

OVERVIEW

This Report contains three sections. Section-I deals with the constitution of the Karbi Anglong Autonomous Council (KAAC), rules for the management of the District Fund and relevant constitutional provisions on the maintenance of accounts. Section-II deals with comments arising out of audit of Annual Accounts of the Council for the years 2011-12 to 2015-16 and contains 23 paragraphs, while Section-III of the Report details the audit findings pertaining to transaction audit relating to discharge of inherent and entrusted functions of the Council and contains 25 paragraphs. The significant findings are detailed below:

Financial Performance

The Accounts of the KAAC have two divisions as 'Part-I District Fund' and 'Part-II Deposit Fund' to exhibit receipts and expenditure pertaining to inherent and entrusted functions separately. The District Fund relates to the revenue receipts of the Council, Grants-in-Aid along with corresponding expenditure of the Council for its own establishment and inherent functions while the Deposit Fund relates to the funds received from the State budget as advance for functions entrusted to the Council by the State along with corresponding disbursements.

- Under district fund, revenue deficit of ₹144.88 crore¹ for the years 2011-12 to 2015-16 was reflected in the Annual Accounts. The excess expenditure incurred by the KAAC under the district fund was met by way of irregular diversion from deposit funds meant for the entrusted functions.

(Paragraph 2.1.2)

- Under deposit fund, surplus of ₹462.19 crore² for the years 2011-12 to 2015-16 was reflected in the Annual Accounts. This was due to less utilization of funds received from the State government for entrusted functions.

(Paragraph 2.1.3)

- The revenue receipts, (excluding grants-in-aid) of the KAAC, during the period from 2011-12 to 2015-16, fell short of ₹75.96 crore (45 per cent) than the budget estimations while the revenue expenditure during the corresponding period showed shortfall ranging from 3 to 64 per cent (₹5.34 crore to ₹110.49 crore) than the budgetary provisions made by the Council.

(Paragraph 2.3.1 & 2.3.2)

Comments on accounts

- Revenue receipts under Part-I District Fund were overstated by ₹85.56 lakh, ₹15.02 lakh and ₹30.88 lakh during 2011-12, 2012-13 and 2013-14 respectively, in the Annual Accounts for the respective years by the KAAC.

(Paragraph 2.4.1)

¹ ₹30.40 crore in 2011-12, ₹11.47 crore in 2012-13, ₹33.77 crore in 2013-14, ₹24.57 crore in 2014-15 and ₹44.67 crore in 2015-16.
² ₹34.67 crore in 2011-12, ₹26.81 crore in 2012-13, ₹19.17 crore 2013-14, ₹327.40 crore in 2014-15 and ₹54.14 crore in 2015-16.

- In the Annual Accounts, receipts under Deposit Fund were understated by ₹7.88 crore during the year 2011-12 while it was overstated by ₹33.36 crore, ₹62.05 crore, ₹266.80 crore and ₹92.28 crore during 2012-13, 2013-14, 2014-15 and 2015-16 respectively.

(Paragraph 2.5.1)

- The total disbursement of funds under Part-II Deposit Fund as exhibited in the Annual Accounts for the years 2011-12, 2012-13, 2013-14 and 2014-15 were understated by ₹44.96 crore, ₹3.80 crore, ₹0.85 crore and ₹2.07 crore respectively, while the same was overstated by ₹75.45 crore during 2015-16.

(Paragraph 2.5.2)

- Expenditure as accounted under Grant No.76 Hill Areas Department (Karbi Anglong Autonomous Council) in the Appropriation Accounts of the State for 2011-12 to 2015-16 do not tally with the corresponding expenditures as exhibited under Part II Deposit Fund in the Annual Accounts of the KAAC for the respective years. The discrepancies were neither set right by carrying out reconciliation with the figures booked by AG (A&E) prior to preparation of Appropriation Accounts nor explained by way of explanatory notes in the Annual Accounts by the KAAC.

(Paragraph 2.8)

Audit findings on transaction audit of inherent functions

- Short extraction of allotted quantities of bamboo by the Hindustan Paper Corporation Limited during the working season 2011-12 resulted in loss of potential revenue to the tune of ₹3.20 crore to the KAAC.

(Paragraph 3.1.1)

- KAAC could not realise Motor Vehicle (MV) Tax of ₹19.35 crore for the years 2011-12 to 2015-16 due to non release of Council's share of MV Tax by the District Transport Authority, Diphu.

(Paragraph 3.1.4)

- In violation of the provision of the Karbi Anglong District Fund Rules, 1952, the Transport Department of KAAC spent ₹3.03 crore unauthorisedly towards purchase of spares, Petrol Oil Lubricant etc., during the years 2011-12 to 2015-16 out of total available revenue receipts of ₹4.70 crore which was required to be deposited into the Personal Ledger Account of the KAAC.

(Paragraph 3.2.2)

- KAAC incurred irregular excess expenditure of ₹2.09 crore over and above the amount of administrative approval on account of Construction of Karbi Bhawan at Silpukhuri, Guwahati. Besides, irregular grant of interest free Mobilisation Advance of ₹50.00 lakh to the contractor in violation of the codal provisions led to consequential loss of interest amounting to ₹13.21 lakh to the Council.

(Paragraph 3.3.5)

Audit findings on transaction audit of entrusted functions

- In violation of the Government directives, KAAC did not close two current Bank accounts with undisbursed balance of ₹46.62 crore as on 30 September 2013 and maintained five current bank accounts (including current accounts which were not closed on 30 September 2013) and retained ₹46.71 crore till 31 March 2016, outside the Government accounts.

(Paragraph 4.1)

- In violation of prescribed provisions of the Budget Manual of Assam, KAAC incurred unauthorised expenditure amounting to ₹6.43 crore³ from the savings available under the Salary component during the years 2014-15 to 2015-16, without surrendering the savings registered under salary component before the close of the respective financial years.

(Paragraph 4.2)

- Inspector of Schools, Karbi Anglong District Circle, Diphu, irregularly incurred expenditure of ₹3.05 crore towards grant of salary of ad-hoc Karbi Language Teacher (KLT) by diverting plan fund of recurring grants meant for schools released by the Government of Assam.

(Paragraph 4.6)

³ ₹2.56 crore: Joint Director Health Services + ₹2.29 crore: Additional Chief Medical & Health Officer + ₹1.58 crore: Four DDOs (Addl. Director Soil Conservation, Addl. Registrar Cooperative Societies, District Agriculture Officer and Joint Director Handloom and Textiles).