developmental programmes.

Provision under Para 4.15 of BRGF guidelines envisaged that the State Government was to issue clear guidelines for conducting Social Audit by Gram and Ward Sabhas in rural and urban areas. The process followed was to be the same as prescribed in the guidelines of MGNREGS. Test check of records of PRIs of two test checked districts revealed that no such guidelines for conducting Social Audit was issued by the State Government as of August 2012. Thus, the provision contained in the guidelines for conducting social audit was not adhered to. This had frustrated the basic objective of the system.

## 2.8 Conclusion

Financial management remained far from satisfactory mainly due to short release of funds by the State Government, delay transfer of funds (within 15 days of their release by the GoI), implementation of programme without the approval of HPC, non-utilisation of bank interest and incorrect reporting to GoI. Further, the State Government did not adhere to the normative formula adopted for inter-se allocation of grants within the districts and PRIs. Perspective Plans were not prepared in time and there was absence of professional support at various levels of implementation of the scheme. Despite engagement of TSIs for plan formulation, irregularities like inclusion of inadmissible projects in the AAPs were noticed. Plans were prepared without comprising all other programmes and resources available resulting in lack of integration as well as planning. The Morigaon and Bongaigaon ZPs diverted the BRG fund for execution of projects outside the plan approved by HPC in violation of the scheme guidelines. Gram Sabha was not involved in selection of beneficiaries. SHGs were selected by the President and the Members of the ZPs.

Neither any training was imparted to ERs and functionaries of ULBs nor was any provision made in the Perspective Plan for Capacity Building under BRGF. ₹10.36 lakh was spent towards strengthening and management of SATCOM network of non BRGF districts. Monitoring was inadequate and outcomes were not evaluated. The required guidelines for Social Audit, Peer Review of performances of PRIs and ULBs had not yet been prescribed by the State Government to ensure effective implementation of the programme.

## 2.9 Recommendation

- State Government should adopt normative formula for inter-se allocation of grants between PRIs and ULBs. Government should intimate all PRIs/ULBs, about the expected flow of funds from all flagship programmes every year to facilitate convergence with other schemes and also preparation of need based plan.
- Funds released by GoI may be transferred directly into the bank accounts of concerned LBs by the State Government to avoid delay in release of funds.
- Institutional arrangements and professional support at various levels should be provided for timely utilisation of fund and effective implementation of the

programme to avoid lapses of fund.

- Perspective Plans should be prepared in accordance with the guidelines by involving Gram Sabha and Ward Sabha for identifying the critical gaps in development. Timely preparation of plan should also be ensured by issuing suitable instructions in this regard.
- Government should ensure imparting training to ERs and Functionaries of ULBs under BRGF.
- Government should ensure proper monitoring and evaluation at various level for effective implementation of the programme and utilisation of fund within the stipulated time frame.

## CHAPTER - III

### TRANSACTION AUDIT

#### 3.1 PANCHAYAT AND RURAL DEVELOPMENT DEPARTMENT

##### 3.1.1 Cases of fraud/misappropriation/Loss

##### 3.1.1.1 Loss of revenue

**Due to non-settlement of markets/beels with the highest bidders by the Chief Executive Officer (CEO), Nagaon Zilla Parishad suffered a loss of revenue of ₹2.45 crore.**

Sub-Rule 10 of the Rule 47 of Assam Panchayat (Financial) Rules, 2002 stipulates that the Chief Executive Officer (CEO) of the Zilla Parishad has to settle bid value in respect of leased out markets/beels etc., through sealed tenders and the tenderer who offered highest bid value is to be selected. Acceptance of tender other than highest bid shall require the Government's prior and formal approval.

Test check (March 2012) of records relating to settlement of markets/ beels under Nagaon Zilla Parishad revealed that markets/beels etc., were leased out to bidders other than the valid highest bidders in 42 cases without assigning any reasons. Besides, no prior and formal approval of the Government for accepting the tenders other than the highest bidders was obtained by the Nagaon Zilla Parishad resulting in loss of ₹2.45 crore during 2006-07 to 2010-11 as detailed in *Appendix - XIX*.

Subsequent to audit (21 March 2012 to 28 March 2012), CEO stated (December 2012) that, necessary action has been initiated from 2012-2013 onwards to avoid recurrence of such irregularities in future.

But, the fact remains that due to failure on the part of the previous CEOs to institute proper mechanism as envisaged in the Assam Panchayat (Financial) Rule, the Nagaon Zilla Parishad had caused a loss of revenue of ₹2.45 crore.

The matter was reported to the Government (November 2012); reply is awaited (January 2013).

### 3.1.1.2 Misappropriation of funds

**Chief Executive Officer (CEO), Zilla Parishad (ZP), Nalbari withdrew funds through self cheques in violation of the relevant executive instruction and failed to produce records of utilisation and whereabouts of ₹62.35 lakh pointing to misappropriation of Government money.**

In order to minimise the risk of fraud/embezzlement, Principal Secretary, Panchayat and Rural Development Department (PRDD), Government of Assam (GoA) issued (April 2010) instructions to all Chief Executive Officers (CEOs), Zilla Parishads (ZPs) of Assam to ensure that cheques are issued under the joint signature of CEO and the senior most accounts staff of each ZP.

Finance (Economic Affairs) Department, GoA released (March 2010) ₹153.64 lakh to CEO, Nalbari ZP for implementation of various schemes<sup>12</sup> under the award of Twelfth Finance Commission (TFC) grant (first installment) 2008-09.

Test-check (January-February 2012) of the records of CEO, Nalbari ZP revealed that, of the amount of ₹153.64 lakh so released by GoA, the then CEO, sanctioned (April to December 2010) ₹61.45 lakh for execution of different works<sup>13</sup> and ₹4.13 lakh for contingent expenditure, procurement of computer etc. Disregarding the order of GoA, as mentioned above the then CEO withdrew (April to December 2010) ₹65.58 lakh by issuing 27 'self cheques', containing only his signature on Union Bank of India, Nalbari branch. While in the 'cheque issue register', the CEO signed as recipient of all 27 cheques, in the cash book, ₹61.45 lakh was shown to having been paid to one Junior Engineer (JE) as advance for implementation of different schemes and ₹4.13 lakh to dealing assistant of Nalbari ZP for purchase of computer and other contingent items. In reply to an audit query, the concerned JE stated (February 2012) that he had not received ₹61.45 lakh as shown against him in the cash book, while the concerned dealing assistant stated (February 2012) that the amount of ₹65.58 lakh was encashed by him and handed over to the then CEO as per his instructions and actual payees' receipt in support of disbursement was obtained in the cheque issue register. Records in support of utilisation of ₹65.58 lakh viz. vouchers, actual payees receipts (APRs) etc., were not produced to audit.

<sup>12</sup> 1. Maintenance of accounts (₹5.38 lakh), 2. Operation and maintenance cost (₹61.19 lakh), 3. Other income generating scheme (₹61.71 lakh), 4. Sanitation for each family of below poverty line (₹2.98 lakh) and 5. Water supply under creation of swajaldhara programme (₹22.38 lakh).

<sup>13</sup> Construction of low cost latrine and database room at ZP head quarters, installation of hand tube wells etc.

Subsequent to audit (24 January 2012 to 6 February 2012), the CEO in position conducted (18 February 2012 to 15 March 2012) an enquiry, which disclosed that adjustment vouchers of only ₹3.23 lakh were found available. Documents in support of utilisation of balance amount of ₹62.35 lakh were not available. The present CEO had lodged (April 2012) an FIR in Nalbari Police Station; action taken report thereon, if any, is awaited (August 2012).

Thus, the former CEO, ZP, Nlabari withdrew ₹65.58 lakh in violation of the relevant executive instruction and the ZP failed to produce records of utilisation of ₹62.35 lakh. This led to misappropriation of Government money of ₹62.35 lakh.

In reply, GoA stated (October 2012) that the then CEO (retired) and one Senior Assistant were arrested based on FIR lodged by the current CEO. The matter is presently sub-judiced. The misappropriated fund of ₹62.35 lakh, however, still remained unrecovered.

### 3.1.1.3 Suspected embezzlement of IAY Funds

**Out of ₹9.75 lakh paid to 39 IAY beneficiaries ₹4.86 lakh was received by persons other than the beneficiaries themselves without any evidence of construction of IAY houses pointing towards the possibility of misappropriation of IAY fund.**

Indira Awas Yojana (IAY) introduced (1985-86) by the Government of India primarily for help construction/upgradation of dwelling units of members of Scheduled Castes/Scheduled Tribes, free bonded labourers and other below poverty line non-SC/ST rural house holds by providing them a lump sum financial assistance.

Test check (December 2011) of records of Secretary, 76 Dakhin Paschim Luki Gaon Panchayat, under Kamrup Zilla Parishad revealed that the Secretary drew ₹9.75 lakh by a self cheque (vide No. 939589 from Allahabad Bank, Gamerimura Branch, bearing A/c No. 2754/15/7) on 27 March 2007 but the amount was shown as disbursed to 39 beneficiaries @ ₹25,000 each in the Cash Book between 8 March 2007 and 27 March 2007 which was 19 days prior to withdrawal of funds from bank. Of this, financial assistance of ₹4.86 lakh was disbursed to the person other than the beneficiaries as noticed from the Actual Payee Receipts (APRs) furnished to audit. Authority for receiving the fund on behalf of the beneficiaries and evidence in support of actual construction of IAY houses was also not found on record.

Thus, the possibility of misappropriation of IAY Fund to the tune of ₹4.86 lakh could not be ruled out.

The matter was reported to the Government (November 2012); reply is awaited (January 2013).

#### **3.1.1.4 Fraudulent payment**

**Block Development Officers, Boko and Rangia Development Blocks incurred an expenditure of ₹7.96 lakh for providing financial assistance to 27 non deserving beneficiaries by quoting other eligible beneficiaries BPL Id no. in violation of the scheme guidelines.**

Housing is one of the basic requirements for human survival. To meet this basic requirement Government of India introduced Indira Awas Yojana (IAY). Para 1.4 of IAY guidelines envisaged that the target groups for houses under the IAY are below poverty line households living in the rural areas. As per guidelines Gram Sabhas of the respective GP are the final authority for selection of IAY beneficiaries.

Test check of records (November-December 2011) of Block Development Officers (BDOs) of Boko and Rangia Development Blocks of Kamrup District revealed that the BDOs provided financial assistance to 27<sup>14</sup> non BPL beneficiaries amounting to ₹7.96 lakh<sup>15</sup> during 2007-11 by quoting the BPL Id no. of other eligible beneficiaries as detailed in the *Appendix - XX*.

While both the BDOs admitted the fact, the BDO, Rangia Development Block stated (December 2011) that IAY houses were provided to the beneficiaries selected by the Gram Sabha. Henceforth, BPL ID would be properly checked before disbursing financial assistance. Reply of the BDO, Rangia Development Block was not acceptable as without verifying the basic requirement of BPL criteria, financial assistance were provided to the beneficiaries by quoting BPL ID No. of other eligible beneficiaries. In case of Boko Development Block, BDO assured (December 2011) that reply to the audit observation would follow which is awaited (January 2013).

Thus, the Block Development Officers, Boko and Rangia Development Blocks violating the scheme guidelines, incurred an expenditure of ₹7.96 lakh by fraudulently providing financial assistance to 27 non deserving beneficiaries by quoting other eligible beneficiaries BPL Id no. and depriving the corresponding benefits from reaching the intended beneficiaries.

<sup>14</sup> Six beneficiaries from Boko Development Block and 21 beneficiaries from Rangia Development Block.

<sup>15</sup> ₹2.41 lakh by BDO, Boko Development Block and ₹5.55 lakh by BDO, Rangia Development Block.

The matter was reported to the Government (November 2012); reply is awaited (January 2013).

### 3.1.2 Cases of lapse/diversion of fund/unproductive expenditure

#### 3.1.2.1 Lapse of DDP fund

**Proposal for works under religious activities by DPCs of Kamrup, Nalbari and Nagaon districts in violation of scheme guidelines led to lapse of DDP fund of ₹1.37 crore.**

The “District Development Plan (DDP)”, a State Sector Scheme, was introduced (2007-08) with the objective of infrastructure development, agriculture improvement, development of women and weaker sections of the society. As per guidelines, the funds placed under DDP could not be utilized for works relating to religious institutions.

Test check (November 2011, January - February 2012 and March 2012) of records of Kamrup, Nalbari and Nagaon Zilla Parishads relating to proposal submitted by the District Planning Committees (DPCs) of those districts under the DDP revealed that while examining the DDP proposals 2010-11, the PRDD dropped 133 works in January 2011 for ₹1.37 crore against the different schemes for works relating to religious activities as detailed in **Table 3.1**.

**Table 3.1: Statement showing lapses of fund under DDP**

(₹in crore)

Sl. No.	Name of District	Programme year	No. of works proposed	Allocated amount	No. of works dropped	Funds actually allotted	Fund lapsed
1	Kamrup	2010-11	NA	12.71	53	11.92	0.79
2	Nalbari		553	3.69	65	3.29	0.40
3	Nagaon		NA	12.40	15	12.22	0.18
<b>Total</b>				<b>28.80</b>	<b>133</b>	<b>27.43</b>	<b>1.37</b>

Proposal of works under religious activities by the DPCs in violation of the guidelines of the DDP led to lapse of ₹1.37 crore from the allocated funds of DDP during 2010-11. Thus, improper selection of work by DPCs not only deprived the rural and urban population but also led to lapse of DDP funds to that extent and subsequent shortfall in the rendering of benefit to the targeted beneficiaries under the scheme.

The matter was reported to the Government (November 2012); their reply is awaited (January 2013).

### **3.1.2.2 Diversion of Twelfth Finance Commission Grants**

**Chief Executive Officer, Nalbari ZP, unauthorisely diverted ₹65 lakh from Twelfth Finance Commission (TFC) grants to discharge the liabilities of District Development Plan and also failed to produce the details of utilization in support of expenditure of ₹65 lakh which points to possibility of misappropriation of the amount.**

As per guidelines for implementation of schemes under Twelfth Finance Commission (TFC) grants, the PRIs should be encourage to take over assets relating to water supply and sanitation and to improve the service delivery by taking over assets relating to water supply and sanitation created under Swajaldhara Programme and to utilize the grants for repairs / rejuvenation as also the O&M costs.

Test check (January-February 2012) of records of the Nalbari ZP revealed that the then Chief Executive Officer (CEO), Nalbari ZP diverted ₹65.00 lakh of TFC grants in between 1 March 2010 and 30 September 2010 to District Development Plan (DDP) fund, a State Sponsored Scheme towards execution of works proposed by the District level Panchayat Body which were not included in the list of works approved by the District Planning Committee (DPC), Nalbari under DDP 2009-10. TFC grants of ₹65.00 lakh was shown to have been utilized for earth filling works/construction of boundary walls, roads etc. to discharge liabilities of DDP 2009-10 as per plan documents submitted by Nalbari ZP. But, no records of utilization of ₹65.00 lakh viz. vouchers, APRs, progress report etc. were found available with CEO, Nalbari ZP.

Subsequent to audit (24 January 2012 to 6 February 2012) the current CEO, Nalbari ZP conducted (18 February to 15 March 2012) an enquiry and lodged an FIR (April 2012) in Nalbari Police Station stating that the diverted amount as mentioned above was unauthorisely and malafidely transferred to DDP Fund.

Thus, due to non production of relevant vouchers etc., the possibility of misappropriation of TFC grant of ₹65.00 lakh could not be ruled out. Moreover, the inhabitants of rural people of Nalbari district were deprived of water supply and sanitation facilities due to diversion of TFC fund.

The matter was reported to the Government (November 2012); their reply is awaited (January 2013).

### 3.1.2.3 Unproductive expenditure

#### **Commencement of work without ascertaining sufficiency of funds led to unproductive expenditure of ₹1.08 crore on Construction of Indoor Hall at Morigaon.**

Funds under DDP are allocated to the districts through State Budget and released to Zilla Parishads (ZPs) of the State for taking up schemes approved by District Planning Committee (DPC).

Test check (August 2011) of records of the Chief Executive Officer (CEO), Morigaon Zilla Parishad (MZP) revealed that CEO Morigaon accorded Administrative Approval (March 2008) to the work “Construction of Indoor Hall at K.B. Stadium at Morigaon Town under DDP 2006-07” for ₹90.00 lakh with an aim to improve the quality of sports in Morigaon district by creation of infrastructure. The CEO, MZP entrusted the work to the seven members Construction Committee headed by the President of MZP wherein Assistant Executive Engineer, PWD (Building) Division, Morigaon was acted as an executing member secretary. The work consists of Assam type building of 1394.33 sq.m area and 11.00 m height with RCC post, brick wall, CGI sheet roofing over steel roof truss etc. Due to increase in scope of work and price escalation of building materials the Assistant Executive Engineer, PWD (Building) Division, Morigaon prepared (November 2009) detailed working estimate of Indoor Hall within the earmarked amount reducing the total area of the Assam type building from 1394.33 sq.m to 1354.37 sq.m.

Against the estimated cost, payments aggregating ₹90.00 lakh had been made to the Construction Committee as of March 2010. The Assistant Executive Engineer executed the works as per working estimate without technical sanction, terms of entrustment or approval of the fund sanctioning authority. Subsequently, it was noticed that DC, Morigaon sent (July 2010) proposal to Planning and Development Department, Government of Assam, Dispur for including the project under *Non-Lapsable Central Pool of Resources* (NLCPR) and requested to sanction ₹170.00 lakh for completion of the balance work of Indoor Hall. But no fund was released under NLCPR till date (January 2013).

As the internal and external plastering of side walls, internal electrification, water supply and sanitation, front verandah, floor of the hall and other ancillary item of works were not included in the working estimate prepared by the PWD department, the DPC Morigaon allocated additional fund amounting to ₹20.00 lakh from DDP 2009-10 and CEO

accorded (December 2010) Administrative approval for execution of balance work of Indoor Hall. The CEO, MZP released ₹18.00 lakh during May 2011 to October 2012 to construction committee for completion of the balance work of Indoor hall. No estimate, MB/MR/bills etc. and physical progress of balance work against which funds were released by CEO was made available to audit though called for.

The physical progress of status of Indoor Hall is depicted in the photographs given below:



Front view of Indoor Hall at Morigaon



Inner view of Indoor Hall at Morigaon

It is evident from the above photographs that the works remain incomplete and could not be put to use for which it was sanctioned.

Thus, the decision of the DPC to approve the work under DDP 2006-07 and 2009-10 on piece meal basis without arrangement of sufficient fund required for completion of the works resulted in unproductive investment of ₹1.08 crore on partial construction of indoor hall.

The matter was reported to the Government (November 2012); their reply is awaited (January 2013).

### 3.1.3 Other issues

#### 3.1.3.1 Irregular allotment of IAY Houses

**Executive Officers, Barkhetri Anchalik Panchayat and Borigog Banbhag Anchalik Panchayat, Nalbari district incurred unauthorised expenditure of ₹3.08 crore towards allotment of 751 IAY houses, earmarked for SC/ST beneficiaries to non-SC/ST beneficiaries.**

Para 1.5 of the guidelines of Indira Awas Yojana (IAY) *inter alia* envisaged that at least 60 per cent of the total IAY allocation during a financial year was to be utilised for construction/upgradation of dwelling units for the households of below poverty line (BPL) belonging to SC/ST category. If any particular category is exhausted or not available in a district, allocation can be utilised for other categories as per priorities given in the guidelines after it has been certified to that effect by the Zilla Parishad/District Rural Development Agency (DRDA) concerned.

(a) Test-check (March 2012) of the records of Executive Officer (EO), Barkhetri Anchalik Panchayat, Nalbari district revealed that during 2006-11, the EO was to allocate 2,120 (60 per cent of the total allotment of 3,534 IAY houses) IAY houses to SC/ST beneficiaries. Instead, violating the relevant provision of IAY guideline as mentioned above, the EO allotted 1,755 IAY houses to SC/ST beneficiaries and 365 IAY houses earmarked for SC/ST beneficiaries during 2006-11 to non-SC/ST beneficiaries, without the mandatory certificate from ZP/DRDA, thereby incurring unauthorised expenditure of ₹1.34 crore<sup>16</sup>.

(b) Similarly, Executive Officer, Borigog Banghag Anchalik Panchayat, Nalbari district allotted 386 IAY houses, earmarked for SC/ST beneficiaries during 2009-11, to non

<sup>16</sup>

Year	Total IAY houses allotted	60 per cent of total allocation of IAY houses earmarked for SC/ST	IAY houses allotted to SC/ST	Allotment of IAY houses earmarked for SC/ST to non-SC/ST beneficiaries	(₹in lakh)	
					Unit cost	Value
2006-07	542	325	265	60	0.25	15.00
2007-08	713	428	350	78	0.275	21.45
2008-09	607	364	300	64	0.385	24.64
2009-10	658	395	331	64	0.385	24.64
2010-11	1,014	608	509	99	0.485	48.02
<b>Total</b>	<b>3,534</b>	<b>2,120</b>	<b>1,755</b>	<b>365</b>		<b>133.75</b>

SC/ST beneficiaries thereby incurring unauthorized expenditure of ₹1.74 crore<sup>17</sup>. Certificates to the effect that SC/ST beneficiaries of BPL category had been exhausted in the APs from ZP/DRDA were not available on records.

Thus, Executive Officers, Barkhetri Anchalik Panchayat and Borigog Banbhag Anchalik Panchayat incurred unauthorised expenditure of ₹3.08 crore towards allotment of 751 IAY houses, earmarked for SC/ST beneficiaries, to non-SC/ST beneficiaries, which prevented the corresponding benefits from reaching the intended beneficiaries.

The matter was reported to the Government (June 2012); reply is awaited (January 2013).

### 3.1.3.2 Diversion of DDP Fund

**The CEO, Nalbari ZP spent ₹21.07 lakh from DDP fund on inadmissible items rendering this expenditure unauthorised.**

The guidelines/sanction orders stipulated that the amount released under District Development Plan (DDP) fund should be utilised for implementation of the works approved by DPC only. The scheme funds were provided to give infrastructural support to the rural and urban people.

Test check (January-February 2012) of records of Nalbari ZP revealed that the CEO, Nalbari ZP in disregard to the direction executed five works costing ₹21.07 lakh during 2008-09 from DDP fund as detailed in **Table 3.2**.

<sup>17</sup>

(₹ in lakh)

Year	Total IAY houses allotted	60 per cent of total allocation of IAY houses earmarked for SC/ST	IAY houses allotted to SC/ST	Allotment of IAY houses earmarked for SC/ST to non-SC/ST beneficiaries	Unit cost	Value
2009-10	576	346	212	134	0.385	51.59
2010-11	605	363	111	252	0.485	122.22
<b>Total</b>	<b>1181</b>	<b>709</b>	<b>323</b>	<b>386</b>		<b>173.81</b>

**Table 3.2: Statement showing expenditure incurred on inadmissible items from DDP fund.**

(₹in lakh)

SI No	Purpose	Expenditure incurred
1	Contingent expenditure	2.18
2	Providing sitting arrangements of ZP members including repairing and renovation of room, electrification, urinals/latrines and painting of chambers, purchase of furniture etc.	7.13
3	Repairing and renovation of officers club of DC establishment	2.64
4	Repayment of loan of vehicle	0.32
5	Repairing of GP office building	8.80
<b>Total</b>		<b>21.07</b>

Though the CEO admitted (February 2012) the fact of diversion from DDP fund but reason for such diversion has not been communicated to audit (January 2013).

Thus, the expenditure incurred towards inadmissible items deviating from the works approved by DPC was unauthorised besides depriving the rural and urban people from the benefit of the scheme.

The matter was reported to the Government (November 2012); reply is awaited (January 2013).

### 3.1.3.3 Unauthorised Expenditure

**The CEO, Lakhimpur Zilla Parishad incurred unauthorized expenditure of ₹20.60 lakh by disbursing money to 206 ineligible beneficiaries in contravention of the guidelines of NFBS.**

Government of India introduced (1995) National Family Benefit Scheme (NFBS) as a component of National Social Assistance Programme (NSAP) which provides one time financial assistance of ₹10,000 to the head of the surviving member of the BPL household on the death of the primary bread earner of the deceased family.

Test check (May 2011) of the records of the Chief Executive Officer (CEO), Lakhimpur Zilla Parishad (ZP) revealed that the CEO disbursed ₹1.13 crore to 1125 beneficiaries @ ₹10,000 each during 2007-08 to 2009-10 under NFBS. Of this, ₹20.60 lakh was disbursed to 206 non-BPL beneficiaries in contravention of the relevant provision of the scheme guidelines.

In reply CEO stated (June 2011) that financial assistance under NFBS was provided to 206 non-BPL beneficiaries as per beneficiary list approved by the District Level Committee

of NSAP, Lakhimpur. The reply of the CEO is not tenable as there was no provision in the guidelines of NFBS for awarding such benefit to non-BPL beneficiaries under this scheme.

Thus, disbursement of ₹20.60 lakh to 206 ineligible beneficiaries in violation of the guidelines of NFBS resulted in unauthorized expenditure to that extent, besides depriving the targeted beneficiaries from the intended benefits of the schemes.

The matter was reported to the Government (November 2012); their reply is awaited (January 2013).

## 3.2 URBAN DEVELOPMENT DEPARTMENT

### 3.2.1 Cases of blocking up of funds/avoidable financial burden/excess expenditure

#### 3.2.1.1 Blocking up of funds

**Inordinate delay in finalization of Detailed Project Report (DPR) of Barpeta Storm Water Drainage (SWD) project funded under Urban Infrastructure Development Scheme for small and medium Towns (UIDSSMT) led to blocking up of funds of ₹9.38 crore.**

Urban Infrastructure Development Scheme for small and medium Towns (UIDSSMT) was launched by GoI in 2005-06 for improvement of urban infrastructure in towns/cities in a planned manner. The schemes subsumed the existing schemes of Integrated Development of Small and Medium Towns (IDSMT) and Accelerated Urban Water Supply Programme (UWSP). The objective of the scheme was to improve infrastructural facilities and create public assets and quality oriented services. Director, T&CP is the nodal agency for transfer of funds to ULBs and monitoring the implementation of the scheme. Central assistance was to be released directly to the nodal agency responsible for inviting project proposals from ULBs and for techno-economic appraisal of the projects management and disbursement of funds and furnishing of UC.

The Administrative Approval of the work “Barpeta Storm Water Drainage Project” under UIDSSMT was accorded (November 2009) by the State Government for ₹19.00 crore with target date of completion by November 2011. The approval also included incentive of ₹28.08 lakh for the preparation of Detailed Project Report (DPR). The work was technically approved by the Chief Engineer, Assam Public Work Department. The Director, T&CP being nodal agency of the project received ₹9.39 crore (₹8.70 crore as Central Share and ₹0.69 crore as State Share). Out of ₹9.39 crore, the Director, T&CP released (August 2010) ₹4.71 crore to Barpeta Municipal Board as 1<sup>st</sup> installment for execution of the work and balance ₹4.68 crore (50 *per cent*) was retained. Out of ₹4.71 crore the Barpeta Municipal Board spent ₹1.32 lakh (November 2010) for preparation of DPR and the balance fund of ₹4.70 crore could not be utilized due to non-approval of revised DPR by the GoI. Moreover, GoI directed (April 2011) the State Government to refund the Central Share of ₹8.70 crore for non execution of work in time. The State Government had taken up (May 2011) the matter with the Director (UIDSSMT),

GoI to review the decision of withdrawal of the project. Pending decision from GoI (July 2012), the entire Central Share received so far were not refunded to GoI.

Thus, there was blocking up of funds of ₹9.38 crore with Directorate and Boards as of July 2012.

Due to inordinate delay in finalization of DPR, the project could not be started and the very objective of the programme to provide quality service to the Urban people remained unachieved. Besides, lapse of Central Share of ₹8.70 crore could not be ruled out.

The matter was reported to the Government (November 2012); reply is awaited (January 2013).

### 3.2.1.2 Avoidable financial burden

**Due to time overrun, revision of cost of projects by Government of Assam and subsequent acceptance of tender by 16.80 per cent above the revised estimate resulted in overall financial burden of ₹2.26 crore on Silchar Municipal Board.**

Non Lapsable Central Pool of Resources (NLCPR) was created by the Government of India (GoI) in 1998 from 10 per cent unspent balances provided in the budget of Central Ministries/Departments for funding specific infrastructure projects in the North Eastern Region (NER). The broad objective of the programme was to ensure speedy development of infrastructure in NER by increasing the flow of budgetary financing for new infrastructure projects/schemes. The project cost would be shared by the Central and State Government in the ratio 90:10.

GoI approved construction of Multi-utility building for the rehabilitation of Vendors at Silchar for ₹7.69<sup>18</sup> crore under NLCPR in 2006-07. Accordingly, GoI released an amount of ₹69.20 lakh to Silchar Municipal Board (April 2007) as 1<sup>st</sup> installment and State Government had also released ₹32.00 lakh in between November 2010 and September 2011 as State Share for the same.

Silchar Municipal Board (SMB) awarded (May 2007) the work to HOUSEFED, Guwahati at a tender value of ₹7.69 crore. The State Government accorded in March 2008 the Administrative Approval with a stipulation to complete the project by

<sup>18</sup> Construction of building (Civil Works)	-	₹5.08 crore
Sanitary installation, internal water supply, internal and external electrification and other miscellaneous items	-	<u>₹2.61 crore</u> ₹7.69 crore

March 2010. The GoA delayed Administrative Approval by one year from the date of release of fund by the GoI. HOUSEFED started the work in January 2009.

As per records, out of 46 numbers of pile caps, HOUSEFED casted 28 numbers with 10 columns upto 2.4 meters height along with the beams and discontinued the work in March 2009 as the HOUSEFED was reluctant to continue the work at the agreed cost due to price escalation caused by delay in handing over site by SMB.

The Chairperson, SMB referred (October 2011) the matter of delay in execution of works by HOUSEFED to SMB, which authorized her to negotiate and amicably terminate/cancel the deed of agreement executed between SMB and HOUSEFED by making payment for the actual work done on site after taking joint measurement. Accordingly, deed of termination/cancellation of agreement was made (November 2011) with an agreement to pay actual cost of works executed by HOUSEFED and SMB. Accordingly, SMB paid ₹65.16 lakh to HOUSEFED as of July 2012.

For termination of deed of agreement with HOUSEFED, the SMB had to revise the estimate for the remaining work of construction of building from ₹4.43 crore to ₹5.73 crore and thereafter invited tender (April 2012) for the balance Civil Work and awarded the work to another contractor (June 2012) for ₹6.70 crore (16.80 *per cent* above estimated rate) with a stipulation to complete it by June 2014. The work, originally due for completion in March 2010 was still in progress (31 December 2012) as evident from the photographs.



Front view of Multi-utility building in campus of Silchar MB



Side view of Multi-utility building in campus of Silchar MB

Thus, delay in handing over the sites to the contractor in time led to delay in commencement of the works and consequent extra liability of ₹2.26 crore (₹9.95 crore - ₹7.69 crore) on Silchar Municipal Board.

The matter was reported to the Government (November 2012); reply is awaited (January 2013).

### 3.2.1.3 Excess expenditure

**Chairperson of Sarbhog Town Committee (STC) and Barpeta Municipal Board (BMB) incurred an excess expenditure of ₹6.85 lakh on material component beyond the prescribed norms of material labour ratio 60:40 in violation of scheme guidelines of Swarna Jayanti Sahari Rojgar Yozana (SJSRY).**

The Swarna Jayanti Sahari Rojgar Yozana (SJSRY) was in operation since December 1997. The Urban Wage Employment Programme (UWEP), one of the components of SJSRY shall seek to provide wage employment to the beneficiaries living below the poverty line within the jurisdiction of Urban Local Bodies (ULBs) by utilizing their labour for construction of socially and economically useful public assets. The material labour ratio for works under this programme shall be maintained at 60:40.

Test check (September 2011) of records of Sorbhog Town Committee (STC) revealed that the chairperson executed 35 works during 2007-08 to 2010-11 at a total cost of ₹40 lakh, of which ₹30.33 lakh was spent on materials and ₹9.67 lakh incurred on wages.

As such the said norms had not been maintained by the STC and excess expenditure of ₹6.33 lakh were incurred towards material component beyond the prescribed limit in violation of the scheme guidelines as shown in **Table 3.3**.

**Table 3.3: Statement showing non-maintenance of 60:40 material: wage ratio**

(₹ in lakh)

Year	No. of works undertaken	Cost of the works	Cost of the materials should be as per provision	Cost of wages should be as per provision	Actual expenditure incurred on materials	Actual expenditure incurred on wages	Excess expenditure on materials	Material, wages ratio
1	2	3	4	5	6	7	8	9
2007-08	16	10.00	6.00	4.00	8.31	1.70	2.31	83:17
2008-09	4	4.00	2.40	1.60	3.29	0.71	0.88	82:18
2009-10	6	11.79	7.07	4.72	8.35	3.44	1.28	70:30
2010-11	9	14.21	8.53	5.68	10.38	3.82	1.86	73:27
<b>Total</b>	<b>35</b>	<b>40.00</b>	<b>24.00</b>	<b>16.00</b>	<b>30.33</b>	<b>9.67</b>	<b>6.33</b>	

In reply the Chairperson, STC stated (September 2011) that the observation noted for future guidance.

Similarly, test check (August 2011) of records of Chairman, Barpeta Municipal Board (BMB) revealed that, the Chairman incurred an excess expenditure of ₹0.52 lakh on material component during 2006-07 while executing the works under SJSRY.

Reply from the Chairman, BMB is awaited (January 2013).

Thus, excess expenditure of ₹6.85 (₹6.33 lakh + ₹0.52 lakh) lakh on material component defeated the employment generation of deserving urban unemployed to that extent besides, depriving the targeted beneficiaries from the intended benefits of the scheme.

The matter was reported to the Government (November 2012); reply is awaited (January 2013).

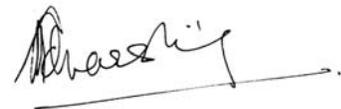
**Guwahati**  
**the**



**(Sitangsu Kumar Guha)**  
**Deputy Accountant General**  
**(Social Sector)**

**Countersigned by**

**Guwahati**  
**the**



**(C. H. Kharshiing)**  
**Accountant General (Audit)**

## APPENDICES

### Appendix - I

*(Ref. Para 1.7)*

#### Roles and Responsibilities of Standing Committees of PRIs

Sl. No.	Category of PRI	Name of Standing Committee	Responsibilities
1.	GP	i) Development Committee	Functions relating to agricultural production, animal husbandry and rural industries and poverty alleviation programmes.
		ii) Social Justice Committee	(a) Promotion of educational, economic, social, cultural and other interests of Scheduled castes and Scheduled Tribes and Backward Classes; (b) protection of such castes and classes from social injustice and any form of exploitations; (c) welfare of women and children.
		iii) Social Welfare Committee	Functions in respect of education, public health, public works and other functions of the GP.
2.	AP	i) General Standing Committee	Establishment matters, communication, buildings, rural housing, relief against natural calamities, water supply and all miscellaneous residuary matters.
		ii) Finance, Audit and Planning Committee	Finance of the AP, training, budget scrutinizing proposals for increase of revenue, examination of receipts and expenditure statement, consideration of all proposals affecting the finance of the AP and general supervision of the revenue and expenditure of the AP and Planning and consolidating the AP Plans, Co-operation, small saving schemes and any other function relating to the development of AP areas.
		iii) Social Justice Committee	Same as in case of GP
3.	ZP	i) General Standing Committee	Same as in case of AP
		ii) Finance, Audit and Planning Committee	Same as in case of AP
		iii) Social Justice Committee	Same as in case of AP
		iv) Planning and Development Committee	Activities relating to: (a) education, adult literacy and cultural activities as the ZP may assign to it; (b) health Service, Hospital, Water Supply, Family, Welfare and other allied matters; (c) agricultural production, animal husbandry co-operation, contour [“bundling”] and reclamation; (d) village and cottage industries; (e) promotion of industrial development of the district.

**Appendix - II***(Ref. Para 1.8)***Variation of staff strength across the MBs and TCs in general areas of the State**

Sl. No.	Name of ULBs	District	No. of regular employees
(1)	(2)	(3)	(4)
1	Barpeta MB	Barpeta	29
2	Barpeta Road MB		30
3	Howly TC		5
4	Pathsala TC		5
5	Sarthebari TC		9
6	Sorbhog TC		11
7	Bongaigaon MB	Bongaigaon	27
8	Abhayapuri TC		19
9	Lakhipur MB	Cachar	6
10	Silchar MB		195
11	Mangaldoi MB	Darrang	32
12	Kharupetia TC		14
13	Dhemaji TC	Dhemaji	17
14	Silapathar TC		6
15	Dhubri MB	Dhubri	67
16	Bilasipara TC		24
17	Chapar TC		9
18	Gauripur TC		16
19	Sapatgram TC		6
20	Dibrugarh MB	Dibrugarh	81
21	Chabua TC		12
22	Naharkatia TC		26
23	Goalpara MB	Goalpara	23
24	Lakhipur TC		10
25	Dergaon MB	Golaghat	18
26	Golaghat MB		53
27	Barpathar TC		6
28	Bokakhat TC		12
29	Sarupathar TC		6

(1)	(2)	(3)	(4)
30	Hailakandi MB	Hailakandi	22
31	Lala TC		11
32	Jorhat MB	Jorhat	105
33	Marioni TC		10
34	Teok TC		4
35	Titabor TC		8
36	Palasbari MB	Kamrup	9
37	Rangia MB		10
38	North Guwahati TC		9
39	Karimganj MB	Karimganj	43
40	Badarpur TC		18
41	North Lakhimpur MB	Lakhimpur	38
42	Bihpuria TC		12
43	Dhakuakhana TC		7
44	Narayanpur TC		7
45	Morigaon MB	Morigaon	10
46	Hojai MB	Nagaon	32
47	Lanka MB		25
48	Lumding MB		14
49	Nagaon MB		54
50	Dhing TC		10
51	Doboka TC		17
52	Kampur TC		8
53	Raha TC		0
54	Nalbari MB		Nalbari
55	Tihu TC	5	
56	Amguri MB	Sivasagar	15
57	Nazira MB		13
58	Sivasagar MB		82
59	Sonari MB		12
60	Moranhat TC		7
61	Simaluguri TC		5
62	Biswanath Chariali MB	Sonitpur	17
63	Dhekiajuli MB		27
64	Tezpur MB		63
65	Gahpur TC		5
66	Rangapara TC		18
67	Tinsukia MB	Tinsukia	90
68	Digboi TC		7
69	Doom Dooma TC		15
70	Makum TC		8
71	Margherita TC		8
<b>Total</b>			<b>1688</b>

## Appendix - III

(Ref. Para 1.16.1)

Condition for eligibility for Performance Grants of 13<sup>th</sup> FC and its compliance by the State Government

Item (1)	Conditions (2)	Status of compliance (3)
i) Finance, Accounts and Budget	<p>Preparation of supplement to the budget documents for LBs (separately for PRIs and ULBs). This supplement should show details of plan and non-plan wise classification of transfers separately for all tiers of PRIs and all categories of ULBs from major head to object head.</p> <p>The PRIs are to adopt an accounting framework and codification pattern consistent with the Model Accounting System for Panchayats.</p> <p>The ULBs are to adopt an accounting framework and codification pattern consistent with the NMAM.</p>	<p>Only partially implemented. Principal Secretary Finance expressed (April 2011) that unless PRDD, UDD, GDD and concerned line departments transferred functions, functionaries and funds relating to listed in the XI and XII Schedule of the Constitution of India, it would be difficult to prepare supplement to budget document separately for PRIs and ULBs.</p> <p>As per codification pattern consistent with the Model Accounting System for Panchayats and National Municipal Accounts Model for ULBs. the Status of implementation of Model Accounting System in PRIs and NMAM in ULBs are discussed in the para 1.22</p>
ii) Audit	<p>The States are to put in place an audit system for all local bodies and the CAG is to give Technical Guidance and Support (TGS) over the audit. Annual Technical Inspection Report of CAG and the Annual Report of the Director of Audit (Local Fund) should be placed before the State Legislature.</p>	<p>The State Government has entrusted audit of PRIs and ULBs to CAG under section 20 (1) of CAG's DPC Act under Technical Guidance and Support (TGS) module (May 2011).</p> <p>The Local-Self Government Fiscal Responsibility Act 2011 was passed by the Legislative Assembly of the State during the Assembly Session of July 2011 which has made a provision under Section 8 of the Act for placement of Annual Report of the LBs by the State Government before the State Legislature.</p> <p>Regarding submission of audit report of Director of Audit, Local Fund (DALF) before State Legislature no progress in this regard has been made as yet. No specific provision for placement of ATIRs to State Legislative Assembly has been made in the aforesaid Act.</p>
iii) Ombudsman	<p>The States should put in place an independent local body Ombudsman for looking into complaints of corruption and maladministration against the functionaries of LBs (both elected and officials) at least in all Municipalities and ZPs.</p>	<p>Out of 27 districts Ombudsmen/Deputy Ombudsman have been constituted in 12 districts. Status of this are discussed in para 1.19.1.</p>
Alternative to the condition	<p>In case such functions fall under the jurisdiction of State Lok Ayukta, the State may continue with the arrangement.</p>	<p>Assam Lok Ayukta and Upa Ayukta Act, 1985 have covered the functionaries of LBs for whole of Assam including elected representatives.</p>

iv) Transfer of Funds	The States must put in place a system to electronically transfer grants to the LBs within five days of their receipt from the Centre. Wherever this is not possible due to lack of banking infrastructure, the States must put in place alternative channels of transmission so that funds are transferred within ten days of their receipt.	Regarding electronic transfer of grants to LBs, no such system has yet been developed in the State.
v) State Finance Commission	The States must prescribe through an Act the qualifications of persons eligible for appointment as members of the SFC consistent with Article 243 1 (2) of the Constitution.	Notification (18 April 1995) has already been made in this regard.
vi) Level of Property Tax	All the LBs should be fully enabled to levy property tax, including tax on all types of residential and commercial properties and any hindrances in this regard must be removed.	Notification (31 March 2011) has been made in this regard.
vii) Property Tax Board	The States must constitute a State level Property Tax Board, which will assist all Municipalities and MC in the State to put in place an independent and transparent procedure for assessing property tax. If possible, the same Board could also cater to the needs of the PRIs.	State Level Property Tax Board has been constituted (31 March 2011).
viii) Service Delivery Benchmarks	The States must gradually put in place standards for delivery of all essential services provided by the LBs. For a start, the States must notify or cause all the Municipalities to notify the service standards for four services – water supply, sewerage, storm drainage, and solid waste management based on the “Handbook on Service level Benchmarks” published by the Ministry of Urban Development.	Notification (31 March 2011) has been made in this regard.
ix) Disaster Management	All MCs with a population of more than 1 million (2001 census) must put in place a fire hazard response and mitigation plan for their respective jurisdictions.	No progress in this regard has been communicated by the State Government.

## Appendix – IV

(Ref. Para 1.20.5)

## List of PRIs and ULBs audited during July 2011 to March 2012

PRIs					
Name of ZPs		Name of GPs			
1	Morigaon	1	Dighalibari	21	Alukunda
2	Kamrup	2	Rangdaria	22	Hapachara
3	Bongaigaon	3	Manipur	23	Dangaigaon
4	Nalbari	4	Bhurbandha	24	Manikpur
5	Nagaon	5	Baralimari	25	Pub-Majeralga
Name of APs		6	Borchola	26	Joghghopa
1	Bhurbandha	7	Bardubatap	27	Boitamari
2	Lahorighat	8	9 No. Dakhin Pub Boko	28	17 No. Allia
3	Boko	9	76 No. Dakhin Paschim Luki	29	11 No. Dekarkuchi
4	Rangia	10	69 No. Dakhin Paschim Boko	30	19 No. Chataibari
5	Bihdia Jajikona	11	70 No. Dakhin Pub Luki	31	13 No. Ghograpar
6	Manikpur	12	Bidyagarh	32	55 No. Bornibari Naptipara
7	Boitamari	13	Kayabarpulla	33	60 No. Kandhbari Dagapara
8	Borigog Bandhag	14	Dimu Dobak	34	58 No. Jaysagar Bartala
9	Barkhetri	15	Madhya Panduri	35	65 No. Kurihamari Borsulia
10	Dolongghat	16	Jayantipur	36	Jamuguri Kajidah
11	Raha	17	Titkuchi	37	Kakamari
		18	Singrapara	38	Salmari
		19	Karara	39	Pramila
		20	Birdutta	40	Paschim Majher Alga
				41	Nagabandha
ULBs					
Name of MBs		Name of TCs			
1	Nalbari	1	Tihu		
2	Barpeta	2	Sarbhog		
3	Barpeta Road	3	Howly		
4	Dibrugarh	4	Pathsala		
5	Mangaldoi	5	Sarthebari		
6	Tezpur	6	Kharupetia		
		7	Dhemaji		
		8	Silapathar		
		9	Rangapara		
		10	Chabua		
		11	Naharkatia		

**Appendix – V**  
**(Ref. Para 1.22.2)**

**Statement showing non-reconciliation of Bank balances as per Bank Pass book and Cash Book**

(₹in lakh)

Sl. No.	Name of PRIs/ ULBs	Name of the Scheme/ Programme	As on 31 March	Balances as per Bank Pass Book	Balance as per Cash Book	Difference
1	Bongaigaon ZP	BRGF	2011	60.78	57.25	3.53
2	Kamrup ZP	DDP (Rural)	2011	924.04	709.56	214.48
		DDP (Metro)	2011	698.59	229.88	468.71
		TFC	2011	1684.89	1028.90	655.99
		Own Fund (Rural)	2011	144.85	142.62	2.23
		Own Fund (Metro)	2011	38.09	46.21	8.12
3	Nalbari ZP	TFC	2011	427.13	62.26	364.87
		DDP	2011	5.92	99.98	94.06
4	Rangia AP	SGSY	2011	32.28	20.51	11.77
		Hariali	2011	7.34	2.45	4.89
		MGNREGS	2011	26.18	26.12	0.06
		IAY	2011	169.07	100.96	68.11
5	Boko AP	IAY	2011	770.13	179.26	590.87
6	Borigog Banbhag AP	MGNREGA	2011	42.26	6.68	35.58
7	Borkhetri AP	IAY	2011	161.42	3.12	158.30
		MGNREGS	2011	9.64	87.02	77.38
8	Birdutta GP	IAY	2011	4.20	2.38	1.82
9	Karara GP	IAY	2011	5.45	3.29	2.16
10	Tezpur MB	TFC	2011	50.54	24.28	26.26
		DDP	2011	36.21	23.47	12.74
11	Nagaon ZP	TFC	2011	77.32	59.82	17.50

**Appendix – VI****(Ref. Para 1.22.2)****Statement showing short/non-accountal of receipts****(₹in lakh)**

<b>Sl. No.</b>	<b>Name of PRI/ULB</b>	<b>Date/period of short/non-accountal, short receipt</b>	<b>Particulars/Records</b>	<b>Amount</b>
1	Borigog Banbhag AP	22.03.2011	Bank pass book of PNB A/C No. 0149880 for MGNREGS	0.27
2	Borkhetri AP	09.03.2011	Bank statement of A/C No. 2232009506 of CBI & Cash Book for MGNREGS	2.25
3	Barpeta MB	16.09.2009 to 29.03.2011	Cash Book and bank A/C of Kalpataru Scheme.	53.29
4	Rangapara TC	29.09.2010 to 13.09.2011	Cash Book of DDP	14.55
<b>Total</b>				<b>70.36</b>

**Appendix – VII**  
**(Ref. Para 1.22.3)**

**Statement showing expenditure incurred by PRIs/ULBs without preparation of budget**

(₹in lakh)

Sl. No.	Name of the Unit	Year	Name of Scheme/ Fund	Amount of expenditure
(1)	(2)	(3)	(4)	(5)
1	Nalbari ZP	2009-10 to 2010-11	TFC	750.39
			DDP	600.57
			13 FC	142.85
2	Rangia AP	2009-10 to 2010-11	Hariali	70.83
			TFC	16.60
			DDP	11.19
			MGNREGS	142.75
			IAY	517.04
			Own Fund	1.59
			SGSY	81.89
3	Borigog Banbhag AP	2009-10 to 2010-11	IAY	292.28
			TFC	18.19
			SGSY (Trg)	0.55
			MGNREGS	860.48
4	Bhurbandha GP	2009-10 to 2010-11	NREGS	89.52
			TFC	5.51
			BRGF	10.83
			IAY	57.17
5	Manipur GP	2009-10 to 2010-11	NREGS	20.05
			TFC	3.96
			BRGF	10.41
			IAY	92.55
6	Digolbori GP	2009-10 to 2010-11	NREGS	65.91
			TFC	1.20
			BRGF	11.19
			IAY	30.46
7	Nagabandha GP	2008-09 to 2010-11	NREGS	92.22
			TFC	7.86
			BRGF	11.76
			IAY	70.79
8	Borchala GP	2008-09 to 2010-11	NREGS	25.47
			TFC	5.15
			BRGF	11.87
			IAY	18.08

(1)	(2)	(3)	(4)	(5)
9	Bordubatop GP	2008-09 to 2010-11	NREGS	49.96
			TFC	7.92
			BRGF	13.44
			IAY	60.48
10	Boralimari GP	2008-09 to 2010-11	NREGS	68.64
			TFC	10.67
			BRGF	12.64
			IAY	66.98
11	Tangadharia GP	2008-09 to 2010-11	NREGS	65.91
			TFC	1.20
			BRGF	11.19
			IAY	30.46
			<b>Total</b>	<b>4623.85</b>

## Appendix – VIII

(Ref. Para 1.22.3)

## A. Statement showing unrealistic budget prepared by PRIs

(₹ in lakh)

Name of the PRIs	Year	Receipts		Excess (+) Less (-)	Expenditure		Excess (+) Less (-)
		Estimated	Actual		Estimated	Actual	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Kamrup ZP	2008-09	121.76	112.53	(-) 9.23	NA	NA	-
	2009-10	122.61	123.26	(+) 0.65	NA	NA	-
	2010-11	160.78	164.13	(+) 3.35	NA	NA	-
Lahorigaht AP	2008-09	15.82	7.99	(-) 7.83	15.03	6.12	(-) 8.91
	2009-10	11.63	7.56	(-) 4.07	11.05	4.09	(-) 6.96
Dolongghat AP	2008-09	3.22	2.25	(-) 0.97	3.95	2.01	(-) 1.94
	2009-10	3.95	1.89	(-) 2.06	4.25	1.72	(-) 2.53
	2010-11	3.93	2.16	(-) 1.77	4.19	2.06	(-) 2.13
Raha AP	2008-09	28.39	19.47	(-)8.92	28.39	18.73	(-)9.66
	2009-10	21.06	11.30	(-)9.76	21.06	11.23	(-)9.83
	2010-11	15.72	12.08	(-)3.64	15.72	11.69	(-)4.03
Salmara GP	2008-09	1.34	0.62	(-)0.72	1.34	0.54	(-)0.80
	2009-10	4.54	0.48	(-)4.06	4.44	0.47	(-)3.97
	2010-11	6.47	0.27	(-)6.20	5.47	0.26	(-)5.21

## B. Statement showing unrealistic budget prepared by ULBs

(₹ in lakh)

Name of the ULBs	Year	Receipts		Excess (+) Less (-)	Expenditure		Excess (+) Less (-)
		Estimated	Actual		Estimated	Actual	
Barpeta MB	2008-09	NA	NA	-	277.00	211.44	(-) 65.56
	2009-10	NA	NA	-	482.00	142.66	(-) 339.34
	2010-11	NA	NA	-	3157.00	181.48	(-) 2975.52
Dibrugarh MB	2009-10	735.94	382.52	(-)353.42	NA	NA	-
	2010-11	800.42	502.55	(-)297.87	NA	NA	-

## Appendix – IX

(Ref. Para 1.22.4)

## Statement showing pending utilization certificate against different implementing agencies

(₹ in crore)

Name of Schemes	Year	Fund released to implementing agencies	U.C. received	U.C. wanting
1	2	3	4	5
UIDSSMT	2006-09	95.84	56.66	39.18
IHSDP	2006-09	31.99	14.43	17.56
10 per cent Pool Fund under MoUD	2004-12	99.76	67.55	32.21
10 per cent Pool Fund under HUPA	2005-12	30.57	18.39	12.18
SJSRY	2007-11	107.56	51.52	56.04
JNNURM	2011-12	4.75	-	4.75
Community Participation Project under JNNURM	2008-11	5.36	-	5.36
BRGF	2011-12	140.15	-	140.15
13 FC	2010-12	291.69	76.84	214.85
<b>Total</b>		<b>807.67</b>	<b>285.39</b>	<b>522.28</b>

## Appendix – X

(Ref. Para 1.22.6)

## Statement showing non-adjustment of advances

(₹in lakh)

Sl. No.	Name of PRIs/ULBs	Name of fund from which advances made	Period of advance	Nature of advance	To whom paid	Amount of advance
1	Bongaigaon ZP	BRGF	03.08.09 to 21.06.10	For execution of works	Staffs	4.25
2	Morigaon ZP	DDP	22.12.10 to 24.03.11	For execution of works	Staffs	187.60
3	Nalbari ZP	TFC	12.05.09 to 29.12.10	For execution of works	JEs	259.38
4	Nalbari MB	GIA	25.05.08 to 18.11.08	Construction of road	Contractor	13.50
		MV Tax	08.02.05 to 18.01.06	Construction of road	Contractor	1.00
5	Barpeta MB	SJSRY	21.06.06 to 27.04.07	Procurement of materials and wages	JE	5.70
6	Dibrugarh MB	SJSRY	22.01.10 to 08.06.10	NA	Staffs	3.90
7	Sarthebari TC	GIA	27.08.08 to 06.04.09	Improvement of cremation ground	Contractor	15.45
8	Rangapara TC	DDP	29.05.08 to 08.02.10	For construction and repairing works	Staffs	1.50
		CDS	29.05.08 to 08.02.10	NA	NA	2.85
<b>Total</b>						<b>495.13</b>

## Appendix - XI

(Ref. Para 1.23.1)

## Internal Control System at the level of LBs

Provision	Authority	Application to LBs	Gist of the provision
Accounts	Section 28, 60 and 97 of AP Act read Rule 8 of AP (F) Rule, 2002. Section 134 to 137 of GMC Act, 1971	PRIs & ULBs	The Panchayat and Municipalities shall maintain such books of accounts and other books in relation to its Accounts.
Budget	Section 27, 59 and 96 of AP Act. Section 43A of AM Act Section 119 of GMC Act	PRIs & ULBs	Budget proposals shall be prepared by the respective standing committees taking into account the estimated receipts and disbursement of the following year submitted to Government for approval.
Reporting of loss due to fraud, theft or negligence	Rule 37 (iv), AP (F) Rules 2002	PRIs	To be reported by an officer authorized to inspect the documents of PRIs.
	Rule 8 (2) of AMA, Rules 1961	ULBs	To be reported by the Chairman or the Executive Officer to the DALF and the DC of the District.
External audit	Section 29, 61 & 98 of AP Act and Rule 37 (ii) of AP (F) Rules, 2002.	PRIs	The State Government may prescribe an authority to conduct audit of accounts of PRIs.
	Section 301 (2) (iv) of AM Act and Section 138 of GMC Act	ULBs	DALF shall be auditor of Municipalities and Municipal Corporation.
Inspections	Section 112 of AP Act and Rule 37 of A (F) Rules, 2002	PRIs	Government or any officer empowered by the Government may inspect any works which are being carried out by GP or AP or ZP.
Execution of works	Rule 36 and 38 of AP (F) Rules' 2002	PRIs	Procedure for execution of public works. Fixing of rates in preparation of estimates, powers of various authorities to give Technical Sanction, Invitation of tenders.
Asset Register	Rule 19 of AP (F) Rules 2002	PRIs	To be maintained in the format prescribed under the rule.
	Rule 118 of AMA Rules 1961	ULBs	A register of land to be maintained.
Office Procedure Manual	NA	PRIs & ULBs	Not prescribed under APA, 1994, AP (F) Rules and Municipal Acts and Rules
Internal Audit	Rule 18 of AP (A) rules 2002	PRIs	Departmental internal auditors to conduct internal audit of PRIs.
	NA	ULBs	Not prescribed under relevant Municipal Acts and Rules
Ombudsmen	NA		Not introduced for LBs in Assam
Lok Ayukta	NA		Applicable to all tiers of PRIs & ULBs.
Citizen charter	NA		Not introduced for LBs in Assam
Right to Information	As per RTI Act, 2005		Applicable to all tiers of PRIs & ULBs.
Conduct rules	State Government		Rules/Orders Specific to PRIs & ULBs Not Available
Social audit	As per AREG Scheme 2006	PRIs	For MGNREG Scheme and IAY

## Appendix - XII

(Ref. Para 2.7.1.2)

Statement showing delay in release of fund in two test checked districts

## Development Grants

(₹ in crore)

Name of District	Year of grant	Installment	Amount of grant released by GOI	Dt. of receipt of grant by SG	Amount of grant released to ZP	Dt. of release of grant to ZP	Days delayed in release of grant	Interest payable @ 6 per cent
Morigaon	2006-07	1st	7.50	25.07.07	7.50	19.02.08	195	0.24
		2nd	3.95	06.12.08	3.95	12.11.09	327	0.21
	2007-08	1st	6.18	31.03.09	6.18	21.01.10	282	0.29
	2010-11	1st	10.19	31.03.11	10.19	08.09.11	147	0.25
Bongaigaon	2006-07	1st	11.90	26.02.08	11.90	10.04.08	30	0.06
		2nd	1.33	30.04.09	1.33	17.02.10	279	0.06
	2009-10	1 <sup>st</sup> & 2 <sup>nd</sup>	7.27	22.12.09	7.27	31.03.10	85	0.10
	2010-11	1st	4.39	23.03.11	4.39	05.08.11	118	0.09
		2nd	8.84	30.03.11	8.84	11.12.11	241	0.35
<b>Total</b>			<b>61.55</b>					<b>1.65</b>

## Appendix-XIII

(Ref. Para 2.7.1.2)

Statement showing delay in release of fund in SIRD, Assam

## Capacity Building Grants

(₹ in crore)

Year of grant	Amount of grant released by GOI	Dt. of receipt of grant by SG	Amount of grant released to SIRD/NERIWLM	Dt. of release of grant to SIRD	Days delayed in release of grant	Interest payable @ 6 per cent
2007-08	9.12	19.04.07	5.47	30.01.08	271	0.24
			2.10	30.04.09	726	0.25
			1.55	25.05.10	1116	0.28
2009-10	7.59	20.09.10	7.59	03.03.11	149	0.19
2010-11	5.49	25.03.11	5.49	22.11.11	227	0.20
2011-12	2.90	10.10.11	2.90	31.03.12	158	0.08
	6.86	31.03.12	Nil	31.08.12	138	0.16
<b>Total</b>	<b>31.96</b>					<b>1.40</b>

## Appendix - XIV

(Ref. Para 2.7.1.4)

Statement showing Receipt and Utilization of fund under BRGF during  
2007-08 to 2011-12

(₹ in crore)

Year	Name of District and other	Opening Balance	Fund received	Other receipts	Total	Expenditure	Closing balance
2007-08	Morigaon	0	7.50	0	7.50	6.58	0.92
2008-09		0.92	0	0.03	0.95	0.87	0.08
2009-10		0.08	10.13	0.01	10.22	8.92	1.30
2010-11		1.30	0	0.04	1.34	1.18	0.16
2011-12		0.16	10.19	0.01	10.36	7.39	2.97
2007-08	Bongaigaon	0	0.10	0	0.10	0.03	0.07
2008-09		0.07	11.90	0.17	12.14	10.33	1.81
2009-10		1.81	8.60	0.04	10.45	2.72	7.73
2010-11		7.73	0	0.11	7.84	7.27	0.57
2011-12		0.57	13.33	0.07	13.97	6.09	7.88
<b>Total</b>			<b>61.75</b>	<b>0.48</b>	<b>62.23</b>	<b>51.38</b>	<b>10.85</b>

Appendix - XV

(Ref. Para 2.7.1.6)

Statement showing receipt and release of fund to PRIs and ULBs

Programme year	Name of district	Fund received	PRIs due share			Fund released to APs, GPs and fund retained by the ZP				Excess(+)/Short(-) release of fund to APs, GPs and fund retained by ZP			ULB due share	Fund released to ULBs	Excess(+)/ Short (-) released to ULBs
			ZP	APs	GPs	ZP	APs	GPs	ZP	APs	GPs				
												ZP			
2006-07		1145.00	222.86	334.29	557.16	235.44	323.53	539.20	+12.58	-10.76	-17.96	30.69	46.83	+16.14	
2007-08	Morigaon	618.00	120.29	180.42	300.72	120.29	180.42	300.72	0	0	0	16.57	16.57	0	
2010-11		1019.00	198.34	297.50	495.85	267.51	284.76	439.06	+69.17	-12.74	-56.79	27.31	27.67	+0.36	
2006-07		1323.00	240.05	360.07	600.12	396.18	484.72	356.61	+156.13	+124.65	-243.51	122.76	85.50	-37.27	
2007-08	Bongaigaon	727.00	131.90	197.86	329.77	152.50	177.56	316.70	+20.60	-20.30	-13.07	67.47	80.24	+12.77	
2010-11		1323.00	240.05	360.07	600.12	727.29	161.63	345.49	+487.24	-198.44	-254.63	122.76	88.59	-34.18	
	<b>Total</b>	<b>6155.00</b>	<b>1153.49</b>	<b>1730.21</b>	<b>2883.74</b>	<b>1899.21</b>	<b>1612.62</b>	<b>2297.78</b>	<b>+745.72</b>	<b>-117.59</b>	<b>-585.96</b>	<b>387.56</b>	<b>345.40</b>	<b>-42.16</b>	

**Appendix - XVI***(Ref. Para 2.7.2.2)***Statement showing district wise allocation of fund and SC/ST population in BRGF districts**

<b>Name of district</b>	<b>District-wise released of funds during 2007-12 (₹in lakh)</b>	<b>Total population (in number)</b>	<b>SC/ST population (in number)</b>	<b>Percentage of SC/ST population in the district</b>	<b>Fund to be earmarked for SC/ST (₹in lakh)</b>
Hailakandi	34.68	361009	40072	11.10	3.85
Morigaon	27.82	775706	221076	28.50	7.93
Cachar	38.85	1445007	226866	15.70	6.10
Barpeta	39.61	1647201	217127	13.18	5.22
Kokrajhar	38.67	911461	338152	37.10	15.35
Bongaigaon	33.73	904294	203466	22.50	7.59
Goalpara	11.89	823375	171262	20.80	2.47
Lakhimpur	30.85	888293	278924	31.40	9.69
Dhemaji	33.60	572183	300968	52.60	17.67
N. C. Hills	19.44	188000	131788	70.10	13.63
Karbi Anglong	27.27	813670	482483	59.30	16.17
<b>Total</b>	<b>336.41</b>	<b>9330199</b>	<b>2612184</b>		<b>105.67</b>

## Appendix-XVII

(Ref. Para 2.7.3.3)

## Statement showing expenditure on inadmissible works out of BRGF fund during 2007-12

(₹ in lakh)

Name of district	Name of Agency	Year	Nature of works	Estimated amount	Percentage of financial progress	Percentage of physical progress	Amount utilized
1	2	3	4	5	7	8	
Morigaon	Dharamtul	2011-12	Construction community hall at Telahi Bhakataon	2.00	80	100	1.61
Morigaon	Dharamtul	2011-12	Construction of community hall at Azori Rash Utsav field	2.25	79	100	1.78
Morigaon	Dandua	2011-12	Repairing and renovation of Alisinga Rash Mandap	3.00	100	100	3.00
Morigaon	Kapili AP	2011-12	Construction of boundary wall at Charaibahi Sericulture Institute	3.80	66	85	2.50
Morigaon	Mayong AP	2011-12	Construction of cycle stand at Bohaborijari HS school	1.00	100	100	1.00
Morigaon	Mayong AP	2011-12	Construction of hostel at MBD Jr.college at Jhargaon	2.00	67	70	1.33
Morigaon	Mayong AP	2011-12	Repairing of Vety Sub Centre	2.00	100	100	2.00
Morigaon	Mayong AP	2011-12	Dev. of insfrastructure of Tourist place at Maheshdam	3.00	60	60	1.81
Morigaon	Moirabari AP	2011-12	Construction of community hall Hugaltoli Village	2.50	80	80	2.00
Morigaon	Laharighat AP	2011-12	Construction of latrine at Jamme Masjid at Dakhin Bhakuaman Pam	0.35	100	100	0.35
Morigaon	Laharighat AP	2011-12	Construction of latrine at Bhuyanburi Jamme Masjid	0.35	100	100	0.35
Morigaon	Laharighat AP	2011-12	Construction of latrine at Borkhabol Panjakhana Masjid	0.35	100	100	0.35
Morigaon	Laharighat AP	2011-12	Extension of Kushtoli Rash Mandap	2.00	50	50	1.00
Morigaon	Dighalbori	2011-12	Construction of Baidyabori H S School at Dighalbori	1.50	100	100	1.50

Annual Technical Inspection Report for the year 2011-12

1	2	3	4	5	7	8	
Morigaon	Mayang	2011-12	Construction of Library building at Mayong Anchalik College	2.96	80	80	2.37
Morigaon	Mayang	2011-12	Beautification at Block Hqr./AP campus	2.00	100	100	2.00
Morigaon	Goriabori	2011-12	Construction of boundary wall at Gariabori gaon Ed gah field	4.46	100	100	4.46
Morigaon	Bardubatup	2011-12	Plantation with Barbed wire fencing at Bhuragaon College Campus	3.00	100	100	3.00
Morigaon	Nagarbandha	2011-12	Construction of community hall at Goroimari Nigam	5.93	96	98	5.69
Morigaon	Tengaguri	2011-12	Construction of toilet at Tengaguri S.S. Ltd. Campus	0.60	100	100	0.60
Morigaon	Bhurbandha AP	2006-07	Construction of Gasaguri community hall near Siva Mandir	1.00	100	100	1.00
Morigaon	Bhurbandha AP	2007-08	Construction of Agricultural Gram Sevak Quarter	3.50	71	77	2.50
Morigaon	Bhurbandha AP	2009-10	Extension of godown at Lochanabori S. S. Ltd.	5.00	40	100	2.00
Morigaon	Bhurbandha AP	2009-10	Community hall at Borborigaon ward No. 3	1.00	100	100	1.00
Bongaigaon	Bongaigaon Municipal Board	2010-11	Construction of community centre cum Namghar	2.00	100	100	2.00
Morigaon	Lahorighat Development Block	2006-07	Construction of toilet at Balidunga Nurani Masjid	0.30	100	100	0.30
Morigaon	Lahorighat Development Block	2006-07	Construction of latrine at Khuragosaibori Than	0.35	100	100	0.35
Morigaon	Lahorighat Development Block	2006-07	Construction of latrine at Kahibor namghar	0.35	100	100	0.35
Morigaon	Lahorighat Development Block	2006-07	Construction of latrine at Barasibbunda Kali Mandir	0.35	100	100	0.35
<b>Total</b>							<b>48.55</b>

## Appendix - XVIII

(Ref. Para 2.7.3.5)

## Statement showing receipt and utilization of funds by the PRIs and ULBs

(₹ in lakh)					
Name of district	Name of Unit	Period	Total fund received including interest	Expenditure	Closing balance
1	2	3	4	5	6
Bongaigaon	Manikpur AP	2008-11	101.06	91.02	10.04
	Baitamari AP	2008-11	77.60	77.50	0.10
	Dangtol AP	2008-11	81.34	71.91	9.43
	Tapatarry AP	2008-11	67.70	53.75	13.95
	Srijangram AP	2008-11	61.97	49.73	12.24
	Baitamari GP	2008-11	6.75	6.74	0.01
	Dangaigaon GP	2008-11	6.10	4.72	1.38
	Hapachara GP	2008-11	14.45	14.34	0.11
	Manikpur GP	2008-11	9.31	8.41	0.90
	Alukhunda GP	2008-11	3.78	3.00	0.78
	Paschim Majeralga GP	2008-11	5.39	5.11	0.28
	Jogighopa GP	2008-11	12.97	12.84	0.13
	Pub Majeralga GP	2008-11	2.57	1.05	1.52
	Bongaigaon MB	2008-11	82.74	82.68	0.06
	<b>Total</b>			<b>533.73</b>	<b>482.80</b>
Morigaon	Kapili AP	2007-12	51.79	44.21	7.58
	Mayong AP	2007-12	251.07	212.83	38.24
	Moirabari AP	2007-12	111.12	81.34	29.78
	Dolanghat AP	2007-12	19.45	15.09	4.36
	Batadraha AP	2007-12	2.77	1.00	1.77
	Lahorighat AP	2007-12	134.27	91.96	42.31
	Bhunbandha AP	2007-12	114.13	101.44	12.69
	Dandua GP	2007-12	10.41	9.37	1.04
	Tarabori GP	2007-12	15.00	13.85	1.15

1	2	3	4	5	6
Morigaon	Dighalbori GP	2007-12	16.04	11.41	4.63
	Habibarang	2007-12	10.80	10.79	0.01
	Rangdaia GP	2007-12	15.72	13.68	2.04
	Barangbori GP	2007-12	14.24	14.13	0.11
	Kundargaon GP	2007-12	14.88	11.77	3.11
	Solmari GP	2007-12	12.85	11.98	0.87
	Baghara GP	2007-12	14.48	12.30	2.18
	Mikirbheta GP	2007-12	9.05	9.01	0.04
	Azarbari GP	2007-12	12.06	11.37	0.69
	1112 Gerua GP	2007-12	13.91	13.70	0.21
	Amoraguri GP	2007-12	10.76	10.72	0.04
	Dhumkura GP	2007-12	11.30	9.82	1.48
	Tulsibari GP	2007-12	10.23	9.00	1.23
	Kacharibari GP	2007-12	10.00	9.49	0.51
	Powalguri GP	2007-12	15.50	15.44	0.06
	Balidunga GP	2007-12	10.28	10.25	0.03
	Bhunbandha	2007-12	15.19	11.50	3.69
	Mikigaon GP	2007-12	13.93	12.41	1.52
	Barbhagia GP	2007-12	13.96	13.90	0.06
	Jhargaon GP	2007-12	15.03	11.96	3.07
	Manah GP	2007-12	16.18	12.73	3.45
	Jagibhakalgaon GP	2007-12	12.85	11.16	1.69
	Dakhin Dharmtul GP	2007-12	13.18	11.56	1.62
	Baha Bajari GP	2007-12	11.02	9.30	1.72
	Nellei GP	2007-12	17.65	13.45	4.20
	Gagalmari GP	2007-12	18.20	17.47	0.73
	Barpak GP	2007-12	11.92	10.95	0.97
	Uttar Dharmtul GP	2007-12	13.53	13.48	0.05
Ahatguri GP	2007-12	15.29	11.38	3.91	

1	2	3	4	5	6
Morigaon	Baghju GP	2007-12	13.70	9.72	3.98
	Gola GP	2007-12	14.19	7.96	6.23
	Ghanga GP	2007-12	18.07	16.77	1.30
	Paliguri GP	2007-12	15.37	10.80	4.57
	Silchang GP	2007-12	14.26	11.76	2.50
	Pavakati GP	2007-12	16.03	13.15	2.88
	Mayong GP	2007-12	17.25	12.80	4.45
	Burburi GP	2007-12	14.43	10.61	3.82
	Gagalmari Ashigarh GP	2007-12	13.59	10.36	3.23
	Lahpati GP	2007-12	11.97	9.20	2.77
	Dangabari GP	2007-12	12.97	9.34	3.63
	Kuronibari GP	2007-12	14.08	12.22	1.86
	Garmari GP	2007-12	16.96	16.59	0.37
	Rajagadhwa GP	2007-12	11.47	7.94	3.53
	Dhupguri GP	2007-12	7.64	5.92	1.72
	Borchala GP	2007-12	16.69	11.88	4.81
	Jaribon GP	2007-12	14.08	11.86	2.22
	Luobhurango GP	2007-12	7.84	7.45	0.39
	Kathani GP	2007-12	9.77	9.66	0.11
	Niz Cahharia GP	2007-12	16.15	13.34	2.81
	Nagabandha GP	2007-12	16.54	16.50	0.04
	Baralimari GP	2007-12	17.52	15.02	2.50
	Pavakati GP	2007-12	12.39	12.30	0.09
	Laharighat GP	2007-12	10.19	10.10	0.09
	Burgaon GP	2007-12	13.88	9.68	4.20
	Silphukhuri GP	2007-12	7.63	7.62	0.01
	Kalmoubari GP	2007-12	13.74	13.67	0.07
	Jaluguti GP	2007-12	9.85	7.47	2.38
	Kushtoli GP	2007-12	13.30	12.91	0.39
	Langribori GP	2007-12	16.44	11.69	4.75
Bonbori GP	2007-12	3.41	0	3.41	

1	2	3	4	5	6
Morigaon	Borchapori GP	2007-12	11.98	9.89	2.09
	Paghali GP	2007-12	9.92	9.88	0.04
	Borchila GP	2007-12	7.56	7.55	0.01
	Chabukhadra GP	2007-12	8.05	7.90	0.15
	Bhakatgaon GP	2007-12	6.95	5.14	1.81
	Manipur GP	2007-12	18.70	14.83	3.87
	Bordubatup GP	2007-12	19.05	15.53	3.52
	Tengagur GP	2007-12	13.63	11.95	1.68
	Bhurgaon GP	2007-12	14.43	14.33	0.10
	Haiborgaon GP	2007-12	8.37	8.24	0.13
	Tingukia Mhamara GP	2007-12	17.57	14.42	3.15
	Doloigaon GP	2007-12	15.70	12.94	2.76
	Datialbori GP	2007-12	12.24	10.08	2.16
	Lochonabori GP	2007-12	13.57	12.02	1.55
	Goriabori GP	2007-12	11.99	11.92	0.07
	Ulubari GP	2007-12	8.52	8.47	0.05
	Hathimuria GP	2007-12	13.86	10.91	2.95
	Tatikata GP	2007-12	14.41	10.28	4.13
	Moirabari GP	2007-12	16.62	16.50	0.12
	Jagiroad GP	2007-12	35.24	34.89	0.35
Deosal GP	2007-12	10.68	10.64	0.04	
	<b>Total</b>		<b>1800.48</b>	<b>1511.80</b>	<b>288.68</b>

## Appendix - XIX

(Ref. Para 3.1.1.1)

## Statement showing loss of revenue due to non settlement of markets/beels with highest bidders

(₹ in lakh)

Year	Sl. No	Name of the Market/Beel	Name of the bidder to whom the market was allotted on lower bid value	Highest valid bid value offered	Settlement value	Loss of revenue	No. of market/beel involved
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
2006-07	1.	Chulung daily market	Shri Nikhil Das	5.31	4.08	1.23	3
	2.	Singiha Bi weekly market	Shri Abdul Matin	2.61	2.14	0.47	
	3.	Bali Satra Bi weekly market	Shri Surajit Saikia	17.91	6.91	11.00	
<b>Sub Total (A)</b>				<b>25.83</b>	<b>13.13</b>	<b>12.70</b>	<b>3</b>
2007-08	1.	Amchoi weekly market	Shri Ramen Deuri	2.20	1.78	0.42	10
	2.	Nanoi Bi weekly market	Shri Prabhat Ch. Nath	3.00	1.77	1.23	
	3.	Chulung daily market	Shri Indra Bahadur Chetri	5.00	3.56	1.44	
	4.	Ambagan Bi weekly market	Shri Nepal Sarkar	10.96	6.66	4.30	
	5.	Juria Bi weekly market	Shri Subir Roy	18.28	5.82	12.46	
	6.	Rupahi Daily market	Shri Bapi Debnath	3.72	1.70	2.02	
	7.	Rupahi weekly market	Shri Habibur Rahman	46.00	26.00	20.00	
	8.	Mugargaon Parghat	Shri Ratul Das	2.76	1.26	1.50	
	9.	Raha Bi weekly market	Shri Dimbeswar Das	3.45	2.76	0.69	
	10.	Kathia Toli weekly market	Shri Ajut Bordaloi	8.11	6.01	2.10	
<b>Sub Total (B)</b>				<b>103.48</b>	<b>57.32</b>	<b>46.16</b>	<b>10</b>
2008-09	1.	Karikhana weekly market	Sri Surajit Ali Majumdar	2.81	2.62	0.19	10
	2.	Amchoi weekly market	Sri Mukut Deuri	2.60	2.30	0.30	
	3.	Chulung Daily market	Sri Subhas Das	9.96	5.16	4.80	
	4.	Juria Bi-weekly market	Sri Subir Roy	13.50	6.22	7.28	
	5.	Ambagan Bi-weekly market	Sri Nepal Sarkar	11.93	7.35	4.58	
	6.	Shantijan Bi-weekly market	Md. Lokman Hakim	11.11	3.96	7.15	
	7.	Rupahi Danik Market	Md. Rejaur Rahaman	7.51	1.93	5.58	
	8.	Rupahi weekly market	Md. Nabi Hussian	58.00	27.54	30.46	

Annual Technical Inspection Report for the year 2011-12

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	9.	Katiatali Bi-weekly market	Md. Suraj Jamal	10.06	6.77	3.29	
	10.	Magurgoan	Sri Tapan Ch. Das	2.83	1.31	1.52	
<b>Sub Total (C)</b>				<b>130.31</b>	<b>65.16</b>	<b>65.15</b>	<b>10</b>
2009-10	1.	Barhampur weekly market	Sri P.K. Gayan	2.71	1.96	0.75	8
	2.	Nakhati weekly market	Md. Abul Kashem	2.04	1.74	0.30	
	3.	Banglowveti daily market	Md. Ilias Uddin	4.00	1.15	2.85	
	4.	Khatiatali Bi-weekly market	Md. Kashem Ali	16.26	7.78	8.48	
	5.	Amchoi weekly market	Sri Goheen Pator	3.55	2.41	1.14	
	6.	Ambagan Bi-weekly market	Sri Nepal Sarkar	10.05	8.41	1.64	
	7.	Juria Bi-weekly market	Sri Subir Roy	25.02	6.88	18.14	
	8.	Tapatkarai Beel	Sri Sisu Ram Das	2.78	1.20	1.58	
<b>Sub Total (D)</b>				<b>66.41</b>	<b>31.53</b>	<b>34.88</b>	<b>8</b>
2010-11	1.	Rupahi daily market	Sri Tapash Roy	5.13	2.27	2.86	11
	2.	Jamunamukh Bi-weekly market	Md. Abdur Rahaman	2.11	1.41	0.70	
	3.	Debastian weekly market	Md. Nasir Uddin	5.53	3.62	1.91	
	4.	Balisatra Bi-weekly market	Sri Prahlad Barua	43.06	6.75	36.31	
	5.	Kharikhana weekly Market	Md. Abdul Majid Tapadar	3.11	2.04	1.07	
	6.	Juria Bi-weekly market	Sri Abdul Haque	20.12	7.03	13.09	
	7.	Santijan Bi-weekly market	Md. Lokman Hekim	10.20	4.15	6.05	
	8.	Chulung daily market	Sri Rajen Das	5.51	3.12	2.39	
	9.	Singia Bi-weekly market	Md. Mojamil Haque	2.41	2.15	0.26	
	10.	Rupahi weekly Market	Md. Sahajahan Ali	49.00	28.00	21.00	
	11.	Along doba Beel	Sri Rajani Kanta Das	1.51	1.00	0.51	
<b>Sub Total (E)</b>				<b>147.69</b>	<b>61.54</b>	<b>86.15</b>	<b>11</b>
<b>Total (A+B+C+D+E)</b>				<b>473.72</b>	<b>228.68</b>	<b>245.04</b>	<b>42</b>

## Appendix – XX

(Ref. Para 3.1.1.4)

Statement showing IAY benefits provided by quoting the other beneficiaries  
BPL Id No.

(in ₹)

Name of the Block	Name of beneficiaries to whom assistance provided	Name of GP	Programme year	Id no quoted	As per BPL list Id belongs to	Amount
1	2	3	4	5	6	7
Boko Development Block	Fulbir Rava	Dakhin Boko	09-10 central share	16107	Mukunda Baro	38500
	Naren Rava	Dakhin Boko	09-10 central share	15314	Damayanti Adhikari	38500
	Snehalat Rava	Dakhin Boko	09-10 central share	17088	Sagae Rabha	38500
	Rabin Rava	Dakhin Boko	09-10 central share	16833	Ananta Rabi Das	38500
	Suchanu Rabha	Pachim Bekeli	2009-10 Central Share	3401	Sri Bhanothu Boro	38500
	Gesputin Sangma	Dakhin Pachim Luki	2010-11 Balance fund	17031	Dhiren Rabha	48500
Rangia Development Block	Md.Sahnur Ali	Bardal	06-07 central share	31447	Dinesh Bania	25000
	Miss Hasina Bibi	Bardal	-do-	6790	Suklaswar Haloi	25000
	Paresh Nath	Bardal	-do-	31416	Kamleswar Kalita	25000
	Padmabati Nath	Bardal	-do-	7044	Grish Das	25000
	Smt Sonbu Bibi	Bardal	-do-	7462	Ibrahim Ali (Bissenala GP)	25000
	Madhab Boro	Bardal	-do-	7462	Ibrahim Ali (Bissenala GP)	25000
	Mahan Boro	Bardal	-do-	31169	Bina Basumatari	25000
	Bimala Das	Bardal	-do-	7191	Mafijul Ali	25000
	Eyakub Ali	Baidyagarh	-do-	33765	Rajen Kalita	25000
	Sukumar Das	Bissennala	1 <sup>st</sup> instalment of 2007-08	6921	Mukunda Kalita	27500
	Mamtaz Ali	Jyantipur	-do-	22402	Padmadhar Kumar	27500
	Khagen Kumar	Jyantipur	-do-	22218	Md. Khasnur Ali	27500
	Pranati Kalita	Moranjana	-do-	16110	Hamid Ali	27500
	Kamali Boro	Moranjana	-do-	17480	Asur Ali	27500

1	2	3	4	5	6	7
<b>Rangia Development Block</b>	Madan Hira	Dimu Dibok	-do-	29827	Tilak Kaibarta	27500
	Babul Ali	Dimu Dibok	-do-	30248	Harmohan Deka	27500
	Zahira Begum(Farmud Ali)	Dhuhi Bala	-do-	19126	Fajal Haque	27500
	Pabli Baro	Bordal	-do-	30702	Piar Ali	27500
	Bijoy Das	Baranghati	-do-	32752	Samsul Haque	27500
	Bulu Das	B.Balisatra	-do-	8992	Jogesh Patwary	27500
	Runa Begum	Chepti	-do-	34632	Manmil Kalita	27500
	<b>Total</b>					