

OVERVIEW

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

Performance Reviews

1. Acquisition and Allotment of Land in Assam

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

(Paragraph 1.1)

2. Elementary Education in Assam

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

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

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

(Paragraph 1.2)

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

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

(Paragraph 1.3)

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

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

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

(Paragraph 1.4)

5. Chief Controlling Officer based Audit on Water Resources Department

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

(Paragraph 3)

Audit of Transactions

1. Cases of fraud/misappropriation/losses

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

(Paragraph 2.1.2)

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

(Paragraph 2.1.3)

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

(Paragraph 2.1.5)

2. Excess payment/Wasteful/Infructuous expenditure

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

(Paragraph 2.2.1)

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

(Paragraph 2.2.3)

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

(Paragraph 2.2.4)

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

(Paragraph 2.2.5)

3. Avoidable/unfruitful expenditure/undue favour to contractors

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

(Paragraph 2.3.1)

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

(Paragraph 2.3.3)

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

(Paragraph 2.3.4)

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

(Paragraph 2.3.5)

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

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

(Paragraph 2.4.2)

5. Regularity issues and others

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

(Paragraph 2.5.1)

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

(Paragraph 2.5.2)

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

1. Cases of fraud/misappropriation/losses

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

(Paragraph 4.1.1)

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

(Paragraph 4.1.2)

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

(Paragraph 4.1.3)

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

(Paragraph 4.1.4)

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

(Paragraph 4.1.5)

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

(Paragraph 4.1.6)

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

(Paragraph 4.1.7)

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

(Paragraph 4.1.8)

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

(Paragraph 4.1.9)

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

(Paragraph 4.1.10)

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

(Paragraph 4.1.11)

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

(Paragraph 4.1.12)

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

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

(Paragraph 4.2.1)

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

(Paragraph 4.2.2)

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

(Paragraph 4.2.3)