

## **Chapter-IV**

### **Compliance Audit Observations**

#### **4.1 Non-release of Council's share of Motor Vehicle Tax by the District Transport Authority**

Hill Areas Department (HAD) directed (22 March 1991) the Deputy Commissioner, NC Hills District (erstwhile) to pay 90 *per cent* of the gross collection of Motor Vehicle (MV) Tax quarterly to the District Council. Transport Department had authorised the Deputy Commissioner (01 June 1991) to release the payment to the Council.

Scrutiny of records<sup>6</sup> and information furnished to audit relating to MV Tax showed that the total outstanding dues stood at ₹ 56.39 lakh<sup>7</sup>, being Council's 90 *per cent* share at the end of the year 2014-15. The Deputy Commissioner had not released the share of MV Tax to the Council till March 2015. There was nothing on record to suggest that the Council has taken up the matter with the DC/ Department.

*The NCHAC should take up the matter with the Government for early realisation of outstanding dues from the Transport Department.*

#### **4.2 Utilisation of departmental receipts towards departmental expenditure**

According to Rule 18 of the NCHAC District Fund Rules, 1953 (DFR), all moneys received by the Council shall be remitted into the treasury promptly and shall on no account be appropriated towards expenditure. Test-check of records and scrutiny of information furnished to Audit, revealed that the Transport Department collected revenue to the tune of ₹ 49.56 lakh during 2014-15. The revenue so collected was on account of bus fare, hire charges of buses, sale proceeds from auction of condemned vehicles *etc.*, under the receipt head of account 'Roads & Transport Services'. Out of the amount, the Department deposited ₹ 19.88 lakh into the PDA. The balance amount of ₹ 29.68 lakh was spent towards departmental expenditure, like procurement of fuel and lubricant, spare parts, *etc.*, during 2014-15.

Similarly, General Administration Department realised total revenue of ₹ 1.91 lakh during 2014-15 on sale of stamp paper, out of which, ₹ 1.45 lakh was deposited during 2014-15 into PDA and the balance amount of ₹ 0.46 lakh was utilised towards departmental expenditure.

Thus, during 2014-15, an amount of ₹ 30.14 lakh<sup>8</sup> was spent out of departmental receipts by the Council in violation of Fund Rules *ibid*.

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<sup>6</sup> Transport Department of the Council

<sup>7</sup> Up to March 2014: ₹ 16.19 lakh and 2014-15: ₹ 40.20 lakh

<sup>8</sup> ₹ 29.68 lakh + ₹ 0.46 lakh

The Principal Secretary, NCHAC replied (March 2017) that due to paucity of funds, the departmental receipts were utilised towards departmental expenditure due to unavoidable circumstances, which would be avoided in future.

The Council has not taken any corrective measures despite being pointed out in previous year's Audit Report.

*Council should evolve a system of checks so that revenues collected by various departments are deposited to PDA expeditiously as per the Fund Rules.*



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*Countersigned*



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**The 27 February 2024**