

Report of the Comptroller and Auditor General of India

For the year ended 31 March 2013



लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest

**Khasi Hills Autonomous District Council,
Shillong, Meghalaya**

**Report of the
Comptroller and Auditor General of India**

For the year ended 31 March 2013

**Khasi Hills Autonomous District Council,
Shillong, Meghalaya**

TABLE OF CONTENTS

<i>Particulars</i>	<i>Paragraph</i>	<i>Page(s)</i>
Preface		iii
Overview		v
Chapter-I: Constitution, Rules and Maintenance of Accounts		
Profile of Khasi Hills Autonomous District Council	1.1	1
Rules for the Management of the District Fund	1.2	1
Maintenance of Accounts and Audit arrangements	1.3	2
Administrative Set-up of the Council	1.4	2
Internal Control	1.5	3
Recommendation	1.6	4
Chapter II: Autonomous District Council Funds		
Introduction to District Fund	2.1	5
Receipts and Disbursement	2.2	6
Substantial variation between budget estimates and actuals	2.3	11
Conclusion	2.4	12
Recommendations	2.5	12
Chapter-III: Comments on Accounts		
Introduction to Accounts and Comments on Council Accounts	3	13
Overstatement of Revenue Receipts	3.1	13
Non maintenance of records	3.2	14
Conclusion	3.3	14
Recommendations	3.4	15
Chapter-IV: Compliance Audit Observations		
Misappropriation of funds	4.1	17
Irregular expenditure on Discretionary Grant	4.2	18
Non-deduction of VAT from Contractor's bills	4.3	19
Irregularities in maintenance of Cash Book	4.4	19
Irregularities in stock management	4.5	20
Outstanding Inspection Reports	4.6	20
Follow up action on Audit Reports	4.7	21
Conclusion	4.8	21
Recommendations	4.9	22
Appendices		
Statement showing non-deduction of VAT from contractors' bills during 2012-13	Appendix I	23

PREFACE

This Report has been prepared for submission to the Governor of Meghalaya under Paragraph 7(4) of the Sixth Schedule to the Constitution of India. It relates mainly to the issues arising from the audit of the Annual Accounts as also of the transactions of the Khasi Hills Autonomous District Council, Shillong, Meghalaya for the year 2012-13.

2. The cases mentioned in this Report are those which came to notice in the course of test check of the accounts of the Council for the year 2012-13.

3. This Report contains four Chapters, the first of which deals with the Constitution of the Khasi Hills Autonomous District Council, the rules for the management of the District Fund and maintenance of accounts by the District Council. Chapter-II depicts ADC Funds position. Chapter-III deals with the Comments on Accounts and Chapter IV deals with compliance issues during test-audit of the transactions of the Council for the year 2012-13.

OVERVIEW

OVERVIEW

This Report contains four Chapters. Chapter-I provides a background on the formation of the Autonomous District Council, rules for the management of the District Fund and relevant Constitutional provisions on maintenance of Accounts. Chapter II gives an overview on the financial position of the Council and budgetary process during the year. Chapter-III deals with audit comments on annual accounts of the Council for the year 2012-13. Chapter-IV of the Report deals with the audit findings pertaining to compliance audit of the Council and contains five paragraphs.

Internal Control

An evaluation of internal control system in the Council shown that internal control mechanism was weak which is evident from persistent irregularities like discrepancy in cash balances as per annual accounts, non-maintenance of records, retention of heavy cash balances, delay in depositing the Council's revenue, incurring of unfruitful expenditure, *etc.* Weak internal controls and improper upkeep of records were constraint in examination of the Council's annual accounts and transactions.

A synopsis of the important findings contained in the Report is presented below:

2. Autonomous District Council Funds

KHADC generated 21 *per cent* of the total revenue receipts of ₹ 8.25 crore from its 'own source' during 2012-13. As such, KHADC was highly dependent on the State Government funding to meet its financial needs and needed to address this by focused revenue generation activities

(Paragraph 2.2.1)

Revenue generating Departments like Land Revenue and Forest had a very high cost of collection

(Paragraph 2.2.1)

As against BE of ₹ 92.44 crore in 2012-13, KHADC incurred actual expenditure of ₹ 35.58 crore. There was substantial variation between the Budget Estimates (BE) with actuals of 57 *per cent* in receipts and 62 *per cent* in expenditure with respect to Budget estimates of the Council, during 2012-13.

(Paragraph 2.3)

Recommendation

The Council may need to identify and implement internal cost-saving measures, while not compromising on its core functions – They need to cut down on the administrative expenditure of Forest and Land Revenue departments, considering their heavy cost of collection of revenues;

Efforts could be initiated to comprehensively map untapped, but eligible, revenue sources and put in place a plan for strict enforcement of tax and fee collections;

*Council had to plan adequately for optimum utilisation of available funds; and
Council may impress upon State Government for timely and adequately release
Council's share of taxes.*

3. Comments on Accounts

Council deposited revenue receipts into treasury in the next following month. As a result, the revenue receipts for the month of March were accounted for in next financial year in violation of Council Rules. This resulted in overstatement of revenue receipts to the tune of ₹ 1.06 lakh and needed systemic correction.

(Paragraph 3.1)

Council did not maintain any subsidiary ledger accounts as per various Heads of account given in the Annual Accounts. Non-maintenance of subsidiary ledgers or any supporting record about the existence and present conditions of the assets of KHADC was fraught with the risk of theft or loss of those assets as well as deterioration in their condition due to improper maintenance.

(Paragraph 3.2)

Recommendations

Council may ensure timely submission of Annual Accounts to the Accountant General to adhere with prescribed timeline;

They may ensure maintenance of subsidiary accounting records to enable correct preparation of Annual Accounts;

Council may regularise its arrears in accounts in a definite period of time so that persisting arrears could be eliminated;

Council is advised to device a system of periodical review of accounting records to identify coexisting mistakes within the accounting period so that corrective action is taken; and

Council may ensure prompt credit of revenue receipts to Treasury and receipts pertaining to a financial year are accounted for in the same accounting year.

4. Compliance Audit Observations

Loss of money due to embezzlement or theft or to facts indicating misconduct, neglect or dishonesty, on the part of any employee of the District Council was not reported by the Member-in-charge of Financial Affairs to the Accountant General in contravention of extant Rules. There were four cases of short deposit/ misappropriation of forest royalty receipts of ₹ 37.30 lakh, for which KHADC had suspended the officers. These cases though required, were not reported to the AG (Audit), Meghalaya.

(Paragraph 4.1)

KHADC released Discretionary Grants aggregating ₹ 8.70 lakh to its Members without defining objectives and activities. The Council did not ensure submission of any vouchers or utilisation certificates (UCs) by the Members in support of their claims.

(Paragraph 4.2)

VAT to the tune of ₹ 18.94 lakh was not deducted from the bills of the contractors while releasing final payment of ₹ 1.87 crore to 88 contractors against the works executed during 2012-13, resulting in loss of revenue to the State.

(Paragraph 4.3)

Cash Book of KHADC was not maintained as per the requirement of the United Khasi and Jaintia Hills Fund Rules, 1952.

(Paragraph 4.4)

Physical verification of stock relating to computer consumables, stationery items, office furniture was not done, though required under the Rules.

(Paragraph 4.5)

Recommendations

Council may maintain Cash Book in an appropriate manner and reconcile it with basic documents;

Systems for strengthening internal controls and checks in the Council Departments and Subordinate offices may be put in place on priority;

Council may clearly define objectives and activities to be taken up under Members Discretionary grants. They may also ensure proper documentation and accounts of the grants given to members;

Cases of non-deduction of VAT on payments to contractors be reviewed and VAT recovered;

Council may ensure periodic physical verification of assets; and

Council may impress upon Audit Committee to discuss Audit reports and ensure action on audit observations.

CHAPTER-I

CONSTITUTION, RULES AND MAINTENANCE OF ACCOUNTS

CHAPTER - I

Constitution, Rules and Maintenance of Accounts

1.1 Profile of Khasi Hills Autonomous District Council

The United Khasi and Jaintia Hills District Council was set up in June 1952 under Article 244(2) read with the Sixth Schedule to the Constitution of India. The Council was bifurcated in 1967 and the Jowai District Council was carved out of it. In 1973, the United Khasi and Jaintia Hills District Council and the Jowai District Council were renamed as Khasi Hills District Council and Jaintia Hills District Council, respectively.

The Sixth Schedule to the Constitution of India (Schedule) provides for administration of specified tribal areas. For that purpose, it provides for the constitution of a District Council for each autonomous district with powers to make laws on matters listed in Paragraph 3(1) of the Schedule mainly in respect of allotment, occupation, use *etc.* of land, management of forests other than reserve forests, use of any canal or water courses for agriculture, regulation of the practice of ‘*Jhum*’¹ or other forms of shifting cultivation, establishment of village or town committees or Councils and their powers, village or town administration including police, public health and sanitation and inheritance of property. “Paragraph 6(1) of the Schedule empowers the Councils to establish, construct or manage primary schools, dispensaries, markets, cattle pounds, ferries, fisheries, roads, road transport and water ways in the respective autonomous districts.” Paragraph 8 of the Schedule further empowers the Councils to assess, levy and collect within the autonomous districts, revenue in respect of land and buildings, taxes on professions, trades, callings and employments, animals, vehicles and boats, tolls on passengers and goods carried in ferries and taxes for the maintenance of schools, dispensaries or roads.

1.2 Rules for the management of the District Fund

The Sixth Schedule provides for the constitution of a District Fund for each autonomous district to which all moneys received by the Council in the course of administration of the district is to be credited, in accordance with the provisions of the Constitution.

In terms of Paragraph 7(2) of the Sixth Schedule, Rules are to be framed by the Governor for the management of the District Fund and for the procedure to be followed in respect of payment of money into the said Fund, withdrawal of moneys therefrom, custody of moneys therein and any other matter connected with or ancillary to these matters. The United Khasi and Jaintia Hills District Council Fund Rules, 1952 (which had been framed by the erstwhile United Khasi and Jaintia Hills

¹ A form of shifting agriculture practice.

District Council for management of the District Fund) are being followed by the Council.

1.3 Maintenance of Accounts and Audit Arrangements

In pursuance of Paragraph 7(3) of the Sixth Schedule to the Constitution of India, the form in which the accounts of the District Council are to be maintained was prescribed by the Comptroller and Auditor General of India with the approval of the President of India in April 1977.

In terms of Paragraph 7 (4) of the Sixth Schedule of the Constitution, the Comptroller and Auditor General of India shall cause the accounts of the District Council to be audited in such manner as he may think fit, and the reports of the Comptroller and Auditor General relating to such accounts shall be submitted to the Governor who shall cause them to be laid before the Council.

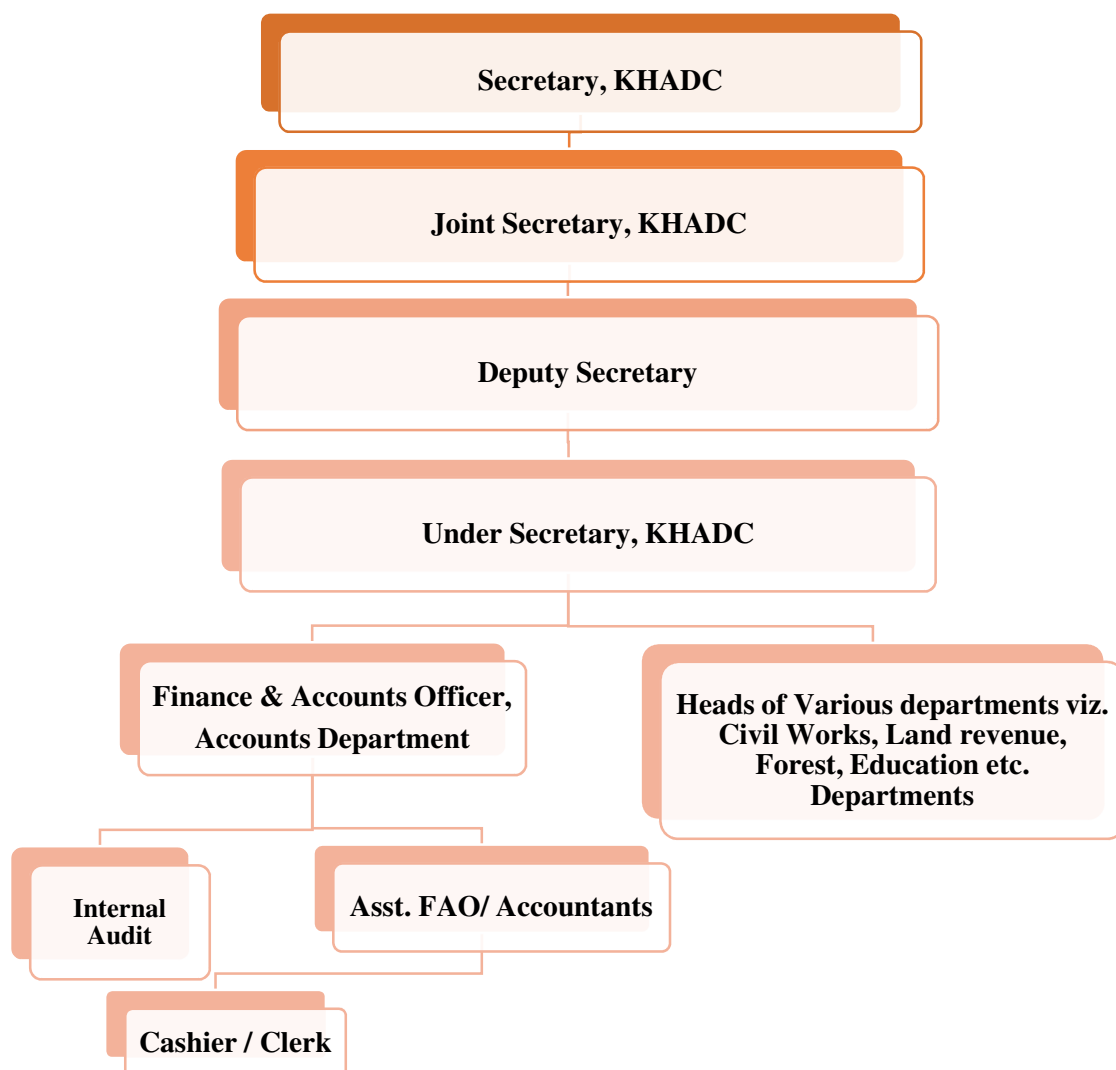
The Annual Financial Statement shall be prepared by the member in charge of financial affairs and forwarded to the Accountant General by 30th June each year.

However, the accounts of the Council for the year 2012-13 were submitted to the Accountant General in October 2017, with a delay of more than four years.

Results of audit are discussed in the succeeding Chapters.

1.4 Administrative set-up of the Council

The Council is administered by the Secretary to the Executive Committee and has departments such as the General Administration Department, Finance & Accounts, Land Revenue, Forest *etc.* Finance & Accounts Department is manned with Finance & Accounts Officer, Assistant Finance & Accounts Officer, Accountant, Assistant Accountant, U.D.A, L.D.A *etc.* to conduct day-to-day business of the Council. Administrative hierarchy of the Council is depicted in **Chart 1.1:**

Chart 1.1: Administrative set-up of KHADC

Source: KHADC records.

1.5 Internal Control

Internal control system in an organisation ensures that proper checks and procedures are in place for efficient and effective discharge of its mandate, reliability of its financial reporting and compliance with applicable laws and regulations.

An evaluation of internal control system in the Council revealed that internal control mechanism was weak which is evidenced from persistent irregularities like discrepancy in cash balances as per annual accounts, retention of heavy cash balances, delay in depositing the Council's revenue, incurring of unfruitful expenditure, *etc.* as discussed in the succeeding Chapters.

Besides it was also seen that there were instances of:

- Non-deduction of Statutory dues;
- Irregularities in recruitment of staff;
- Improper maintenance of Cash Book;

- Non-maintenance of ledger accounts.
- Non-establishment of Internal Audit Wing;
- Non-maintenance of registers and absence of physical verification of assets;
- Non-reconciliation of cash balance with treasury and bank accounts;

Further, it was observed that KHADC had not maintained proper and complete records relating to the Forest areas managed by it. Council had no information about the area of each type of forest under the possession of KHADC, number of cases of illegal felling of timber, encroachments within its forest area, details of timber sold and revenue earned from it *etc.* This was inspite of the fact that KHADC had 19 Forest Revenue Stations/Forest Beat Offices and was responsible to manage and control the movement of forest produce, check illegalities and manage and protect the plantations within its jurisdiction.

Thus, due to weak internal controls and improper upkeep of records were a constraint in examination of the Council's annual accounts and transactions.

On being pointed out, the Secretary, Executive Committee, KHADC stated (July 2019) that the Chief Executive Member had already issued (July 2019) instructions to the Forest Department to maintain the necessary Asset Register of all Forest Land, as pointed out by Audit. The reply was, however, silent regarding the reasons for non-maintenance of proper records by KHADC during all these years.

Audit will verify the compliance of the instructions during next audit.

1.6 Recommendations

- *The KHADC needs to strengthen its internal control mechanism, establish internal Audit wing and take action on deficiencies in Cash management; and*
- *Council may take up this issue by way of references for framing separate District Fund Rules for the Council.*
- *KHADC may seek the help from State Government and utilise its training facility for training and capacity building at all levels in the administrative hierarchy of the Council to ensure proper book keeping, record maintenance, supervision, control and monitoring.*

CHAPTER-II

AUTONOMOUS DISTRICT COUNCIL FUNDS

CHAPTER - II

Autonomous District Council Funds

2.1 Introduction to District Fund

Sixth Schedule provides for a District Fund for each autonomous region and a Regional Fund to which shall be credited all moneys received by the District Council for that district and the Regional Council for that region in the course of the administration of such district or region respectively in accordance with the provisions of the Constitution. The District Fund of the Autonomous District Council constituted under the provisions of Sub- Paragraph (I) of Paragraph 7 of the Sixth Schedule to the Constitution of India to which shall be credited all moneys received by the District Council in the course of the administration of the Autonomous District Council in accordance with the provisions of the Constitution.

The ADC fund comprises receipts from its own resources and shared revenue and grants/ loans & advances from State / Central governments. Broad classification is as discussed below:

A. District Fund

District Fund further has two divisions namely: (i) Revenue Section for Revenue Receipts and Expenditures and (ii) Capital Section for Capital Receipts and Expenditures, Public Debt, Loans and Advances. The first division shall deal with the proceeds of taxation and other receipts classed as revenue and expenditure met there from. It shall also include the grants and contributions received from the Government and also grants and contributions by the Council. The second division shall deal with expenditure of Capital nature met from borrowed funds. It also comprised of loans received and their repayments by the Council and loans and advances and their recoveries by the Council.

B. Deposit Fund

Deposit Fund covers transactions relating to Deposits, General Provident Fund (GPF), other funds and advances such as Cess, Income Tax, Sales Tax and Security Deposits, *etc.* where the Council incurs a liability to repay the moneys received or has a claim to recover the amount paid.

2.2 Receipts and Disbursement

The receipts and expenditure of KHADC for the year 2012-13 are as under:

Table 2.1

(₹ in crore)

PART –I DISTRICT FUND ¹					
Revenue Section					
Receipts			Disbursement		
2011-12	1. Revenue Receipts	2012-13	2011-12	1. Revenue Expenditure	2012-13
8.27	(i) Taxes on professions, trades and employments	7.14	1.13	(i) District Council	1.25
			1.48	(ii) Executive members	1.31
0.23	(ii) Land revenue	0.30	0.53	(iii) Land Revenue	0.53
0.58	(iii) Taxes on vehicles ²	0.00			
0.24	(iv) Other Administrative Services	0.31	1.70	(iv) Other Administrative Services	1.99
0.21	(v) Other General Economic Services	0.14	12.11	(v) Secretariat General Services	14.06
1.00	(vi) Forests ²	1.02	4.06	(vi) Forest	4.36
9.12	(vii) Mines & Minerals ²	18.10	2.66	(vii) Pension & Retirement benefit	2.09
0.00	(viii) Stationery and Printing	0.00	0.25	(viii) Education	0.27
0.03	(ix) Public works	0.01	2.18	(ix) Public works	2.12
19.17	(x) Grants-in-aid received from State Government	11.07	0.94	(x) Arts & Culture	0.08
0.24	(xi) Bank Interest	0.35	0.11	(xi) Fisheries	0.13
			0.02	(xii) Relief on account of natural Calamities	0.01
			0.00	(xiii) Minor Irrigation	0.01
39.09	Total Revenue Receipt	38.44	27.17	Total Revenue Expenditure	28.21
-	Revenue Deficit	-	11.92	Revenue Surplus	10.23
	2. Capital			2. Capital Outlay	
			0.26	(i) Public Works	0.41
			1.59	(ii) Public Health and Sanitation	1.39
			1.91	(iii) Social Security and Welfare	2.39
			0.24	(iv) Other General Economic Services	0.96
			3.81	(v) Roads and Bridges	1.98
-	Total Capital	-	7.81	Total Capital Outlay	7.13
NIL	3. Debt	NIL	NIL	3. Debt	NIL
NIL	4. Recoveries of loans and advances	0.10	0.10	4. Disbursement of loans and advances	NIL
39.09	Total of Part - I	38.54	35.08	Total of Part - I	35.34

¹ All money received by KHADC in the course of Administration of the District shall be credited to 'District Fund' in accordance with the provisions of the Constitution.

² Amount received during the year from the State Government as KHADC's share of taxes.

PART – II DEPOSIT FUND ³					
0.10	A. Deposits not bearing interest – (a) Security Deposit	0.07	0.03	A. Deposits not bearing interest – (a) Security Deposit	0.04
0.13	B. Civil Advances/ Departmental Advances	0.20	0.13	B. Civil Advances – Departmental Advances	0.20
0.54	C. Deposit bearing interest – (a) Term Deposit	0.60	Nil	C. Deposit bearing interest – (a) Term Deposit	Nil
0.77	Total of Part-II Deposit Fund	0.87	0.16	Total of Part-II Deposit Fund	0.24
39.86	Total Receipts (Part I+II)	39.41	35.24	Total Disbursements (Part I+II)	35.58
26.33	Opening Balance	30.95	30.95	Closing Balance ⁴	34.78
66.19	Grand Total	70.36	66.19	Grand Total	70.36

Source: Annual Accounts of KHADC.

2.2.1 Resources, availability of funds and expenditure

KHADC collected its revenue through:

- Taxes on Profession, Trades & Employments, Other Administrative Services, Other Economic General Services, *etc.*;
- Share of taxes collected by the State Government on Taxes on Vehicles, Forest and Mines & Minerals; and,
- Resources made available by the State Government through the State Plan.

During 2012-13, KHADC generated ₹ 8.25 crore from its own sources⁵; received ₹ 19.12 crore as share of taxes⁶; and ₹11.07 crore as Grants-in-aid from the State Government.

³ Where security deposits, departmental advances and term deposits are usually kept.

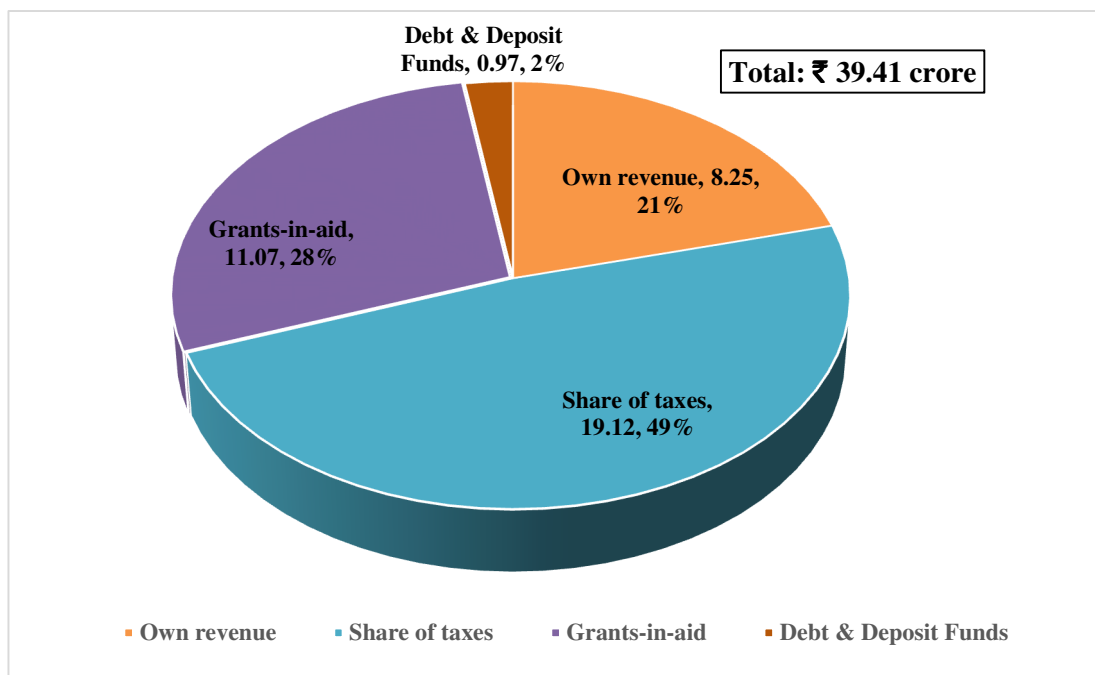
⁴ 2012-13: Cash: ₹ 0.05 crore; Treasury: ₹ 15.48 crore; Bank: ₹ 9.46 crore; Term Deposit: ₹ 9.79 crore.

⁵ 2012-13: Taxes on Profession, Trades & Employments (₹7.14 crore); Land Revenue (₹0.30 crore); Other Administrative Services (₹0.31 crore); Other General Economic Services (₹0.14 crore); Public Works (₹0.01 crore) and Bank Interest (₹0.35 crore).

⁶ 2012-13: Taxes on Vehicles (₹0.00 crore); Forests (₹1.02 crore) and Mines & Minerals (₹18.10 crore).

Chart 2.1: Total Receipts of the KHADC during 2012-13

(₹ in crore)



Source: Annual Accounts of KHADC.

It can be seen from the chart above that during 2012-13, KHADC generated 21 per cent of the total revenue receipts⁷ from its own sources. 77 per cent of the total receipts for 2012-13 were sourced from the share of taxes and Grants-in-aid placed by the State Government.

Review of earning by own resources and comparison of revenue generated and expenditure to earn that revenue by departments of the Council, is given in the **Table 2.2:**

Table 2.2: Comparison of revenue earned and expenditure by the departments

(₹ in crore)

Department	Revenue Earned	Total Expenditure	Administrative Expenses (%)	Expenses on others (%)
Forest	1.02	4.36	4.12 (95%)	0.24 (5%)
Land Revenue	0.30	0.53	0.53 (100 %)	Nil

Source: Annual Accounts Statement 5 & 6.

It is evident from above that revenue generation departments viz. Land Revenue and Forest were not able to meet their departmental expenses. Reasons for low realisation of revenue or arrears if any, were not on record. This indicated high dependence of KHADC on State Government funding to meet its financial needs.

⁷ Revenue Receipt: ₹ 38.44.

The Council may need to identify and implement internal cost-saving measures, while not compromising on its core functions. They need to cut down on the administrative expenditure of these Departments, considering their heavy cost of collection of revenues.

Further, efforts could be initiated to comprehensively map untapped, but eligible, revenue sources and put in place a plan for strict enforcement of tax and fee collections.

2.2.3 Availability of funds and expenditure

The revenue receipts and revenue expenditure of KHADC during 2011-12 and 2012-13 are analysed below.

Revenue receipts

Table 2.3 and **Chart-2.2** summarise the comparative position of revenue receipts of KHADC during 2012-13.

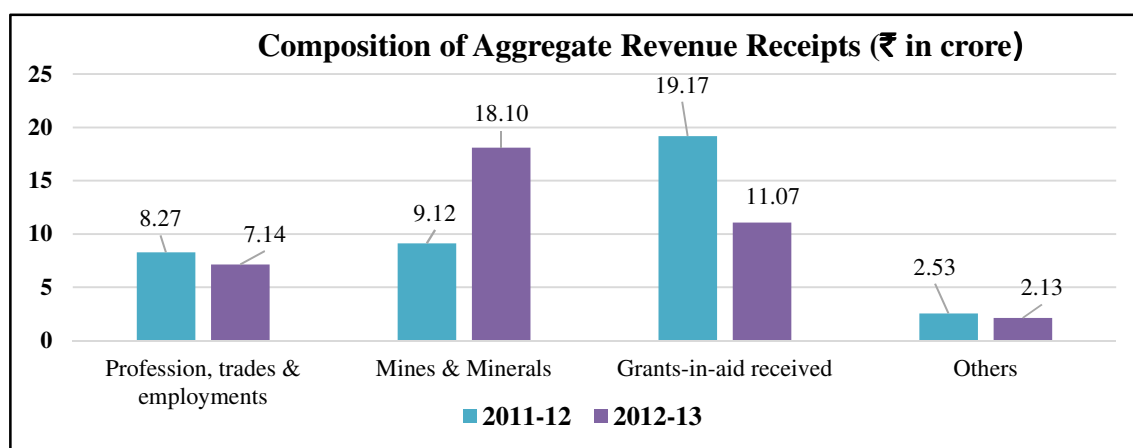
Table 2.3: Comparative position of revenue receipts for the years 2011-12 and 2012-13

(₹ in crore)

Head	2011-12 (percentage of revenue)	2012-13 (percentage of revenue)
Taxes on Profession, trades & employments	8.27 (21)	7.14 (19)
Mines & Minerals	9.12 (23)	18.10 (47)
Grants-in-aid received	19.17 (49)	11.07 (29)
Others ⁸	2.53 (07)	2.13 (05)
Total	39.09 (100)	38.44 (100)

Source: Annual Accounts of KHADC

Chart 2.2



Source: Annual Accounts of KHADC.

- As could be noticed from **Table 2.3**, the revenue receipts declined by ₹ 0.65 crore (two per cent) from ₹ 39.09 crore during 2011-12 to ₹ 38.44 crore during 2012-13. The decrease of ₹ 0.65 crore during 2012-13 was mainly due

⁸ Includes Land Revenue, Taxes on Vehicle, Other Administrative Services, Other General Economic Services, Forests, Public Works, etc.

to decrease in 'Taxes on Professions, trades *etc.*' (₹ 1.13 crore) and 'Grants-in-aid' (₹ 8.10 crore), which has absorbed the increase of ₹ 8.98 crore (98 *per cent*) in the share of royalty on 'Mines and Minerals'.

- During 2012-13, the combined receipts against the share of royalty on 'Mines and Minerals' and 'Grants-in-aid' constituted 76 *per cent* of the total revenue receipts of KHADC, indicating over dependence of KHADC on the State Government towards share of royalty and Grants-in-aid to augment its revenue resources.

Revenue expenditure

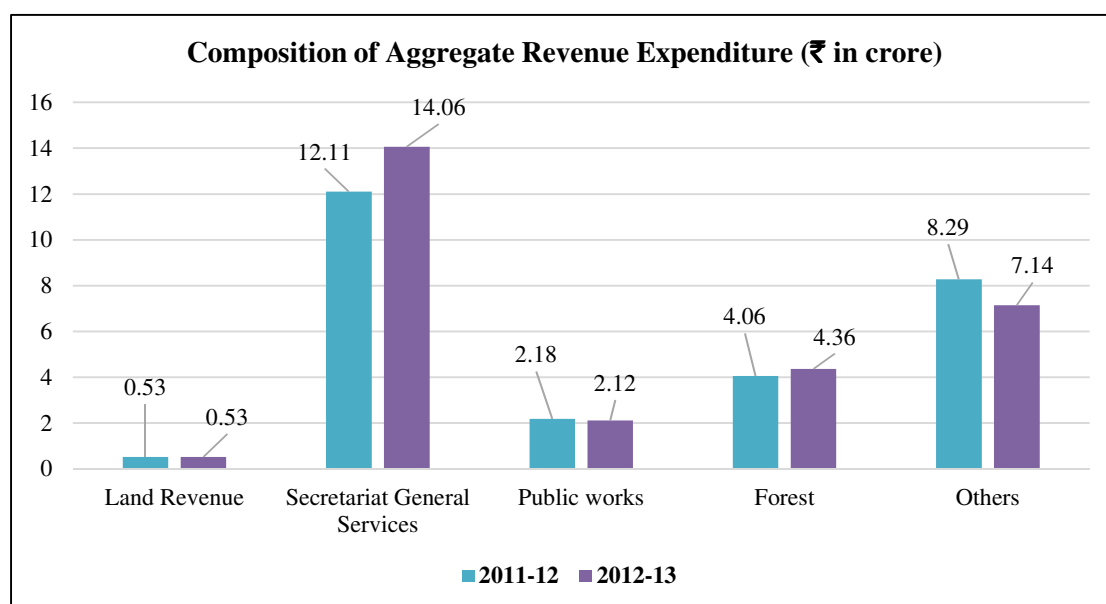
Table 2.4 and **Chart-2.3** below summarise the revenue expenditure of KHADC during 2011-12 and 2012-13.

Table 2.4: Comparative position of revenue expenditure for the years 2011-12 and 2012-13

Head	(₹ in crore)	
	2011-12 (percentage)	2012-13 (percentage)
Land Revenue	0.53 (02)	0.53 (02)
Secretariat General Services	12.11 (45)	14.06 (50)
Public works	2.18 (08)	2.12 (08)
Forest	4.06 (15)	4.36 (15)
Others	8.29 (30)	7.14 (25)
Total	27.17 (100)	28.21 (100)

Source: Annual Accounts of KHADC.

Chart 2.3



Source: Annual Accounts of KHADC.

- The total revenue expenditure of KHADC increased marginally by four *per cent* from ₹ 27.17 crore in 2011-12 to ₹ 28.21 crore during 2012-13. During 2012-13, the increase in revenue expenditure was due to increase under Secretariat General Services (16 *per cent*) and Forest (seven *per cent*).

2.3 Substantial variation between budget estimates and actuals

Analysis of budget estimates (BE) for the year 2012-13 *vis-à-vis* actual receipt and expenditure revealed significant variations between two figures as detailed in **Table 2.5**:

Table 2.5: Budget estimates and actual for the year 2012-13

(₹ in crore)

Particulars	Budget Estimate	Actual	Shortfall in actual as compared to the BE	
			Shortfall (-)	Percentage
Receipt	92.44	39.41	(-) 53.03	57
Expenditure	92.44	35.58	(-) 56.86	62

Source: Budget estimates of Receipts and Expenditure and Annual Accounts of KHADC for 2012-13.

As could be noticed from **Table 2.5**, there was a shortfall in actual receipt and expenditure of KHADC with reference to the budget estimate. The shortfall in actual receipt with reference to the BE was 57 *per cent* while the shortfall in the case of actual expenditure was 62 *per cent*. Significant variations between the estimated provision and actual receipts and expenditure during the year indicated that the budgeting process of KHADC lacked rigor leading to preparation of unrealistic budget estimates.

Revenue

As discussed above the receipts of KHADC during 2011-12 had fallen short of the BE by 57 *per cent*. The analysis of head-wise major variations between actual receipts and BE for 2012-13 has been presented in **Table 2.6**.

Table 2.6: Heads-wise major variations between actual receipts and the BE for the year 2012-13

(₹ in crore)

Sl. No.	Major Heads	2011-12	2012-13		
		Actuals	Budget Estimate	Actual	Shortfall (Percentage)
1.	Taxes on Profession & Trades	8.27	9.00	7.14	1.86 (21)
2.	Forest	1.00	1.76	1.02	0.74 (42)
3.	Taxes on vehicles	0.58 ⁹	1.80	-	1.80 (100)

Source: BE & Annual Accounts of KHADC.

It could be seen from the **Table 2.6** that shortfall of revenue receipts was under taxes on Professions, trades and employment, Forest and Taxes on vehicles as compared to the predictions made in the BE.

The shortfall between the BE and actual collection of revenue for the year 2012-13 as discussed above indicated that KHADC had not been able to make its revenue collection mechanism effective to the extent of the projections made under the BE.

Further, State Government had not released share of Motor Vehicle Taxes collected from Council area during 2012-13, non-release of share of revenue by the State Government also impacted unrealistic budget processing of the Council.

⁹ Share of MV Taxes ₹57.65 lakh received during 2011-12 pertains to 2008-09.

However, Audit observed that Council had utilised only 51 *per cent* of total available funds during the year 2012-13, out of which 80 *per cent* was spent on revenue expenditure while 20 *per cent* spent on Capital projects of the Council.

2.4 Conclusion

Variations between the BEs and actual receipts and expenditure during 2012-13 indicated that the KHADC had prepared the BEs without taking into account the actual position.

Budgetary assumptions of the Council were not realistic during 2012-13 to bring about efficiency and transparency in budget formulation and execution. Budgetary estimates were off the mark by a considerable margin, and control over the execution and monitoring of budget was inadequate.

Revenue generation Departments like Land Revenue and Forest Departments had a very high cost of collection of revenue.

2.5 Recommendations

In view of ongoing it is recommended that:

- *The Council need to identify and implement internal cost-saving measures - while not compromising on its core functions among its departments;*
- *Council had to plan adequately for optimum utilisation of available funds; and*
- *Council may impress upon State Government for timely release of Council's share of taxes.*

CHAPTER–III

COMMENTS ON ACCOUNTS

CHAPTER - III

Comments on Accounts

3 Introduction to Accounts and Comments on Council Accounts

The annual accounts of the District Council shall record all transactions, which take place during a financial year commencing from 01 April to 31 March. The annual accounts of the District Council shall be maintained in such forms as prescribed by the Comptroller and Auditor General of India.

The KHADC prepares its annual accounts in the prescribed format containing the following seven statements, which detail the receipts and disbursements of the KHADC for the year with bifurcation of the expenditure under revenue, capital, plan and non- plan:

Table 3.1

Sl. No.	Statement No.	Particulars of statements
1	Statement No. 1	Summary of Transactions
2	Statement No. 2	Capital Outlay- Progressive Capital Outlay to the end of March 2013
3	Statement No. 3	Debt Position
4	Statement No. 4	Loans and Advances by the Council
5	Statement No. 5	Detailed Account of Revenue by Minor Heads
6	Statement No. 6	Detailed Account of Expenditure by Minor Heads
7	Statement No. 7	Statement of receipts, disbursements and balances under Heads relating to District Fund and Deposit Fund

3.1 Overstatement of Revenue Receipts

Rule 18 of the United Khasi-Jaintia Hills Autonomous District Council Fund Rules, 1952 states that ‘all moneys received by the Cashier on account of the Council (KHADC) shall be remitted intact to the Treasury promptly’.

Cross check of the Receipt Registers of ‘Other Administrative Services’ and the Annual Accounts for the year 2012-13 revealed that instead of promptly depositing the money collected, the Department deposited the receipts in the next following months. As a result, the revenue receipts under the head ‘Other Administrative Services’ as depicted in the Annual Accounts of KHADC for 2012-13 (Statement No. 5) actually pertained to the period from 1 March 2012 to 28 February 2013 instead of the amount received during 1 April 2012 to 31 March 2013. This has resulted in overstatement of the revenue receipts by ₹ 1.06 lakh as summarised in **Table 3.2**:

Table 3.2: Discrepancy in revenue receipts in the Annual Accounts

(Amount in ₹)

Year	Amounts shown as receipts under 'Other Administrative Services' in the Annual Accounts	Amount actually collected during the year	Difference Excess (+) Shortfall (-)
2012-13	31,08,260	30,01,847	(+) 1,06,413

Source: Annual Accounts and other documents of KHADC.

In reply, KHADC stated (March 2018) that the practice followed was to deposit the collection for the current month in the following month. The reply was however, contrary to the provisions of Rule 18 of the United Khasi-Jaintia Hills Autonomous District Council Fund Rules, 1952.

Thus, the discrepancy between the figures of the revenue actually collected during the year and that recorded in the Annual Accounts of KHADC would continue to persist unless the provisions of the Rule *ibid* are complied with by KHADC.

3.2 Non-maintenance of records

KHADC did not maintain any subsidiary ledger accounts as per various heads of account given in the Annual Accounts. KHADC also did not maintain any Asset Register to record the details of various assets owned by it. Further, there was no system in place to physically verify the assets of KHADC at periodic intervals to ascertain the condition and utility of different assets. In the absence of an appropriate mechanism in this regard, the net value along with existence of KHADC's assets could not be ascertained in audit. Non-maintenance of subsidiary ledgers or any supporting record about the existence and present conditions of the assets of KHADC was fraught with the risk of theft or loss of those assets as well as deterioration in their condition due to improper maintenance.

On being pointed out, the Secretary, Executive Committee, KHADC stated (May 2018) that the consolidation process of records was under progress and a final report in the matter would be submitted after completion of the process.

Council may ensure prompt credit of revenue receipts to Treasury and receipts pertaining to a financial year are accounted for in the same accounting year.

3.3 Conclusion

In this Chapter, audit emphasis was on the classification and accounting treatment of transactions in Annual Accounts, internal control and record keeping, *etc.* As such following deficiencies were noticed during the course of audit:

- Incorrect accounting period and non-deposit of receipts promptly to Treasury resulted in overstatement of Revenue Receipts by ₹ 1.06 lakh for the year.
- Non-maintenance of subsidiary ledgers leads to incorrect balances in Accounts.

3.4 Recommendations

- *Council may ensure timely submission of Annual Accounts to the Accountant General to adhere with prescribed timeline;*
- *They may ensure maintenance of subsidiary accounting records to enable correct preparation of Annual Accounts;*
- *Council may regularise its arrears in accounts in a definite period of time so that persisting arrears could be eliminated;*
- *Council is advised to device a system of periodical review of accounting records to identify coexisting mistakes within the accounting period so that corrective action is taken; and*
- *Council may ensure prompt credit of revenue receipts to Treasury and receipts pertaining to a financial year are accounted for in the same accounting year.*

CHAPTER-IV

COMPLIANCE AUDIT OBSERVATIONS

CHAPTER - IV

Compliance Audit Observations

4.1 Misappropriation of funds

Rule 13 (1) of the United Khasi Jaintia Hills District Fund Rules, 1952 states that whenever any loss of money or other property due to embezzlement or theft or to facts indicating misconduct, neglect or dishonesty, on the part of any employee of the District Council is discovered, the fact shall be promptly reported by the member-in-charge of Financial Affairs to the Accountant General.

Scrutiny of records revealed that KHADC suspended (March 2017) four officers deployed in its Forest Department on charges of short deposit/misappropriation of forest royalty amounting to ₹ 37.30 lakh. KHADC also directed (March 2017) the Secretary, Executive Committee to draw up disciplinary proceeding against all the four officers involved in the case.

Audit observed that KHADC in violation of Rule 13 (1) of the United Khasi Jaintia Hills District Fund Rules, 1952 failed to inform the case of short deposit/misappropriation of forest royalty to the Accountant General (Audit), Meghalaya immediately after the incidence of misappropriation.

In response to the request of the Accountant General (Audit), Meghalaya (AG) seeking the records relating to this misappropriation case (November 2017), the Secretary, Executive Committee, KHADC expressed (December 2017) its inability to furnish the same since the said records were under the custody of the Additional Judge in connection with the on-going inquiry of the case.

In reply, the Secretary, Executive Committee, KHADC stated that the departmental enquiry revealed short deposit of forest royalty of ₹ 5.30 lakh during 2012-13. It was further stated that, based on the order of the Executive Committee of KHADC (May 2018) the Chief Forest Officer was demoted and the amount was being recovered from his salary while the three suspended officers have been exonerated. However, since records were not made available to Audit, the actual amount of short deposit of forest receipts against ₹ 37.30 lakh as mentioned in initial enquiry and recovery there against could not be ascertained during audit.

The grounds on which the three suspended officers were exonerated was taken up with the Secretary, Executive Committee, KHADC. The Secretary, however, did not provide any information on the plea as the matter was sub-judice. Further, the Secretary failed to inform the Accountant General (Audit), Meghalaya immediately on noticing the incidence of misappropriation thereby violating the provisions of Rule 13 (1) of the United Khasi Jaintia Hills District Fund Rules, 1952.

Council should have followed due procedure regarding reporting and investigation of fraud/ misappropriation of Council receipts. Result of investigation may be communicated to Accountant General as required under Rule 13 (1) of the United Khasi Jaintia Hills District Fund Rules, 1952.

4.2 Irregular expenditure on Discretionary Grants

According to Rule 59 of the United Khasi-Jaintia District Fund Rules, 1952 “a Council employee entrusted with payment of money shall obtain for every payment he makes, including repayment of sums previously lodged with the Council, a voucher setting forth full and clear particulars of the claim and all information necessary for its proper classification and identification in the accounts.”

During 2012-13, KHADC, on the approval of the Executive Committee, sanctioned ₹ 9.40 lakh as discretionary grants to its Members¹⁰ with the stipulation that necessary Utilisation Certificate (UC) be submitted against the claim. The sanction, however, had no stipulation regarding furnishing of necessary vouchers in support of the expenditure claimed.

Scrutiny of records revealed that against the sanction during 2012-13, 29 members submitted claims with KHADC for release of ₹8.70 lakh as discretionary grants. The claims were, however, submitted together with the UCs for the amount claimed on the same date without any supporting vouchers against the expenditure incurred.

Thus, the Secretary, Executive Committee, KHADC, made payment of ₹ 8.70 lakh as discretionary grants without any supporting vouchers. In the absence of necessary vouchers evidencing proper utilisation of grants, the veracity of expenditure of ₹ 8.70 lakh incurred out of KHADC’s fund could not be ascertained.

On being pointed out, the Secretary, Executive Committee, KHADC accepted (July 2019) that in absence of any rules/guidelines with the KHADC for regulation of expenditure incurred under discretionary grants, the Members of the District Council showed little interest in furnishing the details of expenditure incurred by them during their tenure. The Secretary further stated that the Chief Executive Member had already issued (1 July 2019) instructions for preparation of draft guidelines for regulation of Discretionary Grants.

Council should have clearly defined objectives and activities to be taken up by the members for utilisation of Discretionary Grants and Gratuitous Relief. Council may also maintain proper accounts alongwith relevant supporting documents to ensure utilisation of DG and GR for the bonafide purposes.

Council may comply with the guidelines issued by Chief Executive Member dated 01 January 2019.

¹⁰ ₹ 0.70 lakh for the Chief Executive Member of KHADC and ₹ 0.30 lakh each for the rest of the 29 Members.

4.3 Non-deduction of VAT from contractors' bills.

Section 106 of Meghalaya Value Added Tax (VAT) Act, 2003 *inter alia* provides that the amount of tax (VAT) payable shall be deducted from the bill in respect of work contracts. As per Meghalaya VAT Act, 2003 (amended in 2005), the rate of VAT in respect of works contract shall be 13.5 *per cent* after allowing deduction of 25 *per cent* from the work value.

Audit observed that while settling the bills of the contractors against the works executed during 2012-13, the Secretary, Executive Committee, KHADC did not deduct VAT amounting to ₹ 18.94 lakh from the final payment of ₹ 1.87 crore made to 88 contractors (**Appendix – I**). Failure to deduct VAT amounting to ₹ 18.94 lakh from the bills of contractors resulted in violation of the codal provision besides loss of revenue to the State and extension of undue favour to the contractors.

In reply (May 2018), the Secretary, KHADC, stated that none of the above contractors was registered with the Sales Tax Authority, Government of Meghalaya and as such, VAT was not deducted from them.

The reply was not acceptable since Section 106 of the Meghalaya VAT Act makes it mandatory for every DDO to deduct the VAT component at source and credit the same to Government Account while releasing payment to contractors. This calls for fixing responsibility of the DDO(s).

Council may initiate appropriate action to recover VAT from the Contractors.

4.4 Irregularities in maintenance of Cash Book

The United Khasi and Jaintia Hills District Council Fund Rules, 1952 (hereafter referred to as 'Fund Rules'), prescribe the rules and forms for maintenance of Cash Book. Maintenance of Cash Book has the following advantages in cash management:

- Daily cash receipts and cash payments are easily ascertained.
- Cash in hand at any time can easily be ascertained through Cash Book balance.
- Any mistake in the book can be easily detected at the time of verification of cash.
- Any defalcation of money can be detected while verifying cash.

Examination (November-December 2017) of records relating to compliance to the rules for maintenance of Cash Book by KHADC during 2012-13 revealed the following irregularities:

- As per Rule 16 (ii) of the Fund Rules, all monetary transactions shall be entered in the Cash Book as soon as they occur. Examinations of records of KHADC, however, revealed that the entries recorded in the Cash Book of KHADC during 2012-13 were merely restricted to disbursement of salaries to staff. Improper

recording of monetary transactions as stated above, raises doubts on the authenticity and correctness of the Cash Book of KHADC for the periods concerned.

➤ Rules 16 (iii) of the Fund Rules states that the Cash Book should be closed daily, duly authenticated by the Secretary in token of acceptance of its correctness. Rule 16 (iv) further provides that the Secretary should verify the cash balance at the end of each month and record a certificate to that effect in the Cash Book. It was observed that these requirements were not adhered to during 2012-13.

Absence of verification of cash balance as well as not recording of cash transactions in the Cash Book was not only irregular but also fraught with the risk of misappropriation and fraud. In view of the above glaring irregularities, audit is unable to provide any assurance that the accounts and transactions of the Council would be free from material irregularities.

In reply (May 2018), the Secretary, Executive Committee, KHADC stated that steps were under way to maintain the Cash Book. The Secretary KHADC should ensure proper maintenance of Cash Book as per the relevant provision of the Fund Rules.

Council may ensure proper maintenance of Cash Book to ensure accountability for public money.

4.5 Irregularities in stock management

According to Rules 120 and 121 of United Khasi-Jaintia Hills District Fund Rules 1952, all stores received or issued were to be entered in the stock accounts on the dates the transactions take place, and the balance in stock should be verified on half-yearly basis.

Scrutiny of the stock register of KHADC relating to computer consumables, stationery items, office furniture revealed that no stock verification was ever conducted by KHADC contrary to the requirements of the Rules *ibid*. On being pointed out, the Secretary, Executive Committee, KHADC stated (May 2018) that steps were underway to conduct the stock verification.

Stock verification helps to review the precautionary measures already taken in preventing loss and damage as well as to identify any deficiencies in the existing procedure of maintenance of assets and vigilance. Also, stock verification helps as a way of identifying and discarding obsolete volumes.

Council may conduct annual physical verification of assets to prevent it from loss and damages.

4.6 Outstanding Inspection Reports

Audit observations on financial irregularities and defects in the maintenance of accounts noticed during local audit and not settled on the spot are communicated to the higher authorities through the Inspection Reports (IRs). As per Comptroller &

Auditor General's Regulations on Audit and Accounts No. 197, the officer in-charge of the auditable entity shall send the reply to an Inspection Report (IR) within four weeks of its receipts.

Between July 2005 and February 2017, six IRs were issued containing 54 paragraphs. A meeting to the Audit Committee was held (10 August 2017) wherein five IRs were discussed and total 26 paragraphs were settled. As on date (30 May 2019) three IRs containing 28 paragraphs were still outstanding.

4.7 Follow up action on Audit Reports

The Reports of the Comptroller and Auditor General of India in respect of the District Council (KHADC) are prepared under Paragraph 7(4) of the Sixth Schedule to the Constitution of India for submission to the Governor, who shall cause them to be laid before the KHADC. Though the Audit Reports in respect of KHADC for the years 1970-71 to 2009-10 had been placed before the KHADC, action taken on the observations included in these Audit Reports had not been intimated (May 2018).

It is recommended that KHADC may take time bound action on the audit observations pointed out in the Audit Reports to ensure financial discipline and good governance in the conduct of the affairs of the KHADC.

In reply (May 2018), the Secretary, KHADC stated that the observations made in the Audit Reports for the years 1970-71 to 2009-10 were under discussion by the Committee concerned and the result thereof would be intimated in due course. It may be noted that the action on the Audit Reports for the years 1970-71 to 2009-10 is pending for the period ranging from 8 to 48 years which is a very long period, which indicates that there is no specific time frame and system in place to ensure timely action on these Reports. As such, it is recommended that a specific time frame should be fixed during which action on these reports should be taken.

4.8 Conclusion

Compliance audit of revenue and expenditure of the Council revealed that:

- Loss of money due to embezzlement or theft or to facts indicating misconduct, neglect or dishonesty, on the part of any employee of the District Council was not reported by the member-in-charge of Financial Affairs to the Accountant General in contravention of extant Rules.
- Council paid ₹ 8.70 lakh as discretionary grants to Members without defining objectives and purpose for utilisation of the grants. The council did not ensure submission of supporting vouchers/ UCs in support of the expenditure against the grants.
- Contractors were paid dues without deducting VAT amounting to ₹ 18.94 lakh which resulted in loss of revenue to the Government and undue favour to the contractors.
- Instances of incomplete recording of transactions in Cash Book and non-reconciliation of closing balances were noticed.

- Physical verification of stock relating to computer consumables, stationery items, office furniture was not done, though required as per Rules.

4.9 Recommendations

The Council may consider the following recommendations:

- *Council may maintain Cash Book in an appropriate manner and reconcile it with basic documents;*
- *Systems for strengthening internal controls and checks in the Council Departments and Subordinate offices may be put in place on priority;*
- *Council may clearly define objectives and activities to be taken up under Members Discretionary grants. They may also ensure proper documentation and accounts of the grants given to members;*
- *Cases of non-deduction of VAT on payments to contractors be reviewed and VAT recovered;*
- *Council may ensure periodic physical verification of assets; and*
- *Council may impress upon Audit Committee to discuss Audit reports and ensure action on audit observations.*



(SHEFALI S. ANDALEEB)

Accountant General (Audit), Meghalaya

Shillong

The 23 September 2021

Countersigned



(GIRISH CHANDRA MURMU)

Comptroller and Auditor General of India

New Delhi

The 11 October 2021

APPENDICES

Appendix I
(Reference paragraph: 4.3)

Statement showing non-deduction of VAT from contractors' bills during 2012-13.

(Amount in ₹)

Sl. No.	Name of Contractors/ Suppliers	Name of Works	Total value of work done	Amount of VAT not deducted at source
1	Shri. P.Nongsiej	C/o Ft./bridge from Langsymphut to Kmawan	225368	22818.51
2	Shri K.Khongjoh	C/o P/Latrine at Mawrasai	99956	10120.55
3	Shri K. Rani	C/o App.Road to Lum Symper	99876	10112.45
4	Shri L.Tangsang	C/o Committee room at Wahlakhiat	99905	10115.38
5	Shri B. Kshiar	C/o App.Road at Thynroit village	99919	10116.80
6	Shri. K. Thongni	C/o Ft/Path at Kynrang	299672	30341.79
7	Shri K. Lawai	C/o App.Road at Umsawlum vill.	124896	12645.72
8	Shri E. Pyngrope	-Do-	124642	12620.00
9	R. Nongkhlaw	C/o Durbar Hall at Umphrup	194208	19663.56
10	Shri A.Syngkli	C/o W/platform at Jyntru village	99939	10118.82
11	Shri F.P Lyngkhohi	C/o Drain at St.Joseph Sch. Jaiaw Shillong	99880	10112.85
12	Shri R. Kharpran	Extn. Of Sch. Building at Green Hill School	149839	15171.20
13	Shri L. Dohtdong	C/o P/ground at Laitsohum	99450	10069.31
14	Shri Milan Warjri	C/o Waiting shed at Dhalai Malai	99882	10113.05
15	Shri Milan Warjri	C/o Waiting shed at Dhalai Bhowal	99882	10113.05
16	Shri Milan Warjri	C/o Waiting shed at Hurupukni	99882	10113.05
17	Shri P. Lyngdoh	C/o Ft./Bridge over Umta river	224877	22768.80
18	Shri P. Sohtun	C/o Ft./Bridge at Latah Myllem.	99848	10109.61
19	Shri K.N Syiem	Impvt. Of Market at Lalpani	199727	20222.36
20	H. Kharsohnoh	C/o Ft/path at Iewduh	457709	46343.04
21	Joy Marbaniang	C/o Bridge at C/o Nonglamet Umjaproh	99898	10114.67
22	O. Lyngdoh Lyngkhohi	C/o Fencing at Lyngkhohi market	95040	9622.80
23	N. S Sohlamar	C/o slab cover drain at Porthangjah stream	99881	10112.95
24	Shri B. L Lawai	C/o latrine at Mawryngkneng sch	99630	10087.54
25	S. lawphniaw	C/o Ft/Bridge over river Smam	149766	15163.81
26	K. Langstieh	C/o Ft/Path at Iewduh	457709	46343.04
27	P.S Shabong	C/o Road at Wahingdoh	162033	16405.84
28	Richard Kharumnuid	C/o Latrine at St.Joseph Diengpasoh	99630	10087.54
29	Shri P. Marwein	C/o Durbar Hall at Mawkyllei	149818	15169.07
30	Shri R. Kharumnuid	C/o P/Ground at Pingwait village	99996	10124.60
31	Shri A. Umdor	C/o fencing at Tyrsat market	99675	10092.09
32	Shri Y. Umdor	-Do-	99675	10092.09
33	Shri A. Marwein	C/o Durbar Hall cum Office at Lawsohtun	979999	99224.90
34	Shri K.L Nonglait	C/o drain cum fencing at Markasa market	99970	10121.96
35	Shri B. Kshiar	C/o of App.Rd. at Annie Margrette Children vill	99925	10117.41
36	Shri B. Kshiar	C/o App.Rd. at Mawsawa	99809	10105.66
37	Shri. J. Khymdeit	Construction of road to playground at Korhadem	99893	10114.17
38	Shri. H. Mawlong	Construction of foot bridge at Wah Umsiar	99971	10122.06
39	Shri. B.N.Rymmai	Construction of Dorbar Hall at Khatarashnong	199597	20209.20
40	Shri A.Marwien	C/o road from cremation ground up-to main entrance of Lawsohtun graveyard	569860	57698.33
41	Shri P. Tynsong	Costruction of building at Seng KhasiLP SchoolWahkhew	199710	20220.64

Sl. No.	Name of Contractors/ Suppliers	Name of Works	Total value of work done	Amount of VAT not deducted at source
42	Shri P. N Kynter	Construction pf playground at Kenbah Malai	99960	10120.95
43	Shri K. Lyngkhoi	Construction of footpath at Mawphrew	89934	9105.82
44	Smti. V. Kharsyntiew	Construction of Pah Syntiew Upper Primary School building	149537	15140.62
45	Shri A. Nongrem	Construction of drain at Shillong Ktieh playground	99972	10122.17
46	Shri B. Mawlong	Construction of foot bridge Wahjahmyntlen	169949	17207.34
47	Shri O. Thabah	Construction of Community Hall at Ja-ud Lyngkhoi	199929	20242.81
48	Shri J. Marbaniang	Construction of foot bridge at Wah Umsier Rin Shella	189953	19232.74
49	Shri E. Sohslee	Construction of Community hall at Sharing Lum Laitkor Nongdoheng	199685	20218.11
50	Shri M. Nongkhlaw	Construction of Slab cover drain at Main and Upland road	99881	10112.95
51	Shri K. Nongdom	Construction of drain at Mawrusyiar playground	99972	10122.17
52	Shri B. Dewsaw	Construction of Mawkasain Seng Khasi Hall	299542	30328.63
53	Shri B Kynter	Construction of School bridge at Syntein Govt. L.P. School Mawkaphan	99829	10107.69
54	Shri R.Nongrum	Construction of Catrine at L.P School Pdengshnong Mawryngkneng	99712	10095.84
55	Shri F.S. Syiem Project Engineer KHADC	Construction of drain adjacent with Naspati Ghari	418019	42324.42
56	-do-	Construction of fencing beat office Ravibari Ri Bhoi District	349848	35422.11
57	Shri. R. Giri	Construction of KHADC Br office at Nongpoh	181828	18410.09
58	Shri J Marsing	C/o ft/path to p/ground at Matari	99929	10117.81
59	Shri T. Kharkongor	Construction of Bridge at Mawkynroh Mawtaraw	237260	24022.58
60	Shri N. Roy Ryntathiang	Construction of school bridge at Barigoan Presbyterian UP School	299992	30374.19
61	Shri M. Diengdoh	Construction L.P School at Ummiuh Yierbriaw	199712	20220.84
62	Shri A. Syiem	Construction of foot bridge at Ray Bih Bih	163868	16591.64
63	Shri O. Syiem	Construction of raod from Umling Patharkhwah raod to Mawtaraw	142611	14439.36
64	Shri K. Rangtong	Construction of School bridge at Nongjriong Chruch of God	99932	10118.12
65	Shri N. K. Lyngdoh	Construction of Parking lot with drainage system at Mawngap market	299143	30288.23
66	Shri F Sohtun	Extention of School Bldg at Umiew Presbetarian L.P School Pomlakrai	199976	20247.57
67	Shri D. Thabah	Constuction of footpath at Umkhlie Pres Church	99946	10119.53
68	Shri S. Dkhar	Construction of Sanitary Catrine at Pentacost Lumdiengjri	119673	12116.89
69	Shri S. Wanniang	Construction of P/ Latrine near the house of R Wanniang at Shillong	109874	11124.74
70	Shri L. Tohtih	Construction of Seng Khasi Hall at Mawlynbna	299538	30328.22
71	Shri T. Kharkongor	Construction of sanitary Latrine at Mawlai Nongpdeng	99936	10118.52

Sl. No.	Name of Contractors/ Suppliers	Name of Works	Total value of work done	Amount of VAT not deducted at source
72	Shri R Synjri	Construction of committee room at Nngjrong Pres Church	99811	10105.86
73	Shri W. Shullai	Construction & Extension of School Institution for disabled youth training Center of RLSSCO at Kenches Trace	3099157	313789.65
74	Shri S. Sten	Construction of footbridge at Umshyngktab	149642	15151.25
75	Shri S. Sten	Construction of footbridge at Lapudui	149642	15151.25
76	Shri I. Sutnga	Construction of drinking well at Mawprem bishop Dorbar	149786	15165.83
77	Shri S. Khyllap	Construction of road including railing at Mawsaw	149965	15183.96
78	Shri P. Kharmudai	Construction of school bldg at maw muthoh UP Selwol	199976	20247.57
79	Shri E. Lyngdoh	Construction of RCC ft bridge at Umiew Maw-u-sam	256178	25938.02
80	Shri B.K. Mawlong	Construction of ft bridge at Ummangrang	99891	10113.96
81	Shri T. Kharshiing	Construction of village road at lad Mawpen	99992	10124.19
82	Shri S. Nongrang	C/o Ft/Bridge at Mawkhar Krang	199901	20239.98
84	Shri. E. Kharbihkhiew	C/o P/ground at Mawlyngngad	199986	20248.58
85	Shri B. Lyngdoh	C/o Durbar Hall at Saisiej	149934	15180.82
86	Shri D. Marbaniang	C/o footpath at Siatbakon	202520	20505.15
87	Shri B.Trang	C/o School building at Umtra	199997	20249.70
88	Shri J. Thabah	C/o fishing cum water Reservoir	722674	73170.74
Total			1,87,08,834.00	18,94,269.44

Calculation:

Total Amount Paid: ₹1.87 crore.

Deductions@25% on works: ₹0.47 crore.

Amount on which VAT is applicable: ₹1.40 crore.

Amount of VAT@13.5%: ₹18.94 lakh.

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