

CHAPTER-I

PERFORMANCE REVIEW

Revenue and Disaster Management Department

1.1 Acquisition and Allotment of Land in Assam

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

Highlights

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

(Paragraph-1.1.8.1)

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

(Paragraph-1.1.8.2)

¹ Industries, public institutions, hospitals, dispensaries etc.

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

(Paragraph-1.1.8.7)

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

(Paragraph-1.1.9.1)

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

(Paragraph-1.1.9.2)

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

(Paragraph-1.1.9.4)

1.1.1 Introduction

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

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

1.1.2 Organizational set up

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

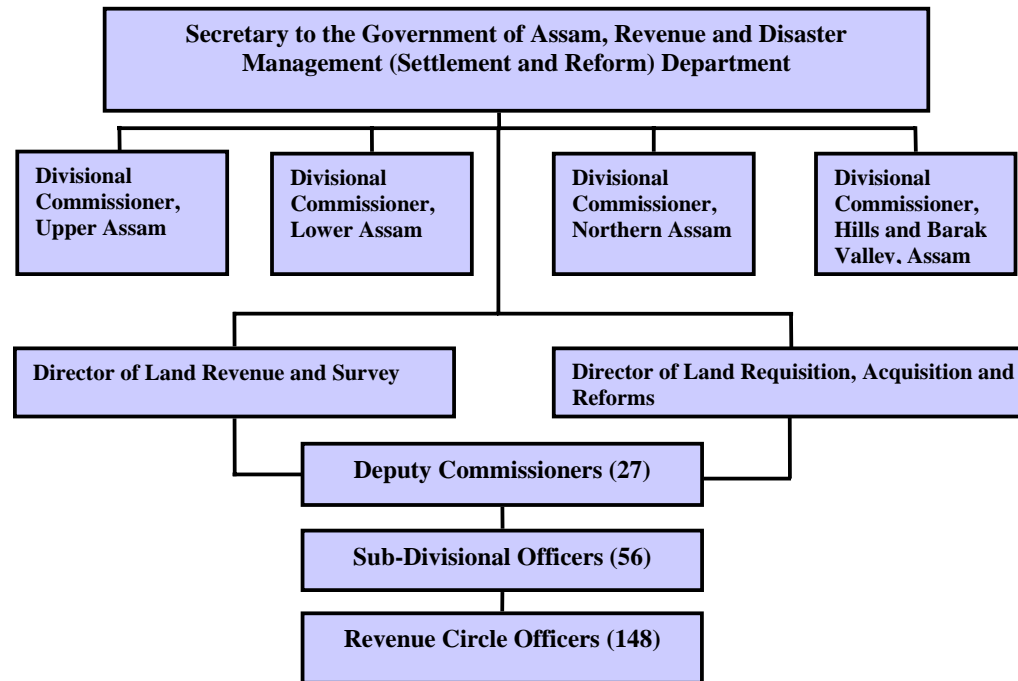
² Bongaigaon, Dibrugarh, Kamrup (R), Nogaon, Sonitpur and Tinsukia.

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

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

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

Chart - 1



1.1.3 Scope of audit

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

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

1.1.4 Audit objectives

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

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

1.1.5 Audit criteria

The criteria adopted for the Performance Audit were based on:

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

1.1.6 Audit methodology

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

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

1.1.7 Financial position

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

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

(₹ in crore)

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

Source: Departmental records.

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

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

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

(₹ in crore)

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

Source: Information and data given by DC, Dibrugarh.

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

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

⁶ DC, Sonitpur and Karimganj.

Audit findings

1.1.8 Acquisition of land

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

1.1.8.1 Non-observance of provisions of the Act

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

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

(₹in crore)

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

Source: Departmental records.

In this connection, the following further observations were made:

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

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

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

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

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

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

1.1.8.2 Land acquired for public purposes lying idle

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

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

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



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



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



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

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

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

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

1.1.8.3 Agricultural land alienated for non-agricultural purposes

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

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



Agricultural land alienated to CALCOM Cement Ltd.

Date: 06 June 2011.

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

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

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

¹⁰ Assam Rifle Battalion Headquarter	(434B-2K-19L)
Assam Electrical Grid Corporation	(132B-3K- 2L)
<u>Assam Industrial Development Corporation Limited</u>	<u>(385B-0K- 0L)</u>
Total	(951B-5K-21L i.e. 952B-1K-01L)

¹¹ Kamrup (M), Kamrup (R) and Nagaon.

1.1.8.4 Defective valuation of land acquired for public purposes

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

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

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

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

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

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

¹² Lokopriya Gopinath Bordoloi International Airport.

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

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

1.1.8.6 Rehabilitation of Project Affected Families (PAF)

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

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

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

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

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

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



Incomplete houses for PAF (July 2011)

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

1.1.8.7 Injudicious payment of compensation

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

¹⁵ Processing unit for manufacturing of Plastic product.

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

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

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

1.1.8.8 Irregular payment of compensation

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

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

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

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

1.1.8.9 Over payment of compensation

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

¹⁷ National Highway Authority of India.

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

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

1.1.9 Allotment of Government land

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1.1.9.3 Injudicious allotment of VGR land to co-operative society

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

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

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

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

1.1.9.4 Misuse/non-use of allotted land

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

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

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

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

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

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



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



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



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

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

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

1.1.9.5 Unauthorised leasing out of Government land

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

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

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

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

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

Source: Departmental records.



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

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

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

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

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

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

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

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



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



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

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

1.1.9.7 Loss of revenue

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

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

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

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

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



Land allotted for NIPER lying idle (July 2011)

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

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

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

1.1.9.9 Conversion of agricultural land into residential site

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

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

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

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

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

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

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



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

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

1.1.10 Monitoring and evaluation

1.1.10.1 Monitoring through registers, reports and returns

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

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

1.1.10.2 Absence of Management Information System (MIS)

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

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

1.1.11 Conclusion

²¹ Bongaigaon, Nagaon, Kamrup and Karimganj.

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

1.1.12 Recommendations

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

Education Department

1.2 Elementary Education in Assam

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

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

Highlights

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

(Paragraph: 1.2.7.1)

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

(Paragraph: 1.2.9.1)

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

(Paragraph: 1.2.9.4)

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

(Paragraph: 1.2.11.2 and 1.2.12.1)

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

(Paragraph: 1.2.19.1)

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

(Paragraph: 1.2.19.3)

1.2.1 Introduction

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

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

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

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

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

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

The main objectives of SSAM were to ensure that:

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

1.2.2 Organisational set up

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

Chart-1 (DEE)

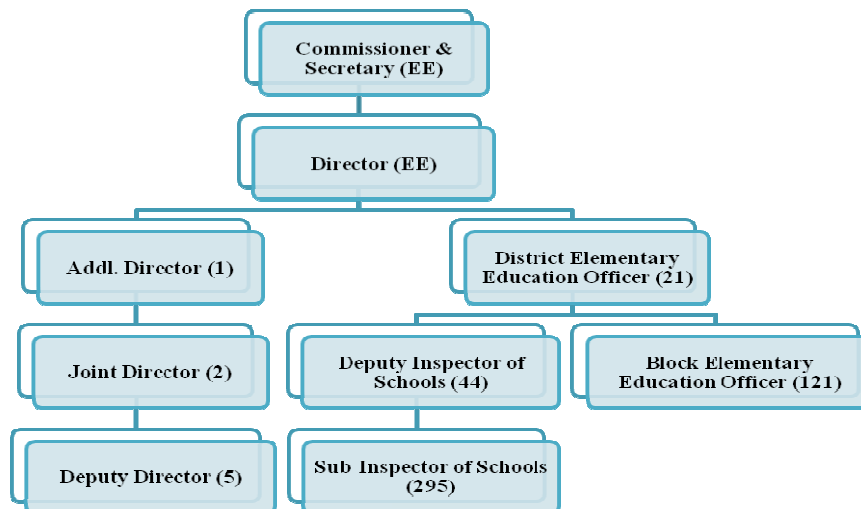
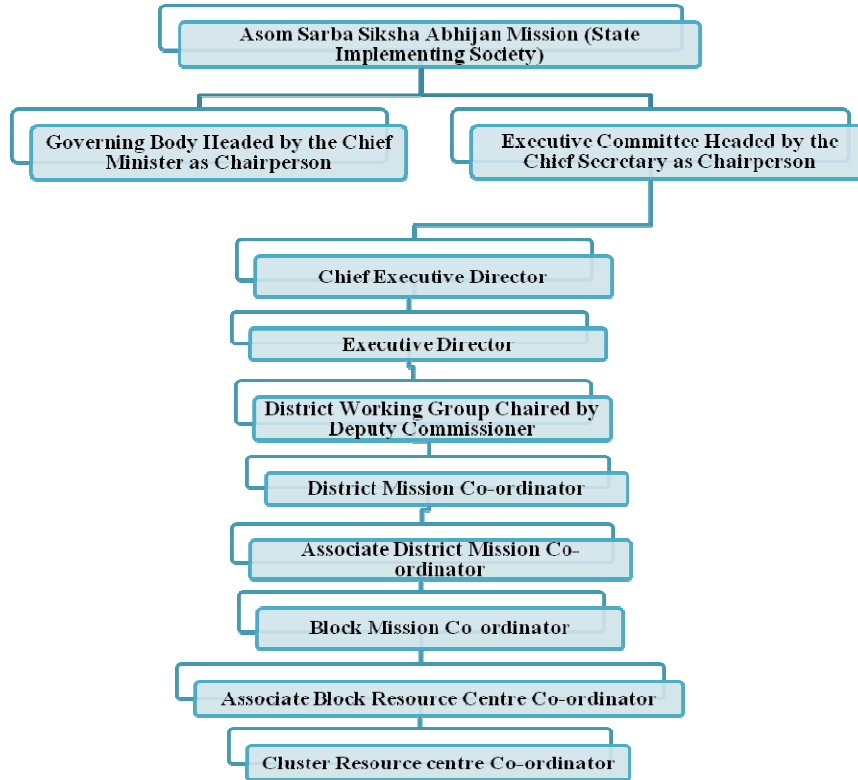


Chart-2 (SSAM)



1.2.3 Scope of audit

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

1.2.4 Audit objectives

The main objectives of audit were to assess:

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

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

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

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

1.2.5 Audit criteria

The audit findings were benchmarked against the following criteria:

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

1.2.6 Audit methodology

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

Audit findings

1.2.7 Planning

1.2.7.1 State Planning

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

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

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

1.2.7.2 SSAM Planning

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

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

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

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

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

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

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

1.2.7.3 Planning priorities

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

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

Financial Management

1.2.8 Budget and Expenditure

1.2.8.1 State budget and expenditure

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

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

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

(₹ In crore)

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

Source: Data furnished by DEE.

Audit observed the following:

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

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

1.2.8.2 SSAM budget and expenditure

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

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

(a) Short release of fund

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

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

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

Source: Data furnished by SSAM

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

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

It is also noticed from table above that:

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

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

(b) Expenditure and closing balance

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

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

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

Source: Data from Audited Annual accounts of SSAM.

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

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

1.2.9 Fund Management

1.2.9.1 Fraudulent transfer of SSAM fund

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

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

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

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

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

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

1.2.9.2 Doubtful expenditure of ₹71.64 lakh

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

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

Table-4: Distribution position of fund to five NGOs

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

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

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

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

1.2.9.3 Blockade of SSAM fund

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

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

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

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

1.2.9.4 Retention of fund

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

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

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

(₹in crore)

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

Source: Cash book of DEE and seven selected districts.

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

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

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

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

Table-6: Position of retention of fund by DCs

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

Source: Data collected from DEEOs and DCs.

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

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

Programme implementation

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

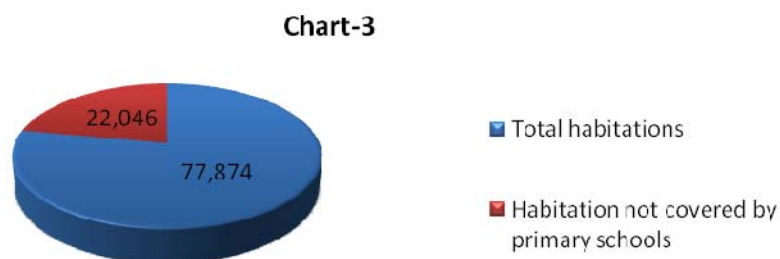
1.2.10 Programmes implemented by SSAM

1.2.10.1 Access to primary and upper primary schools

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

(a) Access to Lower Primary Schools (LPS)

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



Source: Data furnished by SSAM.

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

(b) Access to Upper Primary Schools (UPS)

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

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

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

Source: DISE- 2009-10.

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

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

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

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

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

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

Source: Data furnished by SSAM.

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

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

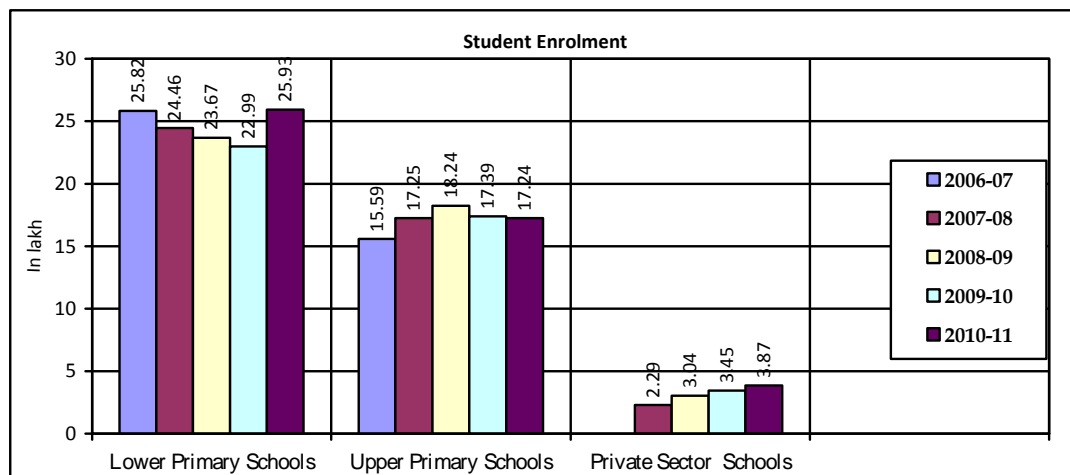
During exit conference (October 2011), Mission Director had accepted the audit observation.

1.2.10.2 Student enrolment

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

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

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



Source: Information collected from SSAM.

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

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

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

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

1.2.10.3 Out of school children

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

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

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

Source: Data furnished by SSAM.

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

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

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

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

1.2.10.4 Dropout of students

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

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

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

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

Source: Data furnished by DEE.

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

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

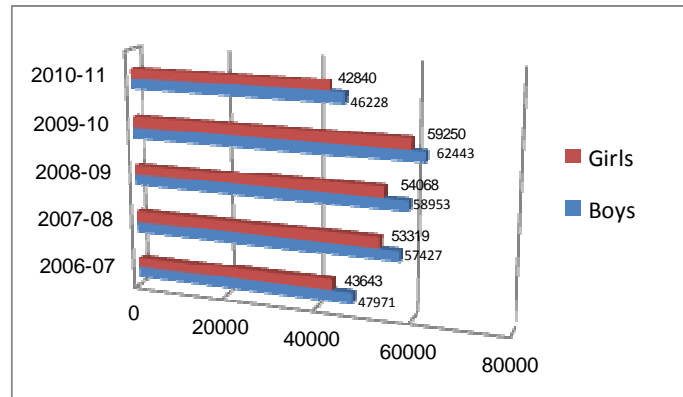
SSAM stated (November 2011) that dropout rate is high in higher age group and emphasized the need for setting up of new UPS.

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

1.2.10.5 Trend of repeaters

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

Chart-5: Trend of repeaters



Source: Data furnished by SSAM.

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

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

1.2.11 Programmes implemented by DEE

1.2.11.1 Status of availability of teachers

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

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

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

Source: Data furnished by DEE.

* Excluding OBB.

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

1.2.11.2 Pupil Teacher Ratio

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

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

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

Source: Data furnished by DEE.

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

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

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

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

Source: Data furnished by the district offices.

Audit observed that:

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

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

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

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

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

Source: Data collected from school format

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



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

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

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

1.2.12 Quality education

1.2.12.1 Distribution of qualified teachers

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

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

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

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

Source: Data furnished by the selected schools.

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

1.2.12.2 Male-female teacher

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

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

1.2.12.3 Shortage of Science teachers

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

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

1.2.12.4 Teachers' Training

(i) Training organised by SSAM

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

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

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

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

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

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

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

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

Source: Data furnished by DEE.

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

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

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

Source: Compiled data of TTIs format.

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

1.2.12.5 Unauthorised occupation of buildings of TTIs

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

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

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

The Department did not furnish reply as of November 2011.

1.2.13 Strengthening of Integrated Child Development Service centers

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

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

1.2.14 Integrated education to Children with Special Needs (CWSN)

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

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

Table-18: Identification of CWSN for providing appliances

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

Source: Data furnished by SSAM.

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

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

1.2.15 Student scholarships

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

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

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

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

(₹ in lakh)

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

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

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

Source: Data furnished by DEEOs.

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

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

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

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

1.2.16 Scheme for BPL students

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

(a) Supply of umbrella

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

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

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

(b) Supply of school uniforms

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

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

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

1.2.17 Mid-Day-Meal

1.2.17.1(i) Inflated enrolment

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

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

(ii) Poor lifting of foodgrains

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

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

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

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

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

(iii) Expenditure on cooking of MDM

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

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

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

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

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

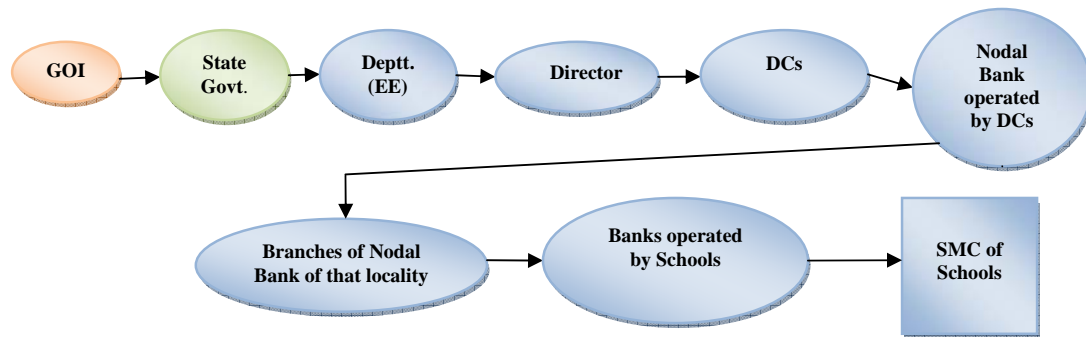
Source: Data furnished by DEE.

Audit observed that:

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

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

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



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

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

1.2.17.2 Other health intervention

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

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

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

1.2.18 Free Text Books

(i) Belated supply of FTBs

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

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

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

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

Table-21: Delayed position in distribution of FTBs

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

Source: Data furnished by the DMCs.

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

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



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



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

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

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

(ii) Excess payment for Hindi FTBs

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

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

³¹ Nagaon: 13.82 lakh and Karimganj: 35.66 lakh.

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

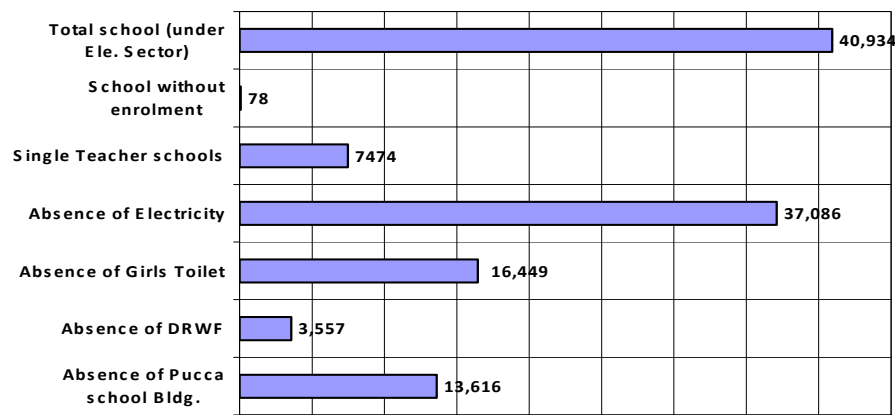
1.2.19 Infrastructure and other amenities

1.2.19.1 Infrastructure

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

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

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



Source: Data furnished by DEE.

Audit observed that:

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

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

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

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

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

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

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

1.2.19.2 Various grants to schools

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

Table-22: Norm and conditions under major interventions

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

Source: SSAM Framework.

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

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

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

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

Source: Data furnished by the schools.

* Rounded off

Audit observed that:

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

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

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

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

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

1.2.19.3 Kitchen-cum-Store-Room

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

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

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

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

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

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

Source: Data furnished by DEE.

*4,015 m² x 288.50 per m²

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

Physical verification of few KSRs, revealed the following deficiencies:

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



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

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



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



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

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



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

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



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

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

1.2.19.4 Construction of Additional Class Room (ACR)

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

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

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

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

Source: Annual Audited Report.

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

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

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

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

Source: Data furnished by DMCs of seven districts.

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

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

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

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

1.2.19.5 Computer Aided Learning (CAL)

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

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

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

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

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

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

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

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

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

Source: Data furnished by DEE.

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

1.2.20.1 Science Kits to Upper Primary Schools

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

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

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

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

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

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

1.2.20.2 Implementation of School Information Database, Elementary (SIDE)

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

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

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

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

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

1.2.20.3 e-Governance

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

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

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

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

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

1.2.20.4 Procurement of Fire Extinguishers

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

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

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

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

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

1.2.20.5 Mobile Laboratory and Library

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

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

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

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

1.2.21 Satisfaction level evaluation of Heads of Institutions

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

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

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

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

Miscellaneous

1.2.22 Research and Development

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

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

1.2.23 Internal Audit

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

1.2.24 Monitoring

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

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

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

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

1.2.25 Conclusion

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

1.2.26 Recommendations

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

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

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

Guwahati Development Department

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

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

Highlights

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

(Paragraph – 1.3.9)

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

(Paragraphs – 1.3.11 and 1.3.12)

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

(Paragraph – 1.3.15.4)

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

(Paragraph –1.3.22)

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

(Paragraph –1.3.20.3)

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

(Paragraph – 1.3.23.1)

1.3.1 Introduction

1.3.1.1 Definition of waste

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

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

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

1.3.1.2 Background

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

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

³⁸ According to Basel Convention.

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

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

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

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

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

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

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

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

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

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

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

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

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

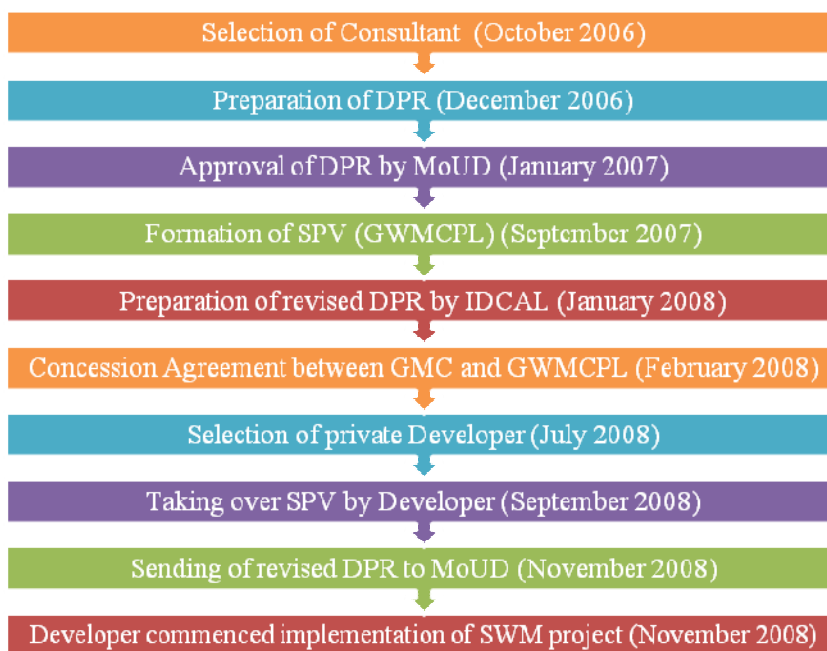
GMC conceived the idea of setting up SWM project in PPP mode on the basis of suggestion (October 2005) of the Ministry of Urban Development (MoUD), GOI and proposal (September 2006) for its financing by the Ministry of Finance, GOI. Accordingly, GMC in consultation with Government of Assam (GOA) prepared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

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

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

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

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



Source: Departmental records.

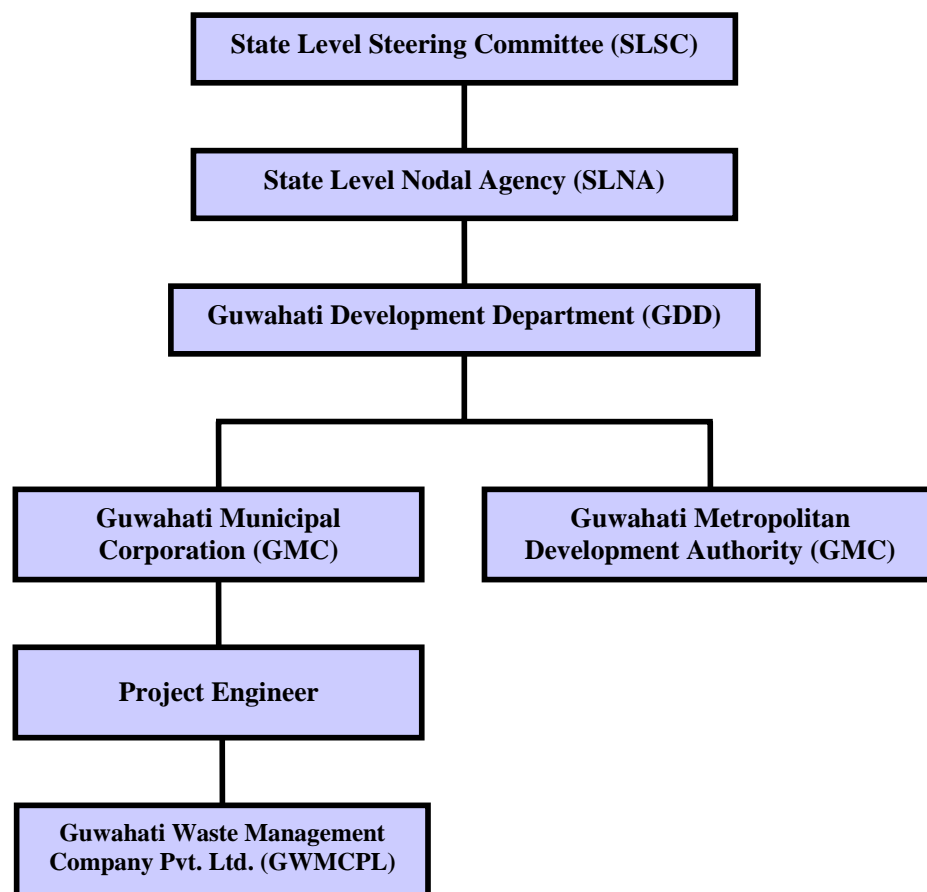
Details of pre-implementation arrangements and status and progress of implementation of the project which started functioning from November 2008 in PPP mode, are discussed under 'Audit Findings' in subsequent paragraphs.

1.3.3 Organizational set up

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

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

Chart-2



Source: Departmental records.

1.3.4 Scope of audit

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

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

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

1.3.5 Audit objectives

Main objectives of the performance audit were to assess whether:

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

1.3.6 Audit criteria

Audit findings were benchmarked against the following criteria:

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

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

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

1.3.7 Audit methodology

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

Audit findings

Audit findings are discussed in the succeeding paragraphs.

Pre-implementation arrangements

1.3.8 Selection of consultant

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

1.3.9 Selection of site for SWM project

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

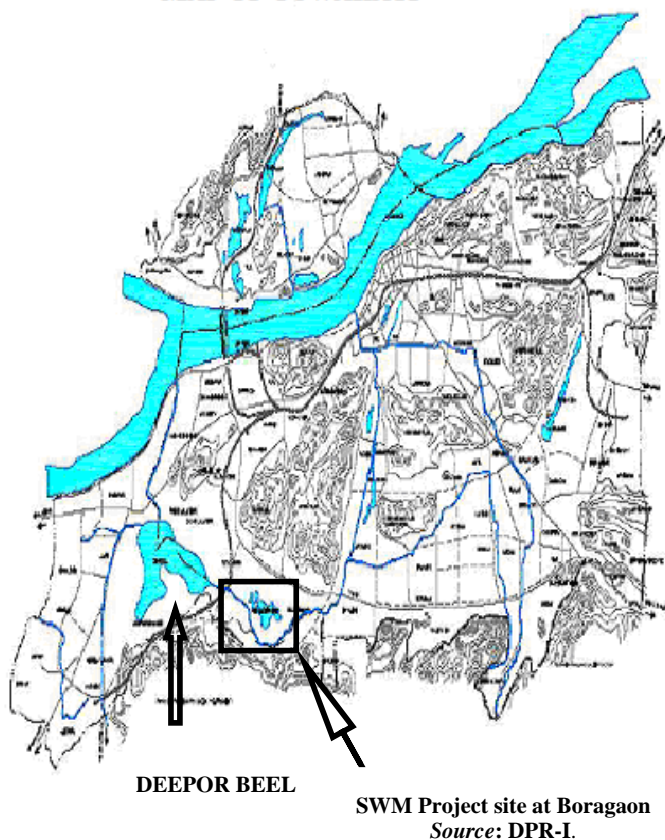
Table-1

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

Source: GMC records.

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

MAP OF GUWAHATI



SWM Project site at Boragaon
Source: DPR-I.

Table-2
Non compliance of SWM Project with CPHEEO criteria

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

Source: GWMCPL records.

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



SWM PROJECT ABUTTING THE DEEPOR BEEL

1.3.10 Detailed Project Report

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

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

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

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

1.3.11 Revised DPR (DPR II)

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

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

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

Table-3

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

Source: Departmental records.

1.3.12 Non-approval of DPR-II by MoUD

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

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

1.3.13 Concession Agreement

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

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

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

Source: GMC records.

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

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

Audit scrutiny revealed the following deficiencies in concession agreement:

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

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

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

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

1.3.14 Selection of Private Developer

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

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

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

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

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

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

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

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

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

1.3.15 Financial management

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

1.3.15.1 Sanction and release of funds

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

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

Table-5

(₹ in crore)

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

Source: GMC records.

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

1.3.15.2 Diversion of project funds

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

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

1.3.15.3 Inflated Utilisation Certificate

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

1.3.15.4 Excess release of grant

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

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

Scrutiny of the records revealed that

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

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

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

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

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

1.3.15.5 Irregular release of advance for purchase of equipment

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

1.3.15.6 Excess release of funds to developer on purchase of equipment

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

1.3.15.7 Missing vehicles

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

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

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

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

Implementation of the project

1.3.16 Site Development

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

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

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

1.3.16.1 Compost Plant

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

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

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

Against the above requirement, the developer developed a total area of 38,500 sq m (220 m X 175 m) for 200 TPD compost plant (shown in photograph). Out of this, 24,500 sq m (175 m X 140 m) was filled up to a height of 6 meters and the balance 14,000 sq m (175 m X 80 m) was filled, up to a height of five meters instead of stipulated eight meters. Thus, the total volume of earthwork done was 2,17,000 cum (175 X 140 X 6 + 175 X 80 X 5). Earth filling below the highest flood level would not ensure protection of the project from flood damage. Though the compost bed was developed for the 200 TPD capacity, the plant (shown in photograph) of only 50 TPD capacity had been installed in February 2011. The initial level (base dimension) of the site developed for compost plant was not recorded in the Measurement Book. Besides, the Measurement Book on the basis of which payment of ₹2.72 crore was released, could not be made available to audit (June 2011). Thus, basis of payment of ₹2.72 crore could not be verified in audit and it was not clear as to how GMC had satisfied itself regarding the correctness of the quantum of payment and the quality and quantity of the execution of work.



AREA OF COMPOST PLANT DEVELOPED
(July 2011)



COMPOST PLANT (July 2011)

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

1.3.16.2 Land development other than Compost Plant

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

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

1.3.16.3 Approach Road

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

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

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

1.3.16.4 Construction of Retaining Wall/Earthen Bundh

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

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



EARTHEN BUNDH AROUND THE COMPOST PLANT
(July 2011)



EARTHEN BUNDH AROUND SLF AREA (July 2011)

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

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

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

Management of waste

1.3.17 Generation of waste

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

Table-6

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

*Population as per Census Report 2011.

Source: Departmental records.

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

1.3.18 Primary collection

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

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

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

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

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

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

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



GARBAGE AT JUTIKUCHI (12 August 2011)



GARBAGE AT BIHARBARI (11 October 2011)

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

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

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

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

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

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

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

1.3.19 Secondary collection

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

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

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

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

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

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

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

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

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

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

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

Table-7

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

Source: GMC and GWMCP records.

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

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

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



HALF FILLED TRUCK CARRYING WASTE
(July 2011)

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

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

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

Other observations made in this regard are as follows:

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

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

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

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

1.3.20 Processing and disposal of waste to Sanitary Land Fill

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

1.3.20.1 Composting of waste

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

1.3.20.2 RDF and power generating unit

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

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

⁶¹ Short recovery made : ₹ 21.63 lakh.

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

1.3.20.3 Disposal of waste to Sanitary Land Fill (SLF)

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



LAND FILL AREA IN WET LAND (August 2011)



SANITARY LAND FILL AREA (August 2011)

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

1.3.21 Delay in implementation of the SWM project

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

Table-8

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

Source: GWMCP and Departmental records.

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

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

1.3.22 Non-reduction of expenditure of GMC

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

Table-9

(₹ in crore)

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

Source: GMC records.

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

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

1.3.23 Compliance to Rules and impact assessment

1.3.23.1 Impact of waste on health and environment

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

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

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

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

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

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

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



GARBAGE AT MALIGAON (October 2011)



GARBAGE AT ABC POINT, GS ROAD (October 2011)



GARBAGE AT BHANGAGARH (14 October 2011)



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



GARBAGE AT HATIGAON (13 October 2011)



GARBAGE AT NARENGI (14 October 2011)



GARBAGE AT GEETANAGAR (14 October 2011)



GARBAGE AT CHRISTANBASTI (14 October 2011)

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

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

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



TRANSPORTATION OF WASTE IN OPEN TRUCK (June 2011)

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



OPEN DUMPING OF WASTE (June 2011)

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



DUMPING AREA IN WELL (July 2011)

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

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



VIEW FROM THE SWM PROJECT SITE



SWM PROJECT VIEW FROM DEEPOP BEEL



VIEW FROM THE DEEPOP BEEL SITE



SWM PROJECT VIEW FROM DEEPOP BEEL

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

DUMPING OF UNPROCESSED MSW IN LOW AREA
(July 2011)

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

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

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

1.3.24 Monitoring and evaluation

(i) At the State Government level

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

(ii) At SPCB level

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

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

1.3.25 Conclusions

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

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

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

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

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

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

1.3.26 Recommendations

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

Public Works Department (PWD)

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

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

Highlights

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

(Paragraph 1.4.7.1)

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

(Paragraph 1.4.7.2)

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

(Paragraph 1.4.7.3)

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

(Paragraph 1.4.7.4)

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

(Paragraph 1.4.7.5)

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

(Paragraph 1.4.8.1, 1.4.8.2 and 1.4.8.4)

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

(Paragraph 1.4.9.1)

1.4.1 Introduction

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

Computerisation Process

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

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

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

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

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

A. Phase-I

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

B. Phase-II

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

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

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

1.4.2 Organisational set up

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

1.4.3 Benefits of Computerisation

Following benefits were envisaged to accrue from the proposed APCP:

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

1.4.4 Audit Objectives

The objectives of IT Audit were to ascertain whether:

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

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

1.4.5 Audit Criteria

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

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

1.4.6 Scope of Audit

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

Audit findings

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

1.4.7 General controls

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

1.4.7.1 Lack of dedicated IT Cell

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

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

1.4.7.2 Unproductive training

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

1.4.7.3 Weak data security

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

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

1.4.7.4 Inadequate usage of the system

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

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

Source: Departmental records.

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

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

1.4.7.5 Injudicious expenditure on procurement of VSAT equipment and Bandwidth charges

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

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

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

1.4.7.6 Lack of usage of intranet e-mail facility

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

1.4.8 Application Controls

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

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

1.4.8.1 Incomplete/Irregular Contractors Registration database

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

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

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

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

1.4.8.2 Incomplete Human Resource database

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

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

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

1.4.8.3 Inefficient use of RMMS

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

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

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

1.4.8.4 Irregular Building database

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

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

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

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

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

1.4.8.5 Irregular Measurement Book database

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

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

1.4.9 IT Security (Protection against computer viruses)

1.4.9.1 Ineffective Antivirus software

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

1.4.10 Others

1.4.10.1 Non-furnishing of complete information against audit requisition

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

1.4.10.2 Lack of proper documentation

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

1.4.11 Conclusion

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

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

1.4.12 Recommendation

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