

## CHAPTER-III GENERAL SECTOR

### 3.1 Introduction

The findings based on audit of State Government units under General Sector feature in this chapter.

During 2011-12, against total budget provision of ₹6,299.68 crore, total expenditure of ₹4,532.08 crore was incurred by 11 departments under General Sector. Department-wise details of budget provision and expenditure incurred thereagainst are shown in *Appendix – 3.1*. Moreover, in respect of three more heads of accounts<sup>1</sup>, expenditure of ₹3,130.35 crore was incurred during 2011-12 against the budget provision of ₹2,424.38 crore (*Appendix – 3.2*).

Besides, the Central Government has been transferring a sizeable amount of funds directly to the implementing agencies of the State Government for implementation of flagship programmes of the Central Government. During 2011-12, out of total release of ₹6,631.69 crore, ₹121.73 crore were directly released to different implementing agencies under General Sector as detailed below.

(Rupees in crore)

Sl. No.	Name of the Department	Name of Implementing Agencies	Fund released
1.	Home	Assam Police Housing Corporation Ltd.	5.04
2.	Information Technology	Electronic Governance (Assam Electronic Development Corporation Ltd.)	23.77
3.	Development of North Eastern Region	North Eastern Areas	92.92
<b>Total</b>			<b>121.73</b>

Source: CPSMS.

#### 3.1.1 Planning and conduct of Audit

The audits were conducted during 2011-12 involving expenditure of ₹2,339.13 crore of the State Government under General Sector. This chapter contains one Performance Audit Report on Information Technology Audit on “Computerisation of Land Records in Assam” of Revenue and Disaster Management Department three Transaction Audit Paragraphs and three General Paragraphs.

The major observations made in audit during 2011-12 under General Sector are discussed in succeeding paragraphs.

<sup>1</sup> (i) 23-Pension and other retirement benefits, (ii) 10-Public Service Commission and (iii) 68-Loans to Government Servant.

## PERFORMANCE AUDIT

### Revenue and Disaster Management Department

#### 3.2 Information Technology Audit on “Computerisation of Land Records in Assam”

*Computerisation of Land Records (CLR) is a project to be implemented continuously in phases over a period of time and updated each year. Functioning of various activities and processes related to the project, their close monitoring and need based timely intervention are of utmost importance for successful implementation of the project.*

*Revenue and Disaster Management Department (R&DMD) introduced (2006-07) “Dharitree” software in the Computerisation of Land Records (CLR). Examination in Audit revealed that R&DMD is yet to fully comply with System Requirement Specification (SRS) of the software. As a result of limitations of the software, database and system designing, cross referencing of data in various fields, detecting of errors/blanks in database, generation of different types of certificates, convertibility of land area into metric unit etc., were not possible to be done through the system. Besides, delays in data entry and completion of training programme hampered the completion of the project in accordance with the specified time schedule. The security system installed was not fool-proof. There were deficiencies in financial management leading to blocking up of funds besides idle and excess expenditure. CLR could not thus be fully operationalised in the entire State even after nine years of taking up the pilot project. Some of the significant findings are highlighted below.*

#### **Highlights**

**Even after nine years of taking up of pilot implementation and five years of rolling out of “Dharitree”, the software had deficiencies like absence of facilities such as unique identification of data, inadequate programme design. As a result, manual interventions were retained creating scope for human errors and even manipulations including lack of validation and security controls.**

{Paragraphs 3.2.9.3 (i), 3.2.9.3(ii), 3.2.9.3 (iii), 3.2.9.3(iv)}

**The absence of vital information relating to names of land owners/tenants, plot number (*dag* number), *khatian* number in case of tenants etc., rendered the data incomplete, unreliable and inconsistent thereby limiting the audit trail.**

{Paragraph 3.2.9.3 (v)}

**Absence of adequate IT security and password policy increased the vulnerability of the project.**

(Paragraph 3.2.9.5)

**Lack of proper IT strategy and policies, non-compliance of SRS, non-involvement of users, lack of physical as well as logical controls hampered the progress of the project.**

{(Paragraphs 3.2.9.1(i), 3.2.9.2 (i), 3.2.9.2 (iv))}

### 3.2.1 Introduction

To overcome inherent problems in the manual system of maintenance and updating of land records, the Government of India (GOI), Ministry of Rural Development (MoRD), Department of Land Resources initiated (1988-89) a cent *per cent* centrally sponsored scheme namely “Computerisation of Land Records” (CLR). Accordingly, the Department of Information Technology with the assistance of National Informatics Centre Services Inc. (NICSI) developed (September 2003) an application software named “*Dharitree*” for the CLR project in Assam at a cost of ₹98.73 lakh (as of March 2011). The first version of ‘*Dharitree*’ software was completed in March 2005 and operationalised as a ‘pilot project’ in Assam’s Sonitpur District in June 2005.

In the light of the experience of the pilot project, the Revenue and Disaster Management (R&DM) Department, Government of Assam (GOA) initiated action for rolling out ‘*Dharitree*’ model across the state of Assam during 2006-07. Section 48<sup>2</sup> of Assam Land and Revenue Regulation, 1886 was accordingly amended to support<sup>3</sup> implementation of ‘*Dharitree*’.

The application software was updated by the NIC with SQL Server 2008 as the back end and Visual Basic 6.00 as the front end tools. It was designed to work on Windows platform. Consequently, hardware and software were installed at each of the 149 Circle Offices, 26 District headquarters (though there are 27 districts, however, in the Baska district hardware and software were not installed as the land records could not be segregated from the Kokrajhar district) and 12 Sub-divisional Offices (Civil).

### 3.2.2 Objectives of CLR project

The objectives of the project were to:

- computerise the mutation/update process of land records, develop updated copies of ownership rights, generate information on tenancy, crop, land revenue, sources of irrigation, natural calamities, transfer of ownership, partition, land acquisition, lease consolidation etc.;
- distribute computerized copies of ‘Records of Rights’ (ROR) along with details of plot boundaries to land owners on demand at a reasonable charge;
- provide comprehensive scrutiny to make land records tamper-proof, which would help reduce litigation and social conflicts, associated with land disputes;

<sup>2</sup> Which *interalia* provides for preparation, maintenance and storage of land records.

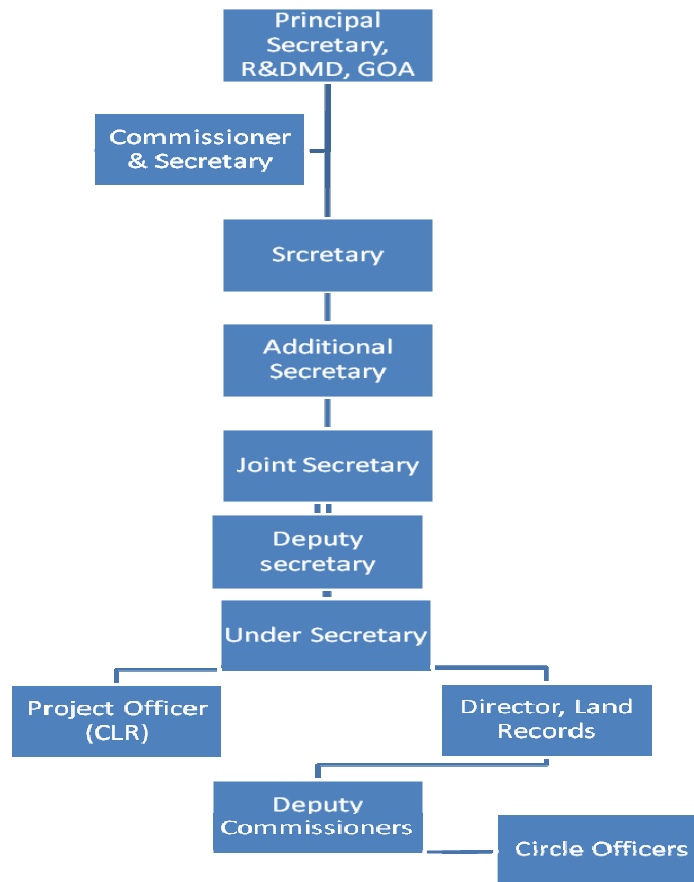
<sup>3</sup> To maintain the land records in electronic forms and to provide computerized copies of Records of Rights to the landowners on demand.

- facilitate easy maintenance and updation of changes which occur in land database such as changes due to availability of irrigation;
- provide the required support for implementation of development programmes for which data about distribution of land holdings is vital;
- facilitate detailed planning for infrastructural as well as environmental development; and
- facilitate a variety of standard and ad-hoc queries on land data.

**3.2.3 Organisational set up**

Principal Secretary, Revenue and Disaster Management (R&DM) Department is the nodal Officer for implementation of the scheme who is assisted by Commissioner and Secretary, Secretary, Additional Secretary, Joint Secretary, Deputy Secretary, Under Secretary and one Project Officer (CLR). The Director of Land Records and Surveys is the head at the Department level. Deputy Commissioner at district level, Sub-divisional Officers (SDO) at sub-divisions and Circle Officers at the circles were the implementing authorities. Organizational set up of the department is given in Chart -1.

**Chart-1**  
**Organisational structure**



### 3.2.4 Audit objectives

Audit was conducted with a view to ascertain whether:

- adequate and proper planning, strategy and policy for the project were in place;
- physical, environmental and logical access controls of the IT systems existed to ensure adequacy and effectiveness of the system;
- ‘Dharitree’, the application software was efficient and effective and was designed to achieve the stated objectives;
- good practices of IT governance along with controls were built in to ensure data integrity, security of data, systems and other IT assets; and
- issuance of ‘Records of Rights’ (RORs) to land holders was accurate and reliable.

### 3.2.5 Audit criteria

The findings of Audit were benchmarked against the provisions of following source of criteria:

- Scheme guidelines of CLR;
- Provisions of Assam Land and Revenue Regulation, 1886 along with its amendments and the Assam Land Records Manual;
- Report of the Committee on State Agrarian Relations and the Unfinished Task in Land Reforms, MoRD, GOI;
- The Assam (Temporarily Settled Areas) Tenancy Act, 1971;
- Report of the Committee on CLR, Department of Land Resources, MoRD, GOI, April 2005;
- The Assam Fixation of Ceiling on Land Holding Act, 1956;
- ROR in Practice and Coding Scheme in Major States published in November 2008 prepared by the Land Records Information’s Systems Division in consultation with Ministry of Communications and Information Technology and National Informatics Centre, New Delhi, GOI; and
- System requirement specification (SRS).

### 3.2.6 Scope of audit

The records of the Director of Land Records and Surveys, Assam, 11 out of 26 district<sup>4</sup> headquarters and the Sonitpur district being the pilot district for the period 2006-07 to 2011-12 (upto June 2011), were test-checked in phases between April-July 2011 and July-August 2012 with special emphasis on ‘Dharitree’ software. The

<sup>4</sup> 1. Bongaigoan (5 circles), 2. Cachar (5 circles), 3. Dhemaji (5 circles), 4. Dibrugarh (7 circles), 5. Kamrup (13 circles), 6. Kamrup (Metro) (4 circles), 7. Karimganj (5 circles), 8. Morigoan (5 circles), 9. Nagoan (10 circles), 10. North Lakhimpur (6 circles), and 11. Sibsagar (6 circles).

districts were selected through Simple Random Sampling Without Replacement Method. Out of total 12 districts, data in respect of eight districts were not available as data entry was in progress as of August 2012. In respect of four districts<sup>5</sup>, data for the period ended in March 2011 of 18 circles out of 33 circles were available during first phase of audit scrutiny while data in respect of Kamrup district having 11 circles were available during second phase of audit scrutiny. Again, the documents relating to various stages of system development life cycle such as feasibility study, user requirements, data flow charts of IT system etc., were not furnished to audit, despite several requests made and as such, the scope of audit was limited to scrutiny of files, records etc., available in the district offices and partial data of the system, i.e., 10 out of 57 tables as provided by the Department for audit.

### **3.2.7 Methodology of audit**

Before taking up the audit, an entry conference was held in March 2011 to discuss the scope and methodology of IT audit wherein the Deputy Secretary, R&DMD represented the Government as well as the Department along with Technical Director, NIC, Assam State unit (the technical support team) and other officers participated. Computer Assisted Audit Techniques (Interactive Data Extraction and Analysis (IDEA)/Structured Query Language (SQL) and MS-ACCESS were used for data extraction and analysis. After conducting the first phase of audit, audit findings and recommendations were reported to the Government/Department in July 2011. The developments made by GOA and R&DMD on the basis of the audit findings and recommendations sent during 2011-12 (first phase) were test-checked in the second phase of audit during July-August 2012. Exit conference was held on 26 November 2012 wherein audit findings, conclusion and recommendations were discussed with Deputy Secretary, R&DMD as well as Technical Director, NIC and other departmental officers and views of the department were suitably incorporated wherever appropriate.

### **3.2.8 Allocation and expenditure**

The scheme was centrally sponsored with cent *per cent* financial assistance from GOI with the conditions that after completion of the project in each district, financial assistance would be stopped and the State Government (GOA) would bear the expenditure required for its continuation and maintenance in future. The GOI provided financial assistance during the years 2005-06 and 2006-07 and thereafter, the department did not receive any assistance from GOI under CLR project as the scheme was merged with “National Land Records Modernisation Programme (NLRMP)” in August 2008. The budget provision and expenditure along with Central assistance received during 2005-11 is shown in Table 1 and such details for the year 2011-12 were not made available to audit by the department despite several requests made in this regard.

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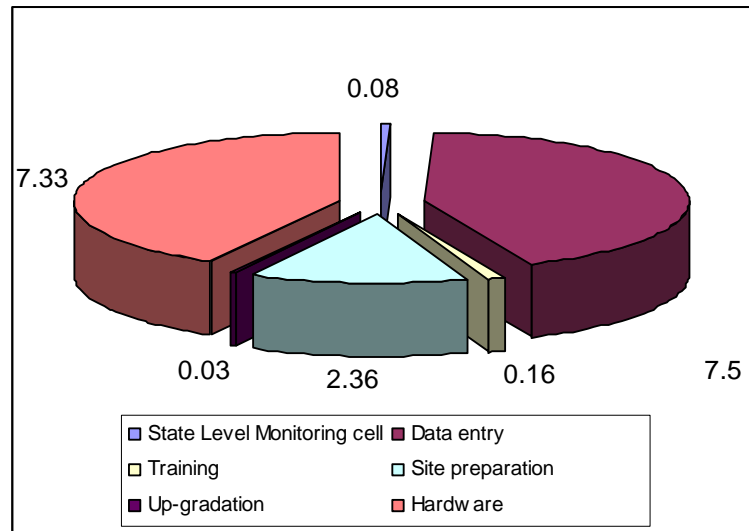
<sup>5</sup> 1) Bongaigoan, 2) Kamrup, 3) Karimganj and 4) Nagoan.

**Table 1**  
**Budget provision and expenditure under CLR Project during 2005-11**  
(in ₹)

Year	Fund allocated	Expenditure	Balance
2005-06	5,42,50,000	Year wise details were not available	
2006-07	11,32,30,000		
2010-11 (State Plan)	5,00,00,000		
<b>Total</b>	<b>21,74,80,000</b>	<b>17,46,39,550</b>	<b>4,28,40,450</b>

Expenditure of ₹ 17.46 crore was incurred during the period 2005-11 against the items indicated in chart 2.

**Chart 2**  
**Item-wise expenditure under CLR Project**  
(₹ in crore)



Though the GOI/GOA allotted ₹10.38 crore<sup>6</sup> in excess of the provisions made in the guidelines, audit observed that due to shortcomings reflected both in the software 'Dharitree' as well as in implementation of the project, objectives were not achieved despite lapse of five years of its introduction as revealed from audit findings discussed in succeeding paragraphs.

### 3.2.9 Audit findings

#### 3.2.9.1 General Controls

General controls are the structure, policies and procedures that apply to an entity's overall computer operations. They include an entity-wide security programme, access

<sup>6</sup> As per Annexure-I of the Revised Guidelines (CLR) from January 2000, the fund allocation was - 26 districts at ₹10.20 lakh and 161 circles at ₹3.80 lakh for site preparation and ₹10 lakh for data entry for each of 26 districts = ₹11.37 crore. Thus, fund allotted (₹21.75 crore) minus fund as provided in the guidelines (₹11.37 crore) = excess allocation (₹10.38 crore).

controls, application development and change controls, segregation of duties, system software controls and service continuity controls. Some of the related issues are discussed below.

#### **(i) IT strategy and policies**

The R&DMD, GOA initiated the process of computerization in 1993-94; however, no documents in respect of IT strategy were produced to Audit for verification.

Department stated (September 2011) that it followed the strategy for CLR as laid down<sup>7</sup> by GOI. The reply is not tenable as the said GOI letter clearly stated that a careful assessment needed to be made at the State level. No copy of such assessment was produced to audit for scrutiny.

GOA accepted (September 2011) the audit observation and assured that remedial measures would be initiated. Developments made in this regard had not been intimated (August 2012) so far.

#### **(ii) System/Software Requirement Specifications**

NIC (State office) prepared (January 2004) the System/Software Requirement Specification (SRS) of 'Dharitree' (version 1.0). The last SRS of 'Dharitree' software (version 2.2) with details of its applications, objectives, goals and benefits was released by State NIC in March 2011.

On scrutiny of different aspects of 'Dharitree' including its database, it was observed that some of the major objectives viz., (i) Land owners will get legitimate certificates without delay (ii) The administrators will be benefitted for making a quick planning by simple clicking a few buttons of the system from the desktop of their work etc., of the SRS of 'Dharitree' software (**Appendix-3.3**) were not fulfilled as the requirements were not planned or executed properly and the Department could not reap optimum benefits of preparing SRS. For instance, though SRS provided a scope for only 143 tables in the 'Dharitree' database, there were 160 tables in the database without indicating any reasons therefor.

#### **(iii) Training**

The Department made a provision for training of 2,000 revenue officials of 181 circles to be completed within 18 weeks (from March 2008 to July 2008). GOA, however, set up (July 2009) a committee under the chairmanship of Principal Secretary, R&DMD for implementation of the training programme after a lapse of one year from the stipulated date of completion.

During test-check of records in 12 selected districts, it was observed that even after a lapse of two years from the date of setting up of the committee, training of staff and officers as envisaged by the Department was not completed as on July 2011. The deficiencies noticed during audit in the software and operational areas indicate that there is a need for making the training mechanism robust and effective. However, the

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<sup>7</sup> vide letter No 3(21)/2002-EGD dated 17-01-2003.



department failed to implement the training programme effectively to reduce/eliminate recurrence of the shortfall to preclude errors while operating the system.

On this being pointed out in audit, the Department stated (September 2011) that around 160 Additional Deputy Commissioners and Circle Officers were trained in eight batches till date. The actual number of revenue officials trained till September 2012 was, however, not furnished, though called for.

**(iv) Non-involvement of users**

The User Requirement Specification (URS) needed to be clearly defined before development and implementation of any system.

URS was not finalized and properly documented by the Department. As a result, it could not be ascertained in audit whether the system designed by the NIC met the users' requirements (e.g; types of soil, area of land allotted for religious/socio-economic purposes, area-wise types of crops etc.,) fully or helped in optimizing the benefits of computerisation of land records in the State.

GOA stated (September 2011) that the URS was prepared by the NIC during the pilot project (2003). Department, however, admitted that when the 'Dharitree' model was rolled out throughout the State in 2007, a fresh URS should have been prepared. As it was not done, ultimate version of the software after undergoing several changes was not compatible with the URS prepared for earlier version.

**(v) Segregation of duties**

According to instructions/guidelines for entry of data issued by the R&DM/NIC, the concerned SDO/CO was administrator, Revenue *Kanungo* (RK) and other revenue officials were normal users.

Though the Department instituted a system for proper segregation of duties, deficiencies in compliance of the same was noticed in audit as evidenced by non-monitoring of the data entered by lower level staff, at higher levels and delegation of password of the administrators to the lower level staff for administering the system on their behalf. Also, instances were noticed where *Lot Mondals*<sup>8</sup>, who were below the rank of RK and data operators, were working as administrators against the provisions of guidelines. These cases of non-compliance to the instructions/guidelines issued for the security of data defeated the essence of segregation of duties and thereby nullifying security requirements.

Accepting the audit observation, the department stated (September 2011) that standard operating procedures (SOP) including the roles and responsibilities for Circle Offices had been issued. The reply, however, was silent about the implementation of the SOP for the data entry of land records as per the guidelines issued by the R&DMD/NIC.

<sup>8</sup> An official entrusted maintenance of land records of a group of villages under a Revenue Circle.

**(vi) Delayed and partial implementation of the scheme**

As per the guidelines of GOI, project in a district was required to be completed within a period of three years from the date of release of first instalment of fund (3 October 2006) by the GOI.

It was noticed that despite the above stipulation, the R&DMD had fixed the deadline for completion of the site preparation as 31 August 2009. However, as of June 2011, site preparation of six<sup>9</sup> out of 26 districts was not completed.

It was also observed that data entry of land records database was started in 2009-10. The R&DMD decided to update both *Chitha*<sup>10</sup> and *Jamabandhi*<sup>11</sup> registers in respect of all districts by 30 September 2009. As of June 2011, data entry and its validation in respect of 18 circles of four districts<sup>12</sup> only were completed. On this being pointed out, GOA accepted (September 2011) the observation and assured audit of taking measures to expedite completion of the site preparation.

The position of data entry in respect of remaining 163 Circles as well as the reasons for delays in completion of site preparation and data entry despite fixation of timeline by the Department itself were not intimated to Audit (August 2012), though called for (July 2011, May 2012 and July 2012).

**Recommendation**

**The department should prepare a time bound action plan for timely completion of site preparation with special emphasis on data entry and its cent per cent validation.**

**(vii) Agreement with the software developers**

It was observed that no formal agreement clearly defining the scope of work, time frame for completion etc., was entered into by GOA/R&DMD with NIC. No specific details in this regard indicating the obligations of NIC were documented. Absence of such agreement would lead to uncertainty in fulfillment of obligations as regards the security, timely completion and ownership issues.

Department stated (September 2011) that the technical responsibilities of NIC were as per the framework of the MoU signed by the Planning Commission, NIC and GOA. The reply did not specify whether specific agreement was entered into with the NIC with regards to the CLR project.

**Recommendation**

**Considering the deficiencies pointed out by audit in paragraphs 3.2.9.1 (ii), 3.2.9.1 (iv), 3.2.9.2 (iii), clauses of the MOU need to be revisited by GOA/R&DMD.**

<sup>9</sup> 1. Baksa, 2. Chirang, 3. Karbi Anglong, 4. Kokrajhar, 5. N C Hills and 6. Udalguri.

<sup>10</sup> Contains the detail information of a particular plot of land.

<sup>11</sup> *Jamabandi*: is a document prepared as part of 'record-of-rights' of all persons owning land in a village.

<sup>12</sup> Bongaigaon, Kamrup, Karimganj and Nagaon.

### 3.2.9.2 Physical (Access and Environment) and Logical Controls

#### (i) Physical controls

Physical access controls are specifically aimed at ensuring that only the persons authorised by the management should have physical access to computer systems especially in the server room.

It was observed that no physical control was enforced in 12 test-checked districts. The district authorities could not produce any supporting documents/log book of entry in the server room, setting up of close circuit camera etc.

Again, though the external devices viz., CD drive and floppy drives in the computers at circle offices were disabled, reconnection of the external devices manually exposed the system to the risk of loss/corruption of critical data.

R&DMD, GOA accepted (September 2011) the audit observation and assured that appropriate measures would be taken.

#### Recommendation

**R&DMD should take immediate steps to restrict the physical access to the system by disabling not only all external drives from individual PCs but also resetting the computer system.**

#### (ii) Security of IT assets

According to Rule 192 of Assam Financial Rules, all materials purchased should be entered in stock register as soon as these are received.

It was noticed that no stock register was maintained in support of receipt of IT assets in any of the test-checked districts. Further, records relating to movement of equipment for repair, periodical maintenance and register showing such details etc., were not maintained and system of issue of gate pass was not in practice. Annual physical verification of IT assets was also not carried out after installation of hardware. Absence of these checks exposed the assets to the risk of pilferage/misuse.

On this being pointed out, the Department stated (September 2011) that the observation was noted for future guidance.

#### (iii) Environmental controls

Environmental control is a part of physical access control and prevents or mitigates damage to facilities and interruptions in service. Smoke detectors, fire alarms and extinguishers and uninterruptible power supplies are some examples of environmental controls.

The R&DMD was required to ensure appropriate environment for setting up computer devices. It was observed that fire extinguishers, smoke detectors, electrical warning

and alarm equipment were not installed in any of the test-checked districts/circles. Ventilation and humidity control equipment were also not installed.

It was further observed that the computer centres of 12 test-checked districts were not connected with the generator of the district headquarters resulting in low voltage, fluctuation and requiring re-booting of the machines at times. Though, 364 UPS were procured during June 2009 with six months warranty period, the computers were installed during November 2009, *i.e.*, after expiry of five of the six months warranty period of the UPS. Thus, the Department was denied the benefit of warranty on the UPS as these remained unused for five months.

### **Recommendation**

**Department should initiate steps to create the required/proper environment for computer devices and should ensure optimal utilisation of the available resources.**

GOA accepted (September 2011) the observations and agreed to look into the recommendations made by audit.

#### **(iv) Logical Access controls**

Logical access control through computer hardware and software enables prevention or detection of unauthorised access. For example, users may require to input user identification numbers (ID), passwords, other identifiers or either of them that are linked to predetermined access privileges. Some instances of lapse of security and internal controls are discussed below in the succeeding paragraph:

#### **(v) Resources, files and facilities requiring protection**

It was observed that the R&DMD neither had adequate policy for maintaining IT security nor a well-defined and documented password policy which was evident from the following shortcomings:

##### **(i) Shortcomings attributable to User (Land Revenue Department)**

- More than one administrative user was created in 18 circles test-checked. At the time of transfer/retirement of administrative officer, though the profile for new administrative officer was created, no provision was made to delete the profile of the predecessor automatically after entry of the successor leaving the scope open for possible unauthorized access to the system;
- Details of the user such as user name, address, phone number, etc., were not entered against the User ID. Rather designation in abbreviated form was used as User ID which could hamper identification of user of any particular entry, if such need arises;
- Default password given at the time of installation of the software was being used in most of the Revenue Circles till the date of audit. Even the Administrator's password had not been changed. Possibility of unauthorised access could not therefore, be ruled out; and

- Bio-metric devices were not installed.
- (ii) **Shortcomings attributable to software developer (NIC)**
- Though facility was provided in the application software for changing/updating the passwords by the users themselves, it was not made mandatory; and
  - Encryption of password was not made mandatory which was a violation of primary criterion of logical access control.
- (iii) **Shortcomings of password policy**
- change of user passwords was not made mandatory even after a lapse of 30 days period of validation of password as it was not mentioned specifically in SRS;
  - application had no provision to remove user account in case of transfer, retirement etc., to ensure that unauthorized users could not get access to the system resulting in very high number of idle users;
  - the system did not generate any log to record back-end access and the number of failed login attempts; and
  - there was no mechanism to identify the access of unauthorised persons in computer centre.

### Recommendations

**R&DMD should take specific steps to ensure that-**

- **a log of the users as well as check on user accounts are maintained at periodic intervals for removing dormant users;**
- **the password is encrypted and is mandatorily be changed during first usage and subsequently at prescribed intervals.**

GOA accepted (September 2011) the observation and stated that the NIC was directed to ensure that the passwords were further strengthened. GOA also accepted the other recommendation and agreed to look into it.

### 3.2.9.3 Application controls

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, authorised, complete and recorded.

The following deficiencies were noticed in application controls.

#### (i) Deficiencies in designing of 'Dharitree' software and its database

- The basis of land records in Assam is *dags* and the *dag* number is the primary field for maintenance of land records. In 92 instances, *dag* number remained

blank or was entered as decimal/special character rendering the database defective. The department in exit conference stated (November 2012) that remedial action would be taken after due verification.

- Start year of possession of a plot/*dag* is not provided by the software, which being an important field in case of litigation. In exit conference, NIC stated (November 2012) that date of mutation was considered as date of possession which, however, would not disclose the actual state of affairs about the plot.
- Unique ID<sup>13</sup> provided nine fields each of character type (with variable length) and as a result, the basic components of unique ID could be changed by changing any of the nine fields including blank/ space values (as blank/spaces are also treated as character). Thus, the ID remained no longer a unique ID rendering the possibilities of data entered unreliable. NIC also admitted (November 2012) that unique ID was of character type and therefore would require to be updated for better performance.
- The software did not capture prescribed land revenues against each *dag* and fees for issue of forms relating to ROR which necessitated avoidable manual reconciliation between ROR issued and revenue collected;
- Permanent Account Number (PAN) was adopted as unique identification for all land owners which may not be applicable to all land owners as many of them may not hold PAN. The software failed to generate essential reports like abstract of total land held by an individual throughout the state;
- The software could not capture the balance area automatically after creation of a new sub-division. The data of the balance areas needed to be entered manually. The system even allowed entry of area more than the original area held. This indicated deficiency in software design. NIC, in reply, stated (November 2012) that the software has already been updated which, however, could not be re-verified in audit.
- Though the software was required to calculate the *dag* revenue and *dag* local tax from the data inputs, the system was designed only to calculate the *dag* local tax while it failed to calculate the *dag* revenue. Consequently, *dag* revenue of ₹4.10 crore and *dag* local tax of ₹89.09 lakh in respect of non-government land measuring 58,82,009 *bigha*, 82,14,593 *katha*, 2,58,13,273.82 *lessa* was entered manually;

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<sup>13</sup> As per sql magazine ([www.sqlmag.com](http://www.sqlmag.com)) the Integer (number) data types are the best choice for primary key, followed by fixed-length character data types. SQL Server processes number data type values faster than character data type values because it converts characters to ASCII equivalent values before processing, which is an extra step. Fixed-length character data types are better than variable-length character data types because SQL Server must decompress variable-length character data before processing the data. This extra step consumes valuable processing power.

- In 4,30,892 and 6,24,919 instances, though land area was not zero, land revenue and local tax were shown as 'zero'. Of these, 2,83,720 and 5,96,842 cases respectively related to non-government land. These indicated that the application software was deficient as it did not provide for cross referencing of data in various fields. The department assured (November 2012) in exit conference to look into the matter.
- The software did not provide for scanning facility of supporting documents like gift/sale deed, will, court order and proof of serving notices, objections etc., which is a major deficiency in the application software. This forced retention of supporting documents as hard copies. On being pointed out, the department accepted (November 2012) the audit observation.

#### Recommendations

- **Provision should be made for inclusion of start year of possession of plot/dag, preloaded village area with a method to check the total land area within the village as soon as a new *pattadar's* land area is entered in the database;**
- **The unique ID should be redefined so as to ensure its uniqueness.**

#### (ii) Deficiencies in Database design

Date and time used in the application database was based on the Operating System's date and time which could be changed by users by simply switching the clock to a future or back date. This was fraught with the risk of inaccurate entry of date denying accuracy in audit trail and generation of RORs. In reply, NIC stated (November 2012) that security was ensured as the control lies with administrator. The reply is not tenable as physical and logical controls exercised were not foolproof (para 3.2.9.2 refers).

#### Recommendation

- **Date and time should be embedded in the application software so that it cannot be changed by the users.**

#### (iii) Lack of System design

The GOI guideline stipulated development of land record application system with four important modules - (i) ROR certified copy module for generating certified copies of ROR, (ii) mutation module for correction of ROR and generation of ROR, (iii) miscellaneous certificate module for generating miscellaneous certificates like residential certificate, caste certificate etc., and (iv) query module for retrieving information as per requirement.



System design of 'Dharitree' provided the scope for generating copies of ROR along with mutation facility but it did not provide the scope of generating certificates like, gender certificate, soil type of a particular village, segregation of types of Government land etc., which led to continuous changes in versions of the software.

The department accepted (November 2012) the observation and stated in exit conference that appropriate action would be taken in this regards.

### **Recommendation**

**GOA should ensure that the above certificates/modules could be embedded within the system software in line with guidelines of GOI and provisions under land laws as applicable within the state of Assam.**

#### **(iv) Absence of system checks**

The following deficiencies were noticed in system checks:

- Rule 95 of Assam Land Records Manual provides that the total *Khiraj*<sup>14</sup> area as recorded in annual and periodic *Jamabandi* should be checked with that of *Chitha* register. However, against a total of 38,61,099 records in *Chitha\_Basic* table, only 23,44,068 records were entered in the *jama\_pattadar* table. Again, in 23,43,664 (99.98 per cent) out of 23,44,068 records, *pattadar's* area was entered as null;
- The individual *pattadar's* land area should not be left blank as it is the vital data for land owner. Out of 1,39,08,009 *pattadars*, though the land area in respect of 1,38,91,366 *pattadars* (99.88 per cent) were entered as null, the system failed to detect the error;
- Failure to ensure data validation through input controls resulted in entering the data manually without checking the correctness and completeness of data. The system allowed mutation of area in excess of the original area held by one *pattadar*;
- Section 4 of the Assam Fixation of Ceiling on Land Holdings Act provides for a ceiling of 150 *bighas* per *pattadar*. It was noticed that the system did not restrict land area of 150 *bighas* against one *pattadar* which is in violation of the said Act. The procedure of endorsing the mutation application for area more than the ceiling limit to higher authority stating 'mutation is pending' was not incorporated in the system. Also, as the system did not have any provision to calculate total land area within the state belonging to an individual owner and the area of surplus land over and above,, the maximum ceiling in respect of a *pattadar* could not be ascertained from the system;

<sup>14</sup> Khiraj is a type of land under state control upon which a tax is paid by those in possession; it describes both the land itself and the tax.



- Though revenue is not payable on Government land, ₹76.27 lakh of *dag* revenue and ₹8.81 lakh as *dag* local tax against Government land measuring 34,25,965 *bigha*, 13,61,456 *katha*, 54,13,984.47 *lessa* were entered manually;
- As per the Assam (Temporarily Settled Areas) Tenancy Act, the tenant acquires right to possess the land after a specific period of creation of tenancy. As the system did not provide details of possession of tenancy, the rights of tenant on the land could not be ascertained;
- As the units of land area in Assam are not uniform, a uniform conversion method is required as suggested by the MORD, GOI. Though the local unit of *dag* area of 12,65,530 number of records (32.78 per cent) against 38,61,099 records was converted to metric unit 'Are'<sup>15</sup>, the conversion was inconsistent in 2,000 cases. This indicated that the conversion was not being generated by the system but was being done manually;
- The system did not allow the land classified in terms of private land, forest land (Government), forest land (Private), community land, land belonging to religious institution, etc., which would hamper estimation/collection of land revenue, at correct rates;
- The system provided for preparation of ROR from *Jamabandi* register. The prime objective of 'Dharitree' was to generate *Jamabandi* automatically from the *chitha*<sup>16</sup>. Matching of the records of *Chitha\_Basic* table and *Chitha\_Dag\_Pattadar* table with that of *Jamabandi* table using common primary fields is required. In *Jamabandi* table, in 23,43,664 instances, the area of *pattadar's* land remained null; in 460 and 719 instances, *pattadar's* names and *pattadar's* father's name respectively remained blank and in 19,27,240 out of 23,44,068 records *pattadar's* address remained blank. Due to such incomplete database, the land owners and others failed to reap the benefits of the software as shown below.

**Comparison of *Chitha\_Basic* table and *Chitha\_Dag\_Pattadar* table with *Jamabandi* table**

Particulars	<i>Chitha_Basic</i> table	<i>Chitha_Dag_Pattadar</i>	<i>Jamabandi</i> table	Audit Comment
Number of the field	Included	Included	Included	--
Name, father's name and residence of the proprietor or settlement-holder	Not included	Not included	Included, but <ul style="list-style-type: none"> <li>• in 460 instances, <i>Pattadar's</i> names remained blank;</li> <li>• in 719 instances, <i>Pattadar's</i> father's name remained blank and</li> <li>• 19,27,240 instances remained blank</li> </ul>	Though 460 records remained blank in case of <i>Pattadar's</i> name, 760 records remained blank in case of <i>Pattadar's</i> Father's name. <i>Pattadar's</i> name is not included in the <i>Jamabandi</i> table

<sup>15</sup> 100 Ares = 1 Hectare= 10,000 sq. m

<sup>16</sup> After a village has been surveyed and demarcated, a draft *chitha* or field index shall be prepared. The *chitha* shall be arranged according to the serial number of the fields in the village.

Particulars	Chitha_Basic table	Chitha_Dag_Pattadar	Jamabandi table	Audit Comment
Area of the field	Included but in 77,946 instances area of land remained null	Included but in 138,91,366 instances area of land remained null	Included, but in 23,43,664 instances, area of land remained null	No. of records having null area in the resultant table (Jamabandi table) is much more than that of the parents tables.
Assessment class or classes and area of each class of land in the field	Not included	Included but remained blank	Included but remained blank	Ready reference of the category of land is not available. As a result, the database is deficient for agricultural/irrigation purposes.
<b>Total Record</b>	<b>38,61,099</b>	<b>1,39,08,009</b>	<b>23,44,068</b>	The number of records in resultant table is much less than that of the parents table

- In 51,963 instances, *patta*<sup>17</sup> number was entered as 'blank' indicating entry of *patta* number was not mandatory in the system;
- In 49,455 instances, though *patta* number was entered as decimals, null, comma, dot, special characters these *pattas* had a *dag* area of 50,573 *bigha*, 1,94,206 *katha*, 8,81,365.54 *lessa*;
- In 2,96,079 instances, '*Patta\_Type\_Code*' remained blank;
- In 63,032 instances of non-Government land having a *dag* area of 98,274 *bigha*, 86,610 *katha*, 4,08,901.38 *lessa*, the *patta* number was entered as 'zero'<sup>18</sup>;
- The '*Dag\_Revenue*' and '*Dag\_Local\_Tax*' in respect of 2,83,720 and 6,24,919 instances respectively remained 'zero' though these were non-government land and the *dag* area was not null;
- In 248 and 147 cases, '*Dag\_Revenue*' and '*Dag\_Local\_Tax*' respectively were not 'zero' though *dag* area was null;
- In 7,473 instances, though land was shown as residential or business type in the land class code column, the same land was also coded with crop code having equal crop area instead of non-crop code. Similarly, in 1,54,606 out of 6,22,208 cases where non-crop area equaled *dag* area, land class should have been either agricultural or horticulture type, the same were also coded under non-crop code;
- 71,89,447 records of six circles contained neither crop code nor non-crop code rendering it difficult to ascertain the class of the land;
- In 23,414 out of 48,004 tenants records, the *khatian*<sup>19</sup> number remained as 'zero';

<sup>17</sup> A document authenticating ownership of land.

<sup>18</sup> In case of Government land, *Patta\_Type\_Code* is "0209", "0212" and "0213" with *patta* number - 'zero'. In case of non-Government land, *patta* number cannot be 'zero'.

<sup>19</sup> A number to identify a tenant under a *pattadar*.

- Though the system provided for entry of details of area of cultivable land, irrigated area, un-irrigated area, source of cultivation, details of assessment and tax collected etc., the same was not updated. Consequently, the Government was deprived of ready availability of vital data useful in decision making.

#### Recommendations

- **Necessary codification in software may be made so as to generate *dag* revenue and *dag* local taxes on the basis of *patta* type code and that of land area (both *dag*-wise and *pattadars*' area-wise);**
- **Control mechanism in the software should be developed to control the entries of *pattadars*' area as provided by the Assam Fixation of Ceiling on Land Holdings Act;**
- **It is ensured to enter the data regarding the period of tenancy, date from which the said land is held by the said tenant etc., to decrease the chances of litigation;**
- **To segregate the land class including land under religious institutions, forest land etc., so that Government could get a clear picture in terms of land holdings as well as revenue collection;**
- **To generate warnings about the blank columns in the *jamabandi* as and when the administrator log into the system.**
- **Entry of *patta* number and *patta\_Type\_Code* may be made mandatory. Further entry should not be entertained by the system without entry of these basic entries;**
- **If *patta\_Type\_Code* is of non-Government type, entry of *patta* number as 'zero' should not be accepted by the system;**
- **On screen boxes for entry of *dag* revenue and *dag* local tax should not appear;**
- **Proper validation control may be set up within the system to cross check the related/interdependent fields.**

GOA accepted (September 2011) the issues raised by audit and assured that recommendations would be examined for their implementation.

#### (v) Deficiencies in data entry

The database of any computerized system has to be correct and complete in all respects. To ensure this, the procedures and controls should guarantee that the data received for processing is genuine, complete, accurate and properly authorised.

During the course of audit, the following deficiencies were noticed in data entry:

- In 77,946 out of 38,61,099 records, *dag* area was not entered;
- In 1,38,91,336 instances out of 1,39,08,009 records involving *dag* area of 1,98,20,803 *bigha*, 1,49,21,349 *katha*, 5,66,17,276.79 *lessa*, the *pattadar's* land area was null;
- In 5,755 instances, name of *pattadar* was entered as special character like zero, dot, asterisk etc; or remained blank;
- In 19,219 instances, *pattadar's* father name was blank;
- In 68,76,757 instances, the columns of *pattadar's* address was blank;
- In 53 instances, tenant's name<sup>20</sup> was blank;
- In 39,640 instances, the tenant's address columns were blank; and
- In 44,209 instances, the tenant's rent was shown as 'zero'.

Thus, though there were data entry errors in the above cases, these could not be detected at subsequent level of validation checks which is indicative of weak validation controls. This also rendered the data and reports extracted therefrom unreliable.

### **Recommendation**

**Data validation mechanism should be revamped by modifying the software so as to ensure detection of invalid data inputs.**

GOA stated (September 2011) that these deficiencies had been noted and necessary action would be taken to address the issues. They further stated that as the software is in developing stage a number of issues were in the pipeline which would be embedded into the system to make it fool proof.

#### **3.2.9.4 Output Controls**

These controls are incorporated to ensure that output of the application software is complete, accurate and correctly distributed.

As per Rule 38 of Assam Land Records Manual, a number of registers/returns like relinquishment register, settlement abstract, register of annulled estate, etc., are required to be prepared by the recorder.

Audit observed that the above mentioned registers/returns were not provided by the application software in the MIS reports generated.

The Department did not furnish any specific reply to the observation.

#### **3.2.9.5 Deficiencies in Information Technology Security**

The Security guidelines<sup>21</sup> on Computerisation of Land Records recommended application of ISO/IEC BS 17799<sup>22</sup> for cyber security standards as this was

<sup>20</sup> As per Rule 80 under the Assam Land and Revenue Regulation, the draft *chitha* should reflect the names of tenant, rent payable along with other particulars as the State Government may direct.

<sup>21</sup> As suggested (April 2005) by the Committee on CLR set up by DLR, MoRD, GOI.

<sup>22</sup> Which prescribed 127 controls to deal with almost all security mechanisms.

internationally recognized security framework. Of the 127 controls, the Committee had short listed 60 controls for ensuring security of land records.

It was noticed that despite above suggestions, the NIC, Assam applied only second level password controls out of the above 60 controls shortlisted. Reduced level of security controls may lead to unauthorized access to the system/database.

**Recommendation**

**Steps should be taken to ensure that all the remaining controls are applied to ensure and enhance the security of the project.**

GOA accepted (September 2011) the audit observation and agreed to look into the recommendation.

**3.2.9.6 Lack of Business Continuity Plan and Disaster Recovery**

The computerized ROR is the only legal document of land ownership and thus, continuance of the scheme is extremely crucial for the department. According to the guidelines issued by the R&DMD, daily, weekly and monthly back-up was to be taken.

However, it was noticed that no documentation regarding back-up was maintained. Further, R&DMD had neither documented nor tested any Business Continuity Plan (BCP) and did not make any alternative arrangement for continuing the activities in case of disaster and was entirely dependent on NIC for all technical assistance.

**Recommendation**

**R&DMD should prepare an alternate effective arrangement to continue the activities in case of disaster and take steps to handle the project independently without delay.**

**Other points of interest**

**3.2.9.7 Non-utilisation of computers, UPS and other peripherals**

During 2006-08, GOI released ₹17.25 crore for CLR project, of which, the Department procured (June and October 2009) different hardware and software worth ₹7.33 crore<sup>23</sup>. Of these, computers, UPS and other peripherals worth of ₹23.71 lakh were not put to use (September 2011) even after a lapse of 23 months of procurement rendering the entire expenditure unproductive. Besides, warranty of 48 UPS worth ₹10.05 lakh<sup>24</sup> had expired in October 2010 due to non-preparation of 24 sites without being put to use.

The Department accepted (September 2011) that there was delay in installation of hardware and software due to non-availability of basic infrastructure and assured that

<sup>23</sup> Server: ₹ 1.88 crore; desktop: ₹ 1.56 crore; printers: ₹ 0.42 crore; scanner: ₹ 0.38 crore; UPS: ₹ 0.76 crore, software: ₹ 1.86 crore; and miscellaneous charges: ₹ 0.47 crore.

<sup>24</sup> 24 online UPS at ₹ 25,218 each and 24 line interactive UPS at ₹16,659 each.

necessary steps were being taken to resolve these issues. In exit conference, the Project Officer, CLR stated (November 2012) that all the hardware in question had been installed subsequently, however, the same remains to be verified in audit.

#### **3.2.9.8 Blocking of fund**

As envisaged in the Report of Committee on Land Records, the CLR project is an ongoing project with various phases. As per the said report, scanning facility is included in the third phase. However, the State NIC in their SRS (version 2.2 of 'Dharitree') did not specify any requirement of scanner.

Scrutiny, however, revealed that though there was no requirement of scanner in second phase of CLR project, the R&DMD procured (June 2009) 175 scanners at a cost of ₹37.62 lakh (with warranty period of one year) and kept them idle even after elapse of 27 months (September 2011). Thus, injudicious decision of the Department of procurement of 175 scanners without assessing their actual requirement led to blocking of funds amounting to ₹37.62 lakh.

The Department accepted (September 2011) that the requirement of scanners was not identified. However, the department stated (November 2012) in the exit conference that the scanners would be utilised in near future.

#### **3.2.9.9 Unauthorised expenditure and undue benefit to data entry vendor**

According to data entry guidelines of CLR, the district administration would only provide building infrastructure to data entry vendor and the latter would be responsible for additional wiring, networking, furniture and other IT equipments required for data entry.

Scrutiny of the records revealed that, based on the sanction of ₹51.33 lakh accorded (October 2008 and February 2010) by R&DMD, GOA, Deputy Commissioner (DC), Kamrup awarded (January 2009) the work of "data entry of land records<sup>25</sup>" @ ₹3.60 per *dag* to one data entry vendor<sup>26</sup>. Expenditure incurred by DC till 2009-10 amounted to ₹44.22 lakh, of which, DC paid (January 2009) ₹11.67 lakh to the vendor for shipping of 40 desktop PCs, printers etc. Scrutiny further revealed that the DC also paid (May 2010) ₹5.95 lakh to Director, Software Technology Parks of India (STPI), Guwahati for providing computer set, electricity and power back up. Thus, DC, in violation of the relevant provision of CLR guidelines, incurred an unauthorised expenditure of ₹17.62 lakh (₹11.67 lakh + ₹5.95 lakh).

<sup>25</sup> *Chithas/Hand Jamabandi*, and Updating/ entry of remarks portion of *Jamabandi* of all 11 revenue circles of the district, delivery of village wise *chithas/jamabandi*, correction/validation of data/records as and where necessary, delivery of one manuscript and subsequent village-wise *Chitha/Jamabandi* of all the 11 circles of the district.

<sup>26</sup> M/s Webx Technologies Private Limited, Panbazar, Guwahati.

In the reply furnished by DC and endorsed (November 2012) by the department, it was not specified as to why ₹17.62 lakh was paid to data entry vendor and Director, STPI beyond the scope of CLR guideline and hence the reply is not tenable.

### **3.2.9.10 Conclusion**

Audit of CLR project revealed a number of deficiencies in the project as well in the software which, if addressed, could help the Department and GOA in streamlining the activities and processes by ensuring smooth implementation of the project. These are enumerated below.

The Department is yet to fully comply with the objectives of the SRS of the “*Dharitree*” software because of inherent deficiencies in the software itself. Due to the deficiencies in the software, database and system designing, there were gaps in areas such as absence of a system for cross referencing of data in various fields, allowance of system to enter data manually, non-generation of certificates etc. Lack of proper system checks led to non-detection of errors/blanks in the database, allowance of mutation of area more than original area held by a land owner, non-generation of conversion of area by the system. There was absence of a well defined strategy for guiding various activities of the project coupled with delay in data entry and completion of the training programme which may hamper time-bound implementation of the project. Physical and logical controls were weak as evidenced by re-connection of external hard drives, absence of fire extinguishers, smoke detectors, power back up, non-installation of bio-metric devices, non-encryption of passwords, creation of more than one administrative users etc. Absence of documentation regarding back-up and a fool proof business continuity plan may hamper continuance of the activities in case of a disaster. Deficiencies in data entry, validation checks and non-generation of reports/returns had weakened the application controls. IT security upto the desired levels and proper password policy remained to be achieved. As regards the financial implication, cases of injudicious, idle and unauthorised expenditure were noticed which the GOA would need to examine for taking remedial measures.

### **3.2.9.11 Summary of recommendations**

GOA/R&DMD may consider implementing the recommendations included under respective paragraphs of this Report with special emphasis on the following, to derive optimum benefit of the CLR project by:

- Considering the deficiencies pointed out by audit in paragraphs 3.2.9.1 (ii), 3.2.9.1 (iv), 3.2.9.2 (iii), clauses of the MOU need to be revisited by GOA/R&DMD.
- Restricting the physical access of the system by disabling not only all external drives from individual PCs but also resetting of computer system.



- Setting up of a proper environment for computer devices and by utilizing the available resources.
- Devising a system to keep a log on the users as well as check user accounts at periodic intervals to remove dormant users.
- Making encryption and change of password at the point of first use and subsequently at prescribed intervals mandatory.
- Redefining the ID so as to ensure that it remains unique.
- Making necessary codification in software so as to generate *dag* revenue and *dag* local rates on the basis of *patta* type code and that of land area (both *dag*-wise and *pattadars* area-wise).
- Setting up of proper validation control within the system to cross check the related/inter dependent fields.
- Revamping data validation mechanism so as to ensure detection of invalid data inputs.
- Ensuring application of all the controls as required for the security of the project.
- Preparing an alternate effective arrangement to continue the activities in the event of disaster and to take necessary steps to handle the project independently.

## **AUDIT OF TRANSACTIONS**

### **3.3 Cases of fraud/misappropriation/losses**

#### **Border Areas and Agriculture Department**

##### **3.3.1 Suspected fraudulent expenditure**

**Failure of DC, Baksa to ensure genuineness of the claim before releasing fund and lack of proper monitoring by the officials of Agriculture Department, resulted in suspected fraudulent expenditure of ₹10 lakh.**

Based on the plan and estimate submitted (October 2007) by Sub-divisional Agriculture Officer (SDAO), Tamulpur, Border Areas Department, Government of Assam (GOA) accorded (March 2008) administrative approval to the implementation of the project - 'Herbal Garden (Medicinal Plant)' under Border Area Development Programme (BADP) 2007-08, a Centrally Sponsored Scheme, in Tamulpur circle of Baksa District at a cost of ₹10 lakh. Accordingly, Director of Border Areas, GOA



released (January 2009 and February 2010) ₹10 lakh<sup>27</sup> to DC, Baksa for implementation of the project. As per detailed plan and estimate, item-wise total cost of establishment of Herbal Garden was as under:

Sl. No.	Item of work	Estimated cost (₹)
1.	Fixed cost for office room cum store house and godown, labour quarter, furniture, fencing, power pump	5,77,000
2.	Cultivation of Sarpagandha	67,680
3.	Cultivation of Pipali	50,160
4.	Cultivation of Amlakhi	96,510
5.	Cultivation of Hilikha	40,000
6.	Cultivation of Bhomora	40,000
7.	Cultivation of Arjuna	42,660
8.	Cultivation of Brahmi	86,000
<b>Total</b>		<b>10,00,010</b>

The project was to be implemented by District Agriculture Officer (DAO), Baksa through a Non-Government Organisation (NGO) viz., “Manab Sewa Mahila Samittee” Baksa. DC, Baksa, on receipt of the utilization certificate (UC) submitted by the Samittee to DAO, Baksa, released ₹10 lakh in four<sup>28</sup> installments to the DAO between February 2009 and September 2010.

In accordance with Para 12 of the revised guideline (2008) of Border Area Development Programme (BADP), the entrusted officers of the State Government would carry out inspections of the projects to ensure quality and timely completion of the works and the inspection reports should be sent to the Ministry of Home Affairs on a quarterly basis. No evidence was available on record as to whether any field inspection was ever conducted either by DC or DAO or any entrusted official to monitor the progress/actual execution of the work.

Test-check (August – September 2011) of records of DC, Baksa further revealed that during physical verification conducted (August 2011) and information collected from local people by the officer from Directorate of Border Areas, Assam, it was found that except erection of a sign board, no work/plantation was done for implementation of the project. However, an expenditure of ₹10 lakh had already been shown as incurred on the basis of progress report, UCs and completion certificate submitted by the NGO without conducting inspection by the entrusted officers. On this fact being pointed out (September 2011) in Audit, the DC conducted (September 2011) an enquiry through Sub-divisional Officer (SDO) (civil), Tamulpur. Enquiry report submitted (February

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Sl. No.	Installment	DD No. and date	Amount released (₹)
1.	1st installment (60 per cent)	143113 dated 01 January 2009	6,00,000
2.	2nd installment (40 per cent)	853723 dated 10 February 2010	4,00,000
<b>Total</b>			<b>10,00,000</b>

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Sl. No.	Date of release	Cheque No	Amount (₹)
1.	7.02.2009	264848	3,60,000
2.	31.10.2009	279089	2,00,000
3.	2.08.2010	279474	3,00,000
4.	20.09.2010	279481	1,40,000
<b>Total</b>			<b>10,00,000</b>

2012) by the SDO confirmed the findings of the Directorate of Border Areas, GOA and attributed lack of monitoring by officials of Agriculture Department as the reason for financial mismanagement. DAO, Baksa, in turn, stated (February 2012) that the responsibility of monitoring was vested with SDAO, Tamulpur, but due to lack of adequate manpower, monitoring was not done properly.

Evidently, close monitoring as envisaged in the guideline was not done. The UCs furnished by the NGO were countersigned by the SDAO and DAO without verification of the facts through physical inspection and were sent to DC for release of installments.

Thus, failure of DC, Baksa to ensure genuineness of the claim before releasing fund and lack of proper monitoring by the officials of Agriculture Department, resulted in suspected fraudulent expenditure of ₹10 lakh.

### **3.4 Excess payment/Wasteful/Infructuous expenditure**

#### **Revenue and Disaster Management Department**

##### **3.4.1 Wasteful expenditure**

**Failure on the part of DC, Darrang to recover ₹84.61 lakh being the cost of substandard summer paddy seeds (MTU-7029) supplied by National Seed Corporation Limited (NSCL) in violation of terms of supply order led to wasteful expenditure of ₹84.61 lakh besides depriving the drought affected farmers from the intended benefits of the programme.**

Government of Assam (GOA), Revenue and Disaster Management Department (RDMD) sanctioned (December 2009) ₹3.89 crore to Deputy Commissioner (DC), Darrang, Mangaldai out of Calamity Relief Fund (2009-10) for procurement and distribution of six<sup>29</sup> Rabi seeds to drought affected farmers of small and marginal category. Of this, ₹1.43 crore was sanctioned for procurement of 5,367 quintal 'summer paddy' seeds.

Accordingly, DC, Darrang, Mangaldai placed (26 October 2009) order for supply of Rabi seeds including IR-64/Swarna Masuri variety of 'summer paddy' seeds of 5,367 quintals. National Seed Corporation Limited (NSCL) supplied (October 2009 to December 2009) different seeds worth ₹3.48 crore including 4,799.70 quintal (MTU-7029: 3,254.10 quintal and IR-64: 1,545.60 quintal) 'summer paddy' seeds valued ₹1.25 crore which were received by five<sup>30</sup> Circle Officers/Agricultural Development Officers of the district. Payment of ₹3.48 crore was made to NSCL during July and September 2010.

In accordance with the terms and conditions of the supply order, samples of seed supplied would be tested by Assam State Seed Certification Agency (ASSCA) and in case the quality of seeds did not conform to the minimum seed certification standard,

<sup>29</sup> Lentil, pea, wheat, mustard, maize and summer paddy.

<sup>30</sup> Dalgaoon, Kalaigaon, Mangaldai, Patharighat and Siphajhar Revenue Circle.

the consignment would be rejected and the expenditure involved would have to be borne by the supplier. Scrutiny (July and August 2011) of the records of DC, Darrang, Mangaldai revealed that 3,254.10 quintal ‘summer paddy seeds’ of the variety (MTU-7029) valued at ₹84.61 lakh was not actually ordered for by the DC. The samples of seeds (MTU-7029) were subsequently tested and certified (November 2009) by ASSCA as substandard. Besides, the affected farmers expressed their unwillingness to grow MTU-7029 due to its longer duration of maturity affecting next paddy crop cycle and cropping plan. Performance of IR-64 variety was reported to be excellent all over the district irrespective of its sowing time. Though DC, Darrang requested (December 2009) NSCL to replace the substandard summer paddy (MTU-7029) seeds with the variety (IR-64) actually ordered for, NSCL had not replaced the substandard seeds as of August 2011. Whether the substandard summer paddy seeds were actually distributed or remained unutilized was not stated by DC, Darrang, though called for (January 2011).

Thus, releasing the entire payment of ₹3.48 crore to the supplier by DC, Darrang despite certification of seeds (MTU-7029) worth ₹84.61 lakh as substandard by ASSCA, resulted in wasteful expenditure to that extent. Besides, the drought affected farmers were deprived of the intended benefits of the programme.

The matter was reported to Government in February 2012; their reply had not been received (November 2012).

### **3.4.2 Avoidable extra expenditure**

**Inordinate delay (24 years) in payment of compensation to the land owner by GMC as well as DC led to avoidable extra expenditure of ₹10.80 crore in addition to further excess expenditure of ₹0.75 crore towards payment of annual rent (recurring compensation).**

Section 4 (Part-II) of the Land Acquisition (LA) Act, 1894 (called the Act, hereafter) provides that whenever it appears to Government that land in any locality is needed for public purpose, a notification to that effect shall be published in the official gazette and in two daily newspapers by the Collector or Deputy Commissioner for survey. Thereafter, a declaration shall be made under the signature of an officer of the level of Secretary to Government under section 6 of the Act 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 under section 7 of the Act and thereupon under section 8 *ibid*, 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 under section 9 of the Act.

Scrutiny (October and November 2011) of the records of Deputy Commissioner (DC), Kamrup (Metro), Guwahati revealed that Guwahati Municipal Corporation (GMC) requested (July 1986) the DC for acquisition of land for ‘construction of Bus Stand and Park’ at Adabari. The DC placed (August 1986) requisition of land measuring 59 bighas 2 kathas 2 lecha from 57 *pattadars* and handed over the land to GMC in

December 1986 without observing the provisions of the Act and also without receiving the cost of land, which was fixed (March 1986) at ₹59.20 lakh. Though the land was handed over to GMC in August 1986, the DC submitted claim to GMC for payment of cost of the land amounting to ₹76.93 lakh (₹59.20 lakh + ₹17.73 lakh as recurring compensation for four years) in December 1990 *i.e.* after a lapse of more than four years from handing over the land. GMC deposited ₹75 lakh only in March 1999, which was paid by DC to *pattadars* as recurring compensation for the period December 1986 to January 2000.

Scrutiny further revealed that the DC issued first notification in March 1994, which got lapsed due to non-deposit of land value by GMC. The DC did not take any effective action till March 2002 to obtain the land value from GMC. Subsequently, the DC issued notifications in March 2002, December 2003, and November 2007, which also lapsed due to non-deposit of fund by GMC. Meanwhile, cost of the land increased (March 2010) to ₹12.53 crore and GMC, against fresh notification issued in March 2010, deposited (April and November 2010) ₹12.53 crore to the DC who disbursed the same to the *pattadars* between June 2010 and September 2011.

In reply, GOA while not denying the delays at various stages, stated (June 2012) that GMC had delayed depositing the amount of compensation payable to the *pattadars*, despite reminders.

Thus, inordinate delay (24 years) in payment of compensation to the land owner by GMC as well as DC led to avoidable extra expenditure of ₹10.80 crore in addition to further excess expenditure of ₹0.75 crore towards payment of annual rent (recurring compensation).

### **3.5 General**

#### **3.5.1 Follow up on Audit Reports**

##### **Non-submission of suo-moto Action Taken Notes**

In terms of the resolution (September 1994) of the Public Accounts Committee (PAC), the administrative Departments were required to submit *suo-moto* Action Taken Notes (ATNs) on paragraphs and reviews included in the Audit Reports, within three months of presentation of the Audit Reports to the Legislature, to the PAC with a copy to Accountant General (AG) (Audit) without waiting for any notice or call from the PAC, duly indicating the action taken or proposed to be taken. The PAC, in turn, is required to forward the ATNs to AG (Audit) for vetting before its comments and recommendation. No *suo-moto* replies/explanatory notes, however, received in respect of paragraphs and reviews included in the Audit Reports (Civil) up to 2009-10 from the respective departments. Against 41 paragraphs and reviews included in the Audit Reports (Civil) 2010-11, only two *suo-moto* replies/explanatory notes were received, in audit.

As of March 2012, PAC discussed 1,048 out of 1,598 paragraphs, reviews and stand-alone Reports pertaining to the years 1983-2011. However, as of March 2012, only

one ATN pertaining to 2004-05 in respect of one paragraph was furnished by the Home Department. Consequently, the audit observations/comments included in those paras/reviews had not been settled by PAC as of March 2012.

### **3.5.2 Action taken on recommendations of the PAC**

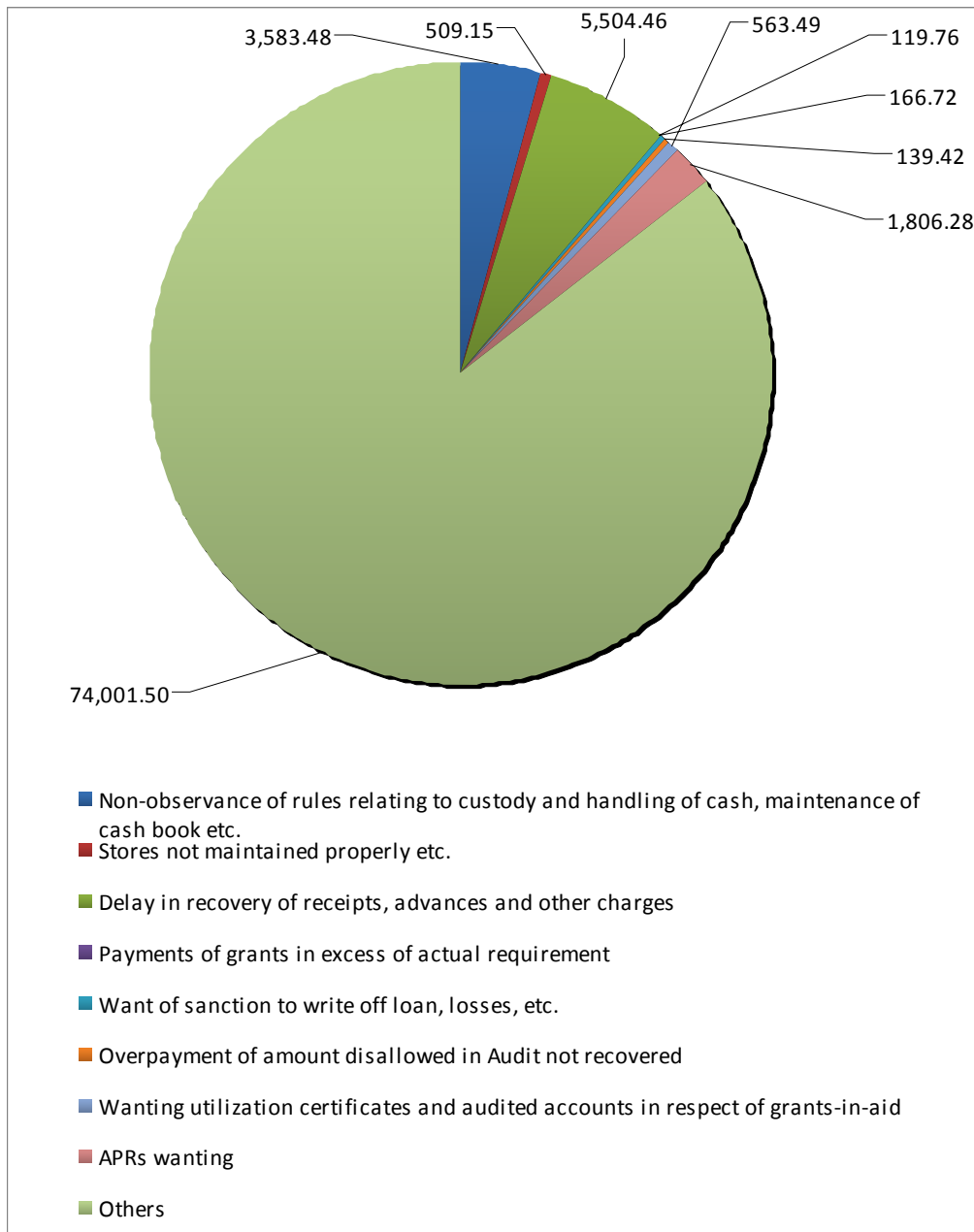
474 recommendations of the PAC, made in its Fifty Fifth to Hundred and thirty one Reports with regard to 36 Departments, were pending settlement as of March 2012 due to non-receipt of Action Taken Notes/Reports.

### **3.5.3 Response to audit observations and compliance thereof by senior officials**

The Principal Accountant General (PAG) arranges to conduct periodical inspection of Government Departments to test-check the transactions and verify the maintenance of significant accounting and other records according to prescribed rules and procedures. When important irregularities detected during inspection are not settled on the spot, Inspection Reports (IRs) are issued to the Heads of the concerned Offices with a copy to the next higher authorities. Orders of the State Government (March 1986) provide for prompt response by the executive to the IRs issued by the PAG to ensure rectificatory action in compliance with the prescribed rules and procedures. The authorities of the Offices and Departments concerned were required to examine the observations contained in the IRs in the light of the given rules and regulations and prescribed procedures and rectify the defects and omissions promptly wherever called for and report their compliance to the PAG. A half-yearly report of pending IRs was sent to the Commissioners and Secretaries of the Departments concerned to facilitate monitoring of the audit observations in the pending IRs.

IRs issued up to December 2011 pertaining to Civil Departments/Public Health Engineering Department/Public Works Department/Water Resource Department/Irrigation and Inland Water Transport Department disclosed that 23,043 paragraphs pertaining to 4,852 IRs were outstanding for settlement at the end of June 2012. Of these, 488 IRs containing 1,708 paragraphs had not been replied to/settled for more than 10 years. Even the initial replies, which were required to be received from the Heads of Offices within six weeks from the date of issue, were not received from 42 Departments in respect of 1,402 IRs issued between 1994-95 and 2011-12. As a result, serious irregularities, commented upon through 23,043 paragraphs involving ₹86,394.26 crore, had not been addressed as of June 2012 as shown in Chart-3.

**Chart-3 (₹ in crore)**



Non-receipt of replies to the IRs in respect of 42 Departments are indicative of the failure on the part of the Heads of Departments (Directors/Executive Engineers) to initiate action with regard to defects, omissions and irregularities pointed out by Audit. The Commissioners and Secretaries of the Departments concerned, who were informed of the position through half-yearly reports also failed to ensure prompt and timely action by the officers of the Departments concerned.

The above mentioned facts also indicated inaction against the defaulting officers thereby facilitating continuation of serious financial irregularities and loss to the Government though these were pointed out in Audit.

In view of large number of outstanding IRs and Paragraphs, the Government had constituted two Audit Objection Committees at State level for consideration and settlement of outstanding audit observations relating to Civil and Works Departments. During 2011-12, 269 meetings (Social Sector: 170; Economic Sector: 91; and General Sector: 8) of the Committees were held, in which, 1,879 IRs and 8,235 Paragraphs were discussed and 341 IRs and 3,688 Paragraphs were settled.

It is recommended that Government should review the matter and ensure that effective system exists for (a) action against defaulting officials who failed to send replies to IRs/Paragraphs as per the prescribed time schedule, (b) action to recover loss/outstanding advances/ overpayments in a time bound manner; and (c) revamp the system to ensure prompt and timely response to the audit observations.

**Guwahati  
The**

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

*Countersigned*

**New Delhi  
The**

**(Vinod Rai)  
Comptroller and Auditor General of India**