

REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA



SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest

FOR THE YEAR 2016-17

**NORTH CACHAR HILLS AUTONOMOUS COUNCIL,
HAFLONG, ASSAM**

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COMPTROLLER AND AUDITOR GENERAL
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PREFACE

PREFACE

This Report has been prepared for submission to the Governor of Assam 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 for the year 2016-17.

2. This Report contains four Chapters, the first of which deals with the Constitution of the North Cachar Hills Autonomous Council (NCHAC), the rules for the management of the District Fund and maintenance of accounts by the District Council. Chapter-II depicts Autonomous District Council Fund position. Chapter-III deals with the Comments on Accounts and Chapter-IV deals with compliance issues noticed during test-audit of the transactions of the Council for the year 2016-17 including those which came to notice in earlier years but not dealt with in previous Reports. The compliance audit observations on the DDOs of entrusted departments under the Council are also reported separately through the C&AG's Report from time to time, along with the issue of Inspection Reports.

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 2016-17. Chapter-IV of the Report deals with the audit findings pertaining to transaction audit of the Council and contains 11 paragraphs.

Internal Control

An evaluation of internal control system in the Council revealed that internal control mechanism was weak which is evident from persistent irregularities like large variations between the budget and the actual expenditure, inaccuracy of figures of Annual Accounts, *ad-hoc* management of revenue earning resources and environmentally sensitive issues in absence of proper policy, absence of effective mechanism for timely deposit of revenue earned by the different organs of the Council, absence of Internal Audit wing, *etc.* Due to weak internal controls, the attempt on the part of Audit to examine the Annual Accounts and transactions of the Council was constrained to that extent. Above failure in internal controls under Financial Management is fraught with risks of fraud, misappropriation and financial irregularities, which might remain undetected.

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

2. Fund Management and Budgetary Process

➤ Funds received from the State Government for subjects/departments entrusted to the Council during 2016-17 were accounted for in Part-II Deposit in contradiction to the form of accounts prescribed by C&AG.

(Paragraph 2.1)

➤ Bulk of the activities (Approximately 90 *per cent*) undertaken by NCHAC during 2016-17 was from the funds provided by the State Government, which is currently being shown under Deposit Fund.

(Paragraph 2.2.1)

➤ During 2016-17, NCHAC received ₹ 521.07 crore for entrusted functions from the State Government, whereas the Council disbursed ₹ 469.96 crore to the Drawing and Disbursing Officers, for performing entrusted functions resulting in surplus of ₹ 51.11 crore under Deposit fund.

(Paragraph 2.2.2)

➤ Variation between budgeted (Entrusted) and actual numbers with respect to both receipts and expenditure, if any remained unascertained as NCHAC did not disclose the details of receipts and expenditure in respect of funds received from the State Government in its Annual Accounts.

(Paragraph 2.3)

➤ Wide variations between budget estimates and actual receipts as well as expenditures indicated preparation of unrealistic budget during the year 2016-17.

(Paragraphs 2.3.1 and 2.3.2)

Recommendations

- Council may disclose Head-wise breakup of consolidated opening and closing balances in the Annual Accounts so as to provide assurance that the expenditures incurred was for the purpose it was sanctioned.
- The Council may review the process of preparation of its budget and undertake steps towards preparation of realistic budget.

3. Comments on Accounts

➤ Revenue Receipts in respect of 'Stamp and Registration fees' were understated by ₹ 0.03 crore during 2016-17 in the Annual Accounts of the Council.

(Paragraphs 3.1.1.1)

➤ Expenditure under the head of account 'Land Revenue' was understated by ₹ 0.20 crore and expenditure under 'Art and Culture' was overstated by ₹ 0.12 crore during 2016-17 in the Annual Accounts of the Council.

(Paragraph 3.1.1.2 and 3.1.1.3)

➤ Receipts and disbursements against NITI AYOJ and Fifth ASFC were not accounted for in the Annual Accounts for the year 2016-17 leading to understatement of both receipts and expenditure by the Council.

(Paragraphs 3.1.2.1)

➤ During 2016-17, NCHAC did not reconcile the discrepancies in opening and closing balances between two sets of records viz., Treasury records and Annual Accounts despite these having been pointed out in previous Audit Reports.

(Paragraph 3.2)

Recommendations

- Council may prepare its Annual Accounts in complete consistency with the Form of Accounts prescribed by C&AG incorporating all transactions appropriately under District Fund and Deposit Fund.
- Annual Accounts may show the details of funds received from State Government within the District Fund as against the current practice of showing the same within Deposit Fund. The Funds received from State Government should also be disclosed minor head wise in Statement-5 and Statement-6 so as to assist greater accountability and transparency.
- Council needs to maintain ledger account, which should be the basis of compiling the Annual Accounts.
- Council should ensure control over budgetary allocation and expenditure, and to avoid fund being locked up or diverted.

- Council may devise a system of periodical reconciliation of collateral accounting records to identify mistakes within the accounting period so that corrective action is taken.

4. Compliance Audit Observations

- NCHAC failed to generate revenue to the tune of ₹ 14.85 lakh during 2016-17 despite having potential extractable broom.

Non-allotment of balance 1,10,000 Kg of broom sticks during 2015-17 from the mahal without any valid reasons needs to be investigated.

(Paragraph 4.1)

- Divisional Forest Officer, West Division failed to take any action against the Mahaldar for extra extraction of 1,37,820 kgs of broom resulting in a loss of ₹ 18.61 lakh.

The matter needs to be investigated and necessary action should be taken against the Range Officer, if found involved in the aforesaid leakage.

(Paragraph 4.2)

- Due to settlement of two Markets, two Vehicle Gates and two Areas below the official value, the Council sustained a loss of revenue of ₹ 54.31 lakh.

Council should take measures to revamp the revenue earning departments, so as to explore all the possibilities to increase its revenue earning and to eliminate the instances of loss of revenue.

(Paragraph 4.3)

- Revenue receipts of ₹ 4.81 lakh realised during the year were not deposited into the PDA by Range Officer, Garampani Range and the Taxation Department of the Council.

(Paragraph 4.4)

- Revenue receipts of ₹ 22.92 lakh were irregularly utilised by the Transport Department and General Administration Department of the NCHAC for departmental expenditure.

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

(Paragraph 4.6)

- Executive Engineer cum Estate Officer incurred an expenditure of ₹ 3.56 lakh on works which were not actually executed.

(Paragraph 4.7)

➤ Due to failure on the part of Assistant Dairy Development Officer, Umrangso to point out deficiencies in the estimate to its higher authority prior execution of the work, expenditure of ₹ 43.52 lakh incurred towards construction of Milk Processing Units remained idle for over five years.

(Paragraph 4.9)

Chapter-I

Constitution, Rules and Maintenance of Accounts

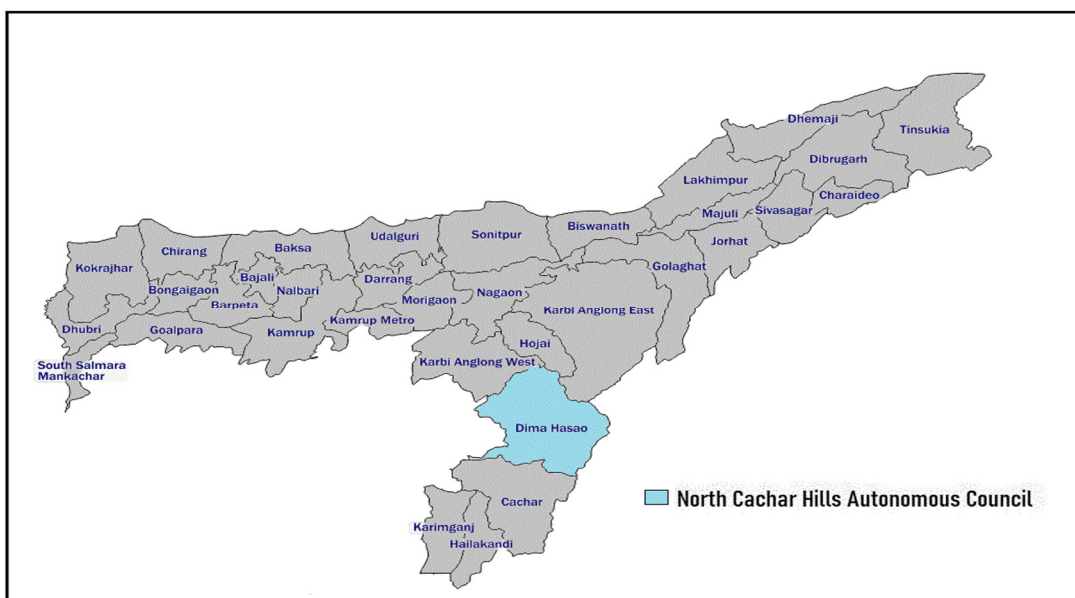
Chapter-I

Constitution, Rules and Maintenance of Accounts

1.1 Profile of North Cachar Hills Autonomous Council

The North Cachar Hills District Council in Assam was set up in April 1952 under Article 244(2) read with the Sixth Schedule to the Constitution of India. It was renamed as North Cachar Hills Autonomous Council (NCHAC) on 13 September 1995. NCHAC encompasses the district of North Cachar Hills covering 4,890 Sq. Km. of area, which is about 6.23 *per cent* of total area of (78,438 Sq Km) of Assam. The Council renamed North Cachar Hills district as “Dima Hasao” on 30 March 2010 and the Council is using the nomenclature “Dima Hasao Autonomous Council” in its official records. However, amendment of the Sixth Schedule to the Constitution of India, in this regard, has not been carried out till date. Haflong is the District Head Quarter. The district is surrounded in the North by Nagaon and Karbi Anglong Districts, in the South by Cachar District, in the East by Nagaland and Manipur and by Meghalaya in the West.

The Dima Hasao district comprises of 695 villages under five Community Development Blocks¹. Total population of the district as per 2011 Census is 2,14,102, which is 0.69 *per cent* of the total population (3,12,05,576) of the State. Beside other tribes, the district is mainly inhabited by Dimasa tribe. The total tribal population of the district as per 2011 Census is 1,51,843, which is 3.91 *per cent* of total tribal population (38,84,371) of the State.



NCHAC is governed by a Council comprising 30 members, of whom 28 are elected through adult suffrage, while two members are nominated by the Governor of Assam.

The Sixth Schedule to the Constitution of India provides for administration of specified tribal areas by constituting a District/ Regional Council for each autonomous district/

¹ Source: Statistical Hand Book of Assam, 2016.

region with powers to make laws on matters listed in paragraph 3(1) of the Sixth Schedule, mainly in respect of allotment, occupation, use of land, management of forests (other than reserved forests), use of any canal or watercourse for agriculture, regulation of the practice of 'Jhum' or other forms of shifting cultivation, establishment of village or town committees or councils and their powers, village or town administration, public health and sanitation and inheritance of property. Further, in terms of Paragraph 3A of the Sixth Schedule, NCHAC was vested with additional powers to make laws on the subjects, as specified under serial (a) to (o) in the Schedule *ibid*.

In terms of paragraph 6(1) of the Sixth Schedule, the Councils have the powers to establish, construct or manage primary schools, dispensaries, markets, cattle pounds, ferries, fisheries, roads, road transport and waterways in the respective autonomous districts. NCHAC also has the powers to assess, levy and collect within the autonomous district, 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 maintenance of schools, dispensaries or roads as listed in paragraph 8 of the Sixth Schedule. Under paragraph 9 of the Schedule, the Council is also entitled to the share of revenue generated from licenses/ leases for extraction of minerals within the Council area as agreed upon between Government of Assam (GoA) and the Council. The above functions are called normal or inherent functions of the Council in the common parlance.

In addition, the State Government entrusted additional functions, under Paragraph 6(2) of the Schedule *ibid*, (called entrusted functions) to NCHAC in relation to 30 subjects², since June 1970 (further revised in November 1979, November 1992 and December 1996). According to the terms of the latest entrustment, the State Government is required to make funds available to NCHAC in advance, primarily against Grant 77 of the State Budget, so that the latter can finance the expenditure relating to entrusted functions without difficulty. NCHAC is required to render monthly detailed accounts against their expenditure to the Principal Accountant General (Accounts and Entitlements) for adjustment of such advance of funds provided through State Budget. Budget provision for these functions is to be made in the State Budget and in terms of Office Memorandum (31 December 1996) of GoA, the Council is responsible to the State Legislature in respect of all matters relating to such funds provided for discharging the functions entrusted to it.

² (i) Industry (ii) Animal Husbandry & Veterinary (iii) Forest (iv) Agriculture (v) Education (vi) PWD (vii) Sericulture (viii) Cultural Affairs (xi) Soil Conservation (x) Co-operation (xi) Fisheries (xii) Panchayat & Rural Development including DRDA (xiii) Handloom & Textile (xiv) Health & Family Welfare (xv) Public Health Engineering (vxi) Irrigation (xvii) Social Welfare (xviii) Flood Control Department (xix) Sports & Youth Welfare (xx) Weight & Measures (xi) Food & Civil Supplies (xxii) Town & Country Planning (xxiii) College Education (General), including Library Services, District Museum & Archaeology (xxiv) Land Reforms (xxv) Publicity/Public Relation (xxvi) Printing & Stationery (xxvii) Tourism (xxviii) Transport (xxix) Excise and (xxx) Finance including sales Tax on purchase of goods other than Newspaper, Excise, Professional Tax.

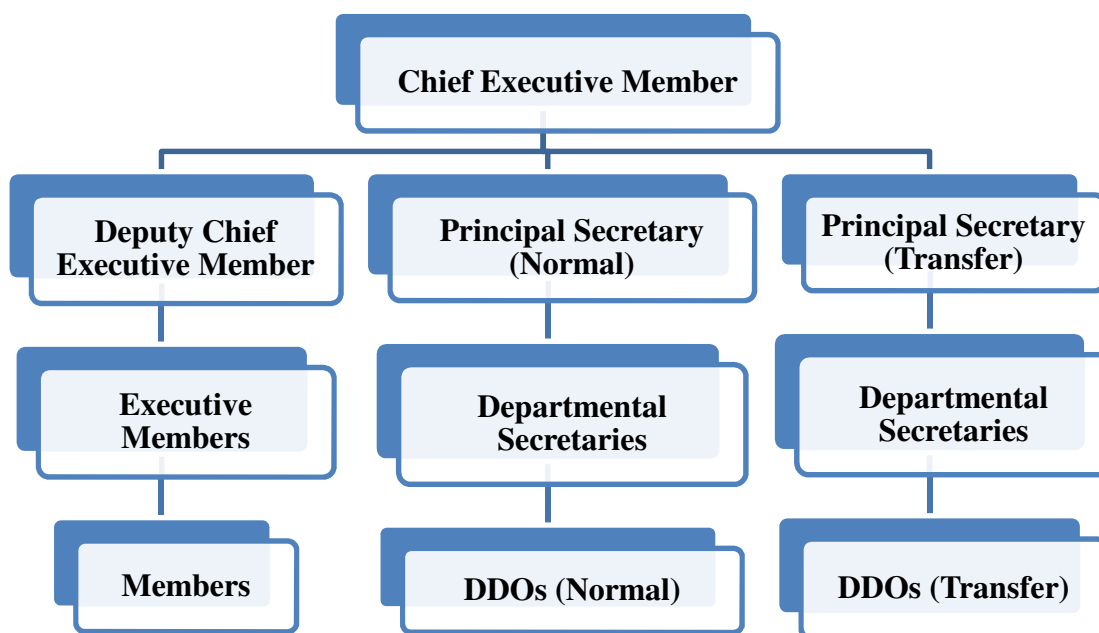
Thus, while executive functions were delegated in stages to the Council by GoA under Paragraph 6(2) since June 1970, with the Constitution (Amendment) Act, 1995 (42 of 1995) and the consequent insertion of paragraph 3A in the Sixth Schedule, the Council has inherent legislative powers on these subjects.

1.2 Organisational structure of NCHAC Secretariat

The NCHAC Secretariat was headed by two Principal Secretaries during 2016-17. The entrusted department is headed by the Principal Secretary (Transfer), appointed by the State Government, who also operates Personal Deposit Account (PDA) of the Council, while the inherent functions of the Council are looked into by the Principal Secretary (Normal), who is appointed by the Council. The Principal Secretaries are assisted by Secretaries, Additional & Joint Secretaries and other affiliated officers appointed by the Council and other State service officers deputed by GoA.

The structure of NCHAC administration is detailed in the organogram-1.1:

Organogram-1.1: Showing structure of NCHAC administration



Rule 126 of NCHAC Fund Rules, 1953 provides that the Council shall prepare a detailed statement of the permanent establishment existing on 1st April each year in a prescribed form. The Council did not comply with the aforesaid provision and failed to provide records pertaining to the Sanctioned Strength (SS) of the Council Sector. Information furnished to audit however, showed that Persons-in-position (PIP) during 2016-17 under Council Sector was 2,283 and there are 146 DDOs³ under the control of NCHAC. SS and PIP in respect of Entrusted functions (State Sector) during 2016-17 was not available with the Council. The Council authority stated (May 2022) that the required information will be furnished after collection of the same from the concerned Departments.

³ 16 under Council Sector and 130 under State Sector.

1.3 Rules for the management of District Fund

In terms of provisions of Paragraph 7(2) of the Sixth Schedule, rules for the management of District Fund viz., North Cachar Hills District Fund Rules, 1953 were framed by the Council and notified in April 1953.

1.4 Maintenance of Accounts and Audit Arrangements

In terms of paragraph 7(3) of the Sixth Schedule to the Constitution, the form in which the accounts of the District Council are to be maintained, is to be prescribed by the Comptroller and Auditor General of India (CAG). The approved format *inter-alia* provides for two divisions of the accounts, 'Part-I District Fund' and 'Part-II Deposit Fund'. The Fund, as prescribed under paragraph 7(1) of the Sixth Schedule to the Constitution, is maintained in the Haflong treasury, as the PDA of NCHAC.

The accounts and records of the Principal Secretaries, NCHAC, Haflong are audited by CAG under Paragraph 7(4) of the Sixth Schedule to the Constitution of India. The NCHAC submitted its Annual Accounts for the year 2016-17 in March 2018 with a delay of eight months.

Result of audit of Annual Accounts for the year 2016-17 and test-check of the transactions of the Council during the year have been presented in Chapter-II to Chapter-IV of this Report.

1.5 Internal Control

Internal control is a process designed to provide reasonable assurance regarding the achievement of the objectives of an organisation, with regard to efficiency and effectiveness of operations, compliance with applicable rules and regulations, fulfilling accountability, executive functions in an orderly, ethical, efficient and effective manner, safeguarding against loss and sound financial reporting. The internal control mechanism in the NCHAC was deficient/ ineffective as would be seen from the following, in addition to observations made in the Report.

- i. Preparation of budget estimates of receipts and expenditure was not based on realistic analysis, leading to large variations between the budget and the actual receipts and expenditure.
- ii. NCHAC did not maintain proper ledger or consolidated abstract showing receipts generated from its own resources, fund received from the State Government, disbursements made to Drawing and Disbursing Officers (DDOs) of different departments under administrative control of NCHAC (for entrusted function) and for the expenditure incurred by DDOs of NCHAC (for inherent function). Thus, control system did not assure accuracy of figures of Annual Accounts by itself.
- iii. Absence of proper policy in respect of revenue collection in major revenue earning departments like Forests, Transport, Taxes, Mines and Minerals, resulting in *ad-hoc* management of revenue earning resources and environmentally sensitive issues.

- iv. There was no effective mechanism for timely deposit of revenue earned by different organs of the NCHAC into PDA of the Council.
- v. There is no Internal Audit wing to strengthen the internal control system and enforce effective management.

1.6 Recommendations

- *Council may ensure timely submission of Annual Accounts to the Accountant General to adhere with prescribed timelines; and*
- *Council needs to strengthen its internal control mechanism, take action on deficiencies in financial management and maintenance of records.*

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 for each autonomous region 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. District Fund is maintained as Deposit Account (8443-Civil Deposit) in Haflong Treasury and the Principal Secretary (Transfer), NCHAC is the authorised officer who operates the Fund.

The ADC fund comprises of receipts from its own resources, shared revenue and grants/ loans and advances from State Government. Broad classification as per CAG's prescribed Form of Accounts is as discussed below:

A. District Fund

District Fund further had two divisions namely: (i) Revenue Section for Revenue Receipts and Expenditure and (ii) Capital Section for Capital Receipts and Expenditure, Public Debt, Loans and Advances. The first division deals with the proceeds of taxation and other receipts classed as revenue and expenditure met therefrom. It also includes the grants and contributions received from the State Government. The second division deals with expenditure of Capital nature met from borrowed funds. It also comprises of loans and their repayments by the Council and also loans and advances to staff and others and recoveries thereof 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, GPF, 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.

Contrary to this, funds received from the State Government for subjects/departments entrusted to the Council during 2016-17 were accounted for in Part-II Deposit Fund. This has been discussed in Chapter-III of this Report.

2.2 Sources and Application of Funds

2.2.1 Receipts and Disbursements

Summary of financial transactions of NCHAC during 2016-17 is shown in **Table-2.1**, while **Appendix-I** provide details of receipts and disbursements of the current as well as the previous year as per Annual Accounts of NCHAC.

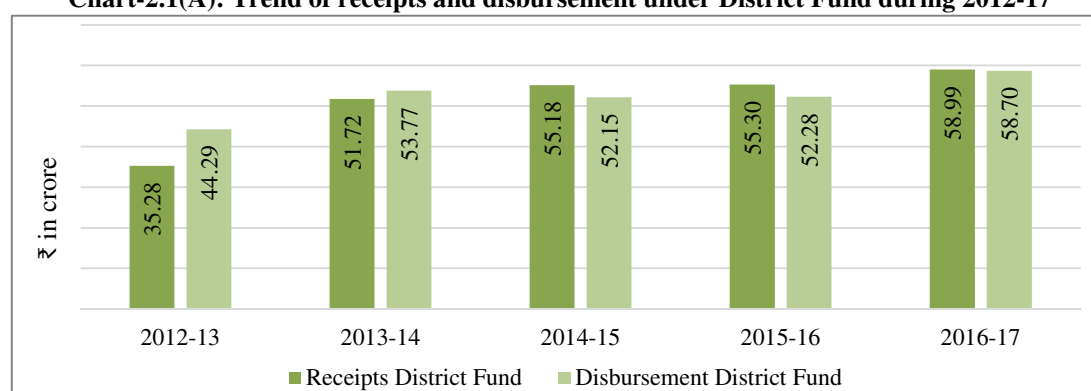
Table-2.1: Summary of fiscal transactions of NCHAC during 2016-17*(₹ in crore)*

Receipts		Disbursement
58.99	District Fund	58.70
521.07	Deposit Fund	469.96
580.06	Total receipts and disbursement	528.66
140.32	Opening/ Closing Balance	191.72
720.38	Grand Total	720.38

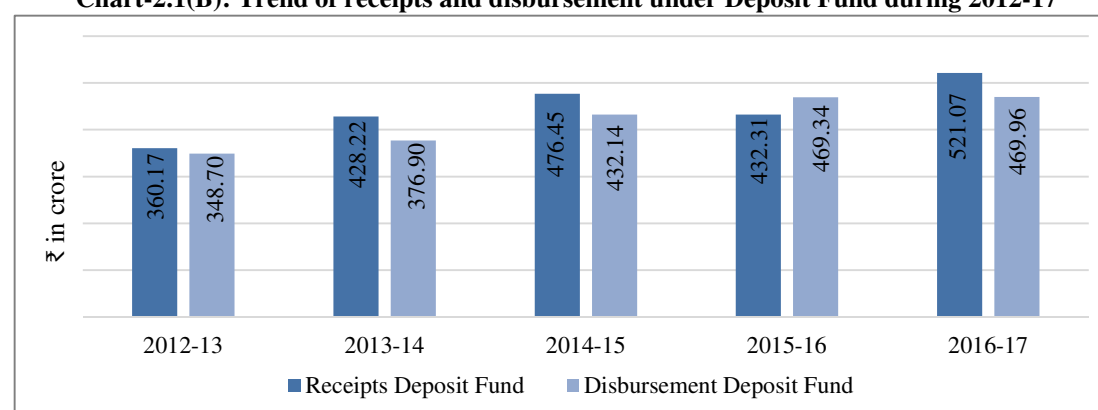
Source: Annual Accounts.

It can be seen from **Table 2.1** that the funds (Approximately 90 *per cent*) for the bulk of the activities undertaken by NCHAC is provided by the State Government, which is currently being shown under Deposit Fund.

Charts-2.1(A) and **2.1(B)** present the trends of receipts and disbursements under District Fund (fund generated from its own sources) and Deposit Fund (funds provided by the State Government) over a period of five years (2012-17).

Chart-2.1(A): Trend of receipts and disbursement under District Fund during 2012-17*Source: Annual Accounts.*

It is evident from the chart above that expenditure from District Fund was minimal and within own receipts during 2014-15, 2015-16 and 2016-17. However, during 2012-13 and 2013-14, it had exceeded the receipts under District Fund (Own receipts).

Chart-2.1(B): Trend of receipts and disbursement under Deposit Fund during 2012-17*Source: Annual Accounts.*

It is apparent from **Chart 2.1(B)** that the disbursement under Deposit Fund exceeded the receipts during 2015-16, while it was within the receipts during the remaining four years. Further, NCHAC has not received any funds under Article 275 (1) from Government of India during 2016-17.

2.2.2 Unspent balance

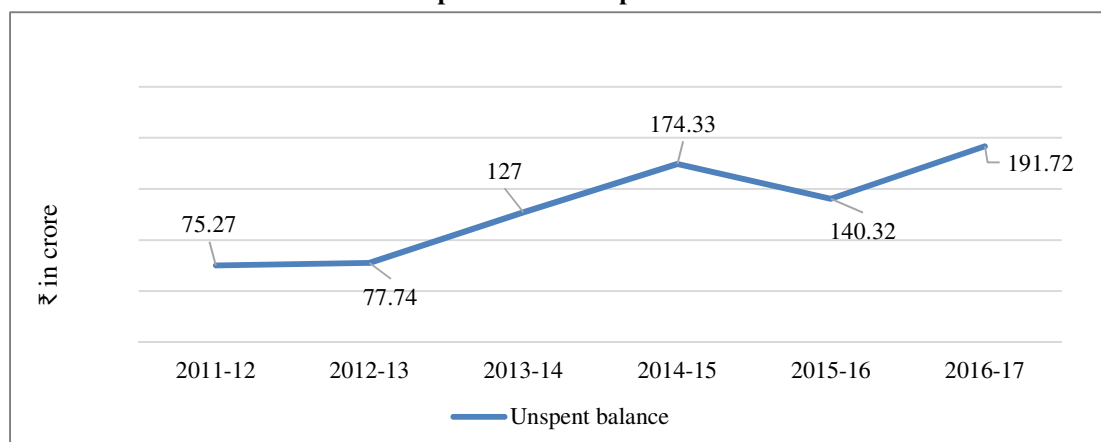
Unspent balance at the end of the financial year against funds received from GoA neither lapse automatically nor are surrendered by the Council. The savings accumulate in PDA of the Council and are utilised in subsequent years.

During 2016-17, NCHAC received ₹ 521.07 crore for entrusted functions from the State Government. Of this, the Council disbursed ₹ 469.96 crore to DDOs for performing entrusted functions. This resulted in surplus of ₹ 51.11 crore under Deposit Fund. Similarly, an unspent balance of ₹ 0.29 crore was also noticed under District Fund. The unspent balances resulted in increase in the closing balance of the Council from ₹ 140.32 crore in 2015-16 to ₹ 191.72 crore in 2016-17.

The Principal Secretary attributed the surplus under Deposit Fund to delay in finalisation of State Sectors Schemes due to which, funds could not be released during the year. The reply indicated the lack of a mechanism in the Council to expeditiously finalise the State Sectors Schemes and spend the money for the purposes for which it was meant.

Chart-2.2 presents the position of unspent balances of last six years as per Annual Accounts, which clearly shows the increase in the unspent balance during 2011-17, except for 2015-16, where closing balance increased from ₹ 75.27 crore at the end of 2011-12 to ₹ 191.72 crore as on March 2017.

Chart-2.2: Unspent balance as per Annual Accounts



Source: Annual Accounts.

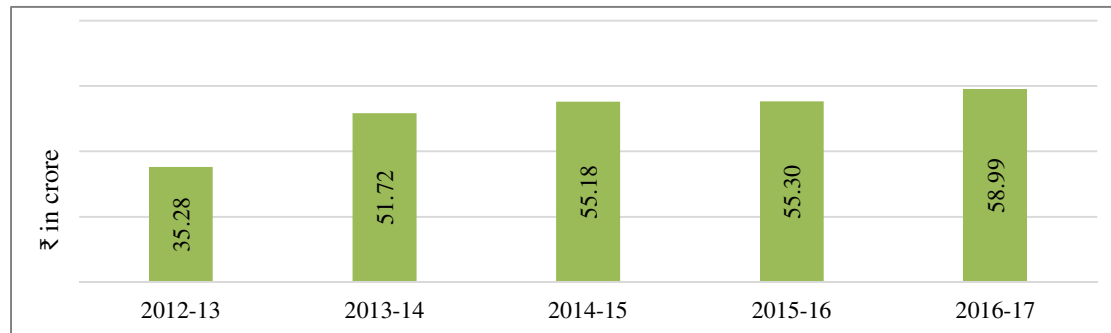
As Annual Accounts of NCHAC did not disclose grant-wise head-wise details of balances, the head of accounts under which full disbursements could not be made or disbursement was made in excess of funds, if any, during the year also remained undisclosed.

Maintenance of consolidated opening and closing balances without head/ grant-wise details in the PDA and non-disclosure of the same in the Annual Accounts defeats the very purpose of control over the public expenditure and is fraught with the risk of the funds released for various schemes/ programmes being locked up or diverted. There was also no assurance that the expenditure was incurred for the purpose for which it was sanctioned.

2.2.3 Receipts of Own Fund compared with previous year's position

Chart-2.3 presents the trends of revenue receipts by NCHAC from own fund during last five years (2012-17).

Chart-2.3: Trend of revenue receipts during 2012-17



As evident from **Chart 2.3**, there was a substantial growth of 47 *per cent* in revenue collection during 2013-14 compared to the previous year. While during 2014-17, the growth rate of revenue collection ranged from below one *per cent* to seven *per cent* only. Increase of receipts by seven *per cent* during 2016-17 over 2015-16 was mainly due to increase in revenue collection under three heads of accounts viz., Taxes on Vehicles, Mines and Minerals and Roads and Transport Services.

The position of revenue receipts of NCHAC during 2016-17 as compared to receipts of the previous year under different heads of accounts varied widely as detailed in **Appendix-II**.

2.3 Comments on budgetary process

NCHAC prepares two sets of budgets as detailed below:

- i) **Entrusted Budget:** NCHAC prepares its entrusted budget in respect of Grant 77, for subjects entrusted to it by the State Government as per Paragraph 6(2) of the Sixth Schedule. This budget is submitted to the State Government for appropriation by the State Legislature and release of funds. In this budget, the Chart of Accounts (CoA) followed by NCHAC is that of List of Major and Minor Head (LMMH) of the Union and States. Funds from this Grant are released to NCHAC in two instalments as advance.
- ii) **Council Budget:** NCHAC also prepares another budget in respect of estimated own revenue receipts and estimated expenditure incurred therefrom. This budget is termed as Normal budget in common parlance. In this budget, NCHAC follows the CoA prescribed by CAG.

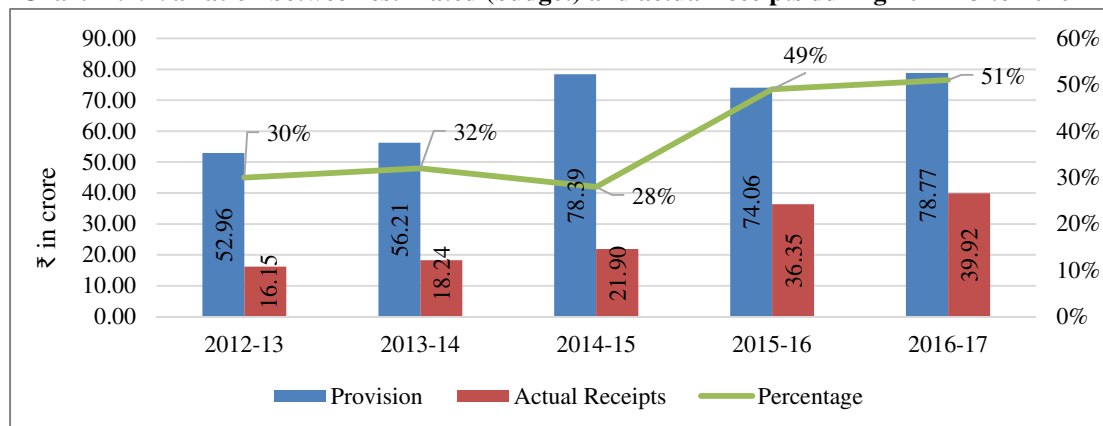
As NCHAC did not disclose the details of receipts and expenditure in respect of funds received from the State Government in its Annual Accounts, variation between budgeted (Entrusted) and actual numbers with respect to both receipts and expenditure, if any, could not be ascertained. Thus, there was no assurance that the expenditure incurred out of unspent balance of previous years was actually incurred for the purpose for which it was sanctioned by the State Government.

Instances of variation between Revenue receipts/ Revenue expenditure and Council Budget are discussed in the succeeding paragraphs.

2.3.1 Revenue receipts compared with budget estimates

The position of variation between budgetary provision and actual revenue receipts during the last five years is depicted in **Chart-2.4**:

Chart -2.4: Variation between estimated (budget) and actual receipts during 2012-13 to 2016-17



Source: Normal Budget and Annual Accounts.

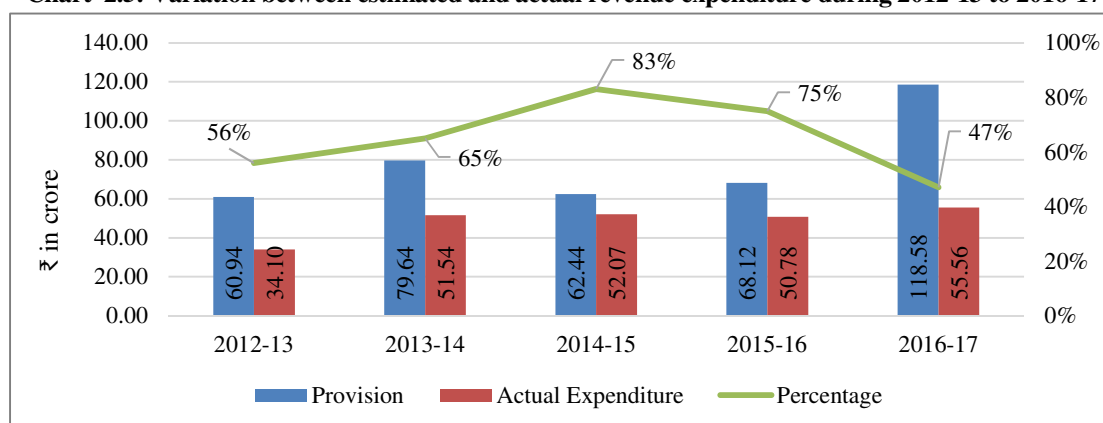
During the last five years, the actual revenue receipts of NCHAC ranged from only 28 to 51 *per cent* of estimated (budget) receipts. Head-wise position of variations between estimates of receipts and actual receipts during 2016-17 showed that shortfall ranging from 24 to 71 *per cent* occurred in four heads of account. Excess receipts over budget estimates occurred in six heads of account as detailed in **Appendix-III**.

The wide variations between estimated and actual receipts were indicative of unrealistic budget preparation. As such, streamlining of the process of preparation of budget was needed to be ensured by the Council.

2.3.2 Revenue expenditure compared with budget estimates

Similar to revenue receipts, the actual revenue expenditure of NCHAC during the last five years ranged from 47 to 83 *per cent* of estimated (budget) provision, as would be evident from **Chart-2.5**.

Chart-2.5: Variation between estimated and actual revenue expenditure during 2012-13 to 2016-17



Source: Normal Budget and Annual Accounts.

During 2016-17, actual revenue expenditure of NCHAC was 47 *per cent* of estimated (budget) provision. Head-wise position of variation between estimated and actual expenditure showed that savings ranging from 2 to 100 *per cent* in 15 heads of account had occurred. Excess expenditure over budget estimates (18 *per cent*) in one head of account had occurred during 2016-17, as detailed in **Appendix-IV**.

The above savings and excess expenditure against estimated provision underlined the need for a rational estimation process based on a critical review of necessity. Further, planning of expenditure and strengthening the monitoring mechanism at all level needs to be emphasised by the Council.

2.4 Conclusion

- i. There is an accumulation of unspent balance over the years in the PD Account. There was no assurance that the expenditure incurred out of unspent balance of previous years was actually incurred for the purpose for which it was sanctioned.
- ii. Financial management was inadequate which led to substantial surplus/ deficit under District and Deposit Fund, wide variations between estimated and actual receipts and expenditure.
- iii. Budgetary assumptions of the Council were not realistic during 2016-17 and budgetary estimates were off the mark by a considerable margin.
- iv. Variations between the budget estimates and actual receipts and expenditure during 2016-17 indicate that the estimates prepared by the Council were unrealistic.

2.5 Recommendations

- *Council may disclose Head-wise breakup of consolidated opening and closing balances in the Annual Accounts so as to provide assurance that the expenditures incurred was for the purpose it was sanctioned;*
- *The Council may review the process of preparation of its budget and undertake steps towards preparation of realistic budget.*

Chapter-III

Comments on Accounts

Chapter-III

Comments on Accounts

3 Introduction to Accounts and Comments on Council Accounts

In terms of paragraph 7(3) of the Sixth Schedule to the Constitution, the form in which the accounts of the District Council are to be maintained, is to be prescribed by the CAG, which was done in 1977. The Form of Accounts prescribed by CAG comprised of seven statements. A brief description of the seven statements comprising the Accounts of ADC is given in **Table-3.1**.

Table-3.1: Statements in the C&AG prescribed Form of Accounts of District Councils

Sl. No.	Statement No. as per prescribed format	Particulars of Statements as per prescribed format
1.	Statement No.1	Summary of transactions showing summarised position of Receipts and Disbursement of District Fund and Deposit Fund, with breakup at the level of Revenue, Capital, and Debt.
2.	Statement No.2	Progressive Capital Outlay to the end of the year showing Major Head-wise Capital expenditure for the current year, and cumulative expenditure till the end of the year.
3.	Statement No.3	Summarised position of the Debt taken by the Council, the receipts and repayments in the year, and balance outstanding. In addition, the Statement has a separate associated statement showing the monthly ways and means position of the Council.
4.	Statement No.4	Loans and Advances by the Council showing category-wise summary of loans and advances given by the Council, the payments and receipts, and the balance outstanding at the end of the year.
5.	Statement No.5	Detailed account of revenue of the Council with Minor Heads-wise breakup.
6.	Statement No.6	Detailed account of expenditure of the Council with Minor Heads-wise break up.
7.	Statement No.7	Receipts, disbursements and balances under heads relating to District Fund and Deposit Fund showing summarised position of Opening Balance, Receipts, Disbursements, and Closing Balance for heads under District and Deposit Fund are given.

3.1 Comments on Annual Accounts

NCHAC prepared its Annual Accounts in the aforementioned seven statements. Deviations with respect to the format prescribed by CAG are pointed out below:

- a. **Statement-1** of the Annual Accounts of NCHAC exhibited revenue receipts of ₹ 58.99 crore from its own sources (including assistance of ₹ 18.26 crore received from the State Government) and of ₹ 521.07 crore from the State Government for functions entrusted to it under Paragraph 3B of the Schedule *ibid*. The receipts of ₹ 521.07 crore from the State Government was incorrectly accounted under Part-II Deposit Fund. **Statement-5** showed details of revenue by Major Heads only for own funds' receipts, excluding funds received from the State Government for entrusted functions, which form 90 *per cent* of the

total receipts. NCHAC did not account for the detailed head-wise breakup of ₹ 521.07 crore in **Statement-5**. Consequentially, Audit could not ascertain whether the expenditure made under different heads was within the allotted budget or not.

- b. **Statement-1** also shows the summary of expenditure made, both from its own revenue (₹ 58.70 crore) and from State Government for entrusted functions (₹ 469.96 crore). However, the amount of ₹ 469.96 crore was incorrectly shown under the Deposit Fund. While **Statement-6** showed details of expenditure for District Fund (₹ 58.70 crore) only, details of expenditure of ₹ 469.96 crore (89 per cent of total expenditure) were not included in Statement-6 of the Annual Accounts prepared by the Council.

The form of Accounts prescribed by CAG requires the Council accounts to be kept in two parts - the District Fund and Deposit Fund, analogous to the Consolidated Fund and Public Account in State and Union Government Accounts. However, the funds transferred by the Government of Assam to NCHAC for subjects/ departments entrusted to the Council is accounted under Part-II Deposit Fund. Thus, treatment of the same as Deposit Fund in Statement-1 is contrary to the form of accounts prescribed by CAG. Moreover, since both **Statement-5** and **Statement-6** provide insufficient information *vis-à-vis* the prescribed form of accounts, the accounts lack completeness and comparability.

- c. **Statement-7** (Receipts, Disbursement and Balance under Heads relating to District fund and Deposit fund) of the Annual Accounts of NCHAC exhibited heads of Accounts which are not in conformity with either heads of accounts prescribed by C&AG or LMMH. Further, NCHAC under the head of accounts “*Deposit not bearing interest, Security deposit from the State Government for transferred items*” exhibited receipts of ₹ 539.33 crore, while ₹ 521.07 crore was accounted for as total receipts under Deposit Fund in **Statement-1**. The discrepancy between the figures in **Statement-1** and **Statement-7** was due to inclusion of ₹ 18.26 crore, which was received from the State Government as Grant-in-aid and exhibited in **Statement-5** under District Fund. This discrepancy should have been explained by way of notes.
- d. NCHAC is required to submit Monthly Accounts to Principal Accountant General (A&E) for funds transferred to it against Grant 77, based on which, the Appropriation Accounts is compiled and prepared by PAG (A&E). Appropriation Accounts of the said Grant indicated that during 2016-17, NCHAC had made a total expenditure of ₹ 52.28 crore towards Capital Outlay. However, as per **Statement-2**, NCHAC incurred ₹ 3.14 crore only towards Capital Outlay. Thus, Annual Accounts of NCHAC did not provide correct picture of current and cumulative expenditure towards creation of capital assets as of March 2017.

From above observations, it is evident that the Accounts lack transparency as the details regarding the receipts and expenditure from the funds provided by the State Government (which is approximately 90 per cent of total receipts and expenditure of

the Council) were not disclosed in the Accounts and thereby the detailed analysis of receipts and expenditure of NCHAC and the impact could not be ascertained by Audit.

Thus, NCHAC is required to rectify the mistake by correctly accounting its financial transactions from the funds received from State Government in the Annual Accounts as per the format prescribed by the C&AG.

Since NCHAC has not disclosed the transactions pertaining to the funds received from the State Government in a detailed manner, as prescribed, in its Annual Accounts, audit analysis is mainly restricted to NCHAC's own funds, which are discussed in succeeding paragraphs.

3.1.1 District Fund

3.1.1.1 Understatement of receipts

Against the actual receipts of ₹ 5.46 lakh under the head '*Stamps and Registration fees, Court fees*', NCHAC accounted for ₹ 2.26 lakh in the Annual Accounts, which led to understatement of receipts as well as Closing balance by ₹ 3.20 lakh.

On this being pointed out, the NCHAC accepted (June 2018) the mistake with an assurance to avoid the same in future.

3.1.1.2 Understatement of expenditure and overstatement of closing balance

Against actual expenditure of ₹ 2.58 crore under the head '*Land Revenue*', NCHAC accounted for ₹ 2.38 crore in the Annual Accounts, which led to understatement of expenditure by ₹ 0.20 crore with corresponding overstatement of closing balance to that extent.

3.1.1.3 Overstatement of expenditure and understatement of closing balance

Against the actual expenditure of ₹ 44.93 lakh under the head '*Art and Culture*', NCHAC accounted for ₹ 57.40 lakh in the Annual Accounts, which led to overstatement of expenditure by ₹ 12.47 lakh with corresponding understatement of closing balance to that extent.

On this being pointed out, the NCHAC in reply (June 2018) accepted the mistakes with an assurance to avoid the same in future.

Such overstatements and understatements could have been avoided had head-of-account wise ledger been maintained by the Council.

3.1.1.4 Non-disclosure of complete status of loans and advances from the State Government

The format of the Statement-3 (Debt Position) of Annual Accounts prescribed for exhibition of Loans and Advances from the Government and other sources including summary of Council Contributory Provident Fund (CPF) *viz.*, fund available at the beginning of the year, receipts during the year, repayment during the year and balance at the end of the year. However, no details were exhibited in **Statement-3** of Annual

Accounts for the year except ₹ 97.79 lakh under “Repayment” being Council’s contribution towards CPF of the employees.

Scrutiny of records however, revealed that during 2016-17, the Council contributed ₹ 86.91 lakh⁴ towards CPF of the employees, but the amount was not accounted for in Statement-6 (Detailed statement of expenditure) of the annual accounts leading to understatement of expenditure as well as overstatement of Closing Balance to that extent.

3.1.1.5 *Incorrect exhibition of Progressive Capital Expenditure in Statement-2 of the Annual Accounts*

Statement-2 (Progressive Capital Outlay) of the Annual Accounts should exhibit (1) total progressive expenditure to the end of previous year, (2) expenditure during the current year; and (3) total progressive expenditure at the end of the current year.

During audit, it was seen that even though the total progressive Capital expenditure at the end of the year 2015-16 was ₹ 23.46 crore, **Statement-2** of Annual Accounts for 2016-17 exhibited progressive capital expenditure of ₹ 1.50 crore at the beginning of 2016-17. This incorrect exhibition of opening balance resulted in understatement of opening balance of Progressive Capital Outlay to the extent of ₹ 21.96 crore in **Statement-2** of the Annual Accounts for 2016-17. This was further understated by ₹ 0.28 crore due to incorrect accounting of ₹ 1.30 crore against actual expenditure of ₹ 1.58 crore during 2016-17 under Capital Outlay on Public Works.

Thus, the Progressive Capital Outlay at the end of 2016-17 should be ₹ 26.88 crore⁵, which needed reconciliation by the Council in the subsequent Annual Accounts.

3.1.1.6 *Misclassification of receipts*

Statement-5 (Detailed Accounts of Revenue by Minor Heads) of the Annual Accounts exhibits miscellaneous revenue receipts of ₹ 81.27 lakh under the head “Debt (Normal), Misc Receipts”, the classification of which is not in keeping with the Chart of Accounts prescribed by C&AG for Autonomous District Councils established under the provisions of the Sixth Schedule or List of Major and Minor Head provided by the Finance Ministry, Government of India.

3.1.2 Deposit Fund

Although, funds received from the State Government for subjects/departments entrusted to the Council, was to be accounted for under District Fund as per the format

⁴ Not ₹ 97.79 lakh as shown in Statement 3.

⁵

Head of Accounts	Expenditure to end of 2015-16	Expenditure during 2016-17	Expenditure to end of 2016-17
40- Capital Outlay on Public Works.	15,26,33,605	1,57,90,857	16,84,24,462
41- Capital Outlay on Roads & Bridge	45,33,000	--	45,33,000
42- Capital Outlay on Road Transport Services	7,74,39,767	1,84,19,015	9,58,58,782
	23,46,06,372	3,42,09,872	26,88,16,244

provided by the CAG, the Council accounted these funds under Deposit Fund. Audit comments on the Deposit Fund are discussed in the succeeding paragraphs.

3.1.2.1 Understatement of receipts and disbursement under Part-II Deposit Fund and overall opening/ closing balance of the Annual Accounts

As per Rule 14 of NCHAC District Fund Rules, 1953, all money received by the Council shall be credited to the PDA (Treasury) and as per Rule 16, all monetary transaction shall be entered in the cash book as they occur.

Scrutiny of records revealed that during 2016-17, ₹ 30.98 crore was received by the Council from GoA under One-time Special Central Assistance – NITI AYOOG and Fifth ASFC. The amount was kept in Bank account instead of depositing the same into the Council's PDA as required under the Rules. Out of the available fund of ₹ 33.08 crore (including unspent balance of ₹ 1.95 crore of previous year and Bank interest amounting to ₹ 0.15 crore earned during the year), the Council released ₹ 10.10 crore during 2016-17 to different implementing agencies for implementation of various schemes leaving ₹ 22.98 crore as unutilised balance as of March 2017.

The receipts, utilisation and opening and closing balances of the above funds were, however, not accounted for in the Annual Accounts submitted by the Council. Thus, receipts and disbursement under Part-II Deposit Fund and overall opening/ closing balances of Annual Accounts for the year 2016-17 were understated to the extent as shown in **Table-3.2**.

Table-3.2 Extent of understatement of receipts and disbursement and overall opening/closing balance

(₹ in crore)						
Scheme	Opening balance	Funds received ⁶	Interest received	Total funds available	Disbursement	Closing balance
NITI Ayog & Fifth ASFC	1.95	30.98	0.15	33.08	10.10	22.98

Source: Departmental records.

The NCHAC in its reply (June 2018) accepted the mistake with an assurance to avoid the same in future.

3.1.2.2 Diversion of entrusted funds

In terms of Office Memorandum (31 December 1996) of GoA, the executive power in respect of 30 (thirty) subjects/departments have been entrusted to NCHAC. As per modalities of entrustment, the State Government before the beginning of a financial year, is to give an indication to the Council of the overall Financial Plan allocations for the year. The NCHAC then prepare the estimated receipts and expenditure (Grant 77) pertaining to NC Hills District in respect of entrusted subjects/departments as per the allocations, norms, etc., and after considering the estimate in their Council session, forward the estimate along with the synopsis within the stipulated time to the State government for appropriation by the State Legislature. Ordinarily, no change is made in the budget as proposed by the Councils. However, if for any reasons it becomes

⁶ NITI AYOOG: ₹ 24.66 crore and Fifth ASFC: ₹ 6.32 crore

necessary to do so, the Council would be consulted and would be explained the reason for the change.

Further, in order to enable NCHAC to finance the expenditure of the entrusted functions of the thirty subjects/departments without difficulty, the State Government releases Plan and non-Plan funds, appropriated heads of account wise, against Grant 77 as advance in two instalments. The expenditure of fund so released are to be made by the Council towards entrusted functions for which it was appropriated.

Test-check of annual accounts of NCHAC for the year 2016-17 and other relevant records, showed that against revised Plan allocation of ₹ 143.10 crore, GoA released ₹ 141.69 crore to NCHAC during the year. It was seen that out of the aforesaid fund, the Council irregularly sanctioned and released ₹ 9.64 crore to different DDOs of entrusted department as 7.5 per cent Administrative Charge and five per cent Contingency Charge directing the DDOs that fund so sanctioned be withdrawn and deposited again to the Personal Deposit Account of the Council. The deposit of funds by the DDOs was treated as revenue receipts under the head of account “Other General Economic Services” in the Annual Accounts of the District Fund and the same was utilised for discharge of inherent functions of the Council. Government approval or authorisation for deduction of funds out of Plan allocation was not available on records nor could be produced to Audit though specifically called for.

On this being pointed out, it was stated that the deduction was made in terms of Executive Committee resolution mainly for payment of salary of the Council employees under inherent functions (Council Sector).

Thus, despite GoA had released ₹ 15.50 crore as Administrative Charge during 2016-17, deduction of another ₹ 9.64 crore in the form of Administrative/contingency charge out of Plan fund released by the State Government for discharging entrusted functions, without approval of the Government was not only unauthorised but also bound to have adverse impact on development activities for which the fund was released by the State Government.

3.1.2.3 Diversion of capital fund towards revenue expenditure

Government of Assam (GoA) sanctioned and released ₹ 170.00 lakh to NCHAC during 2016-17 for capital expenditure under the head of account 5055 - Capital Outlay on Road Transport Services (Plan) from the State budget. There was unspent balance of ₹ 117.78 lakh of previous year. Thus, the total fund available under the said heads of account as on 31 March 2017 was ₹ 287.78 lakh. As per terms and conditions of the sanction, NCHAC is required to utilise the funds for the purpose it has been released and the office of Development Commissioner for Hill Areas of Assam to monitor and evaluate the implementation/ expenditure.

NCHAC however, released only ₹ 184.19 lakh⁷ to the Transport Department of the Council during the year 2016-17. Reasons for not releasing the balance amount of

⁷ ₹ 117.78 lakh sanctioned during 2015-16 plus ₹ 66.41 lakh sanctioned during 2016-17.

₹ 103.59 lakh was not available on records. Out of the released amount of ₹ 184.19 lakh, the Transport Department incurred expenditure of ₹ 121.77 lakh towards Capital expenditure and the balance amount of ₹ 62.42 lakh was incurred towards revenue expenditure, like procurement of spare parts, *etc.*, for the existing vehicles.

Thus, diversion of capital fund amounting to ₹ 62.42 lakh towards revenue expenditure was irregular and frustrated the purpose of providing fund under capital head of account.

On being pointed out, Principal Secretary, NCHAC stated (June 2018) that due to paucity of funds, Transport Department diverted and utilised capital fund towards revenue expenditure.

3.2 Personal Deposit Account

NCHAC maintains a Personal Deposit Account (PDA) with the Haflong Treasury, into which all receipts of NCHAC are credited and from which withdrawals for all expenditure are made. The balance held in PDA as per Cash Book as on 31 March of each financial year was required to be reconciled with the balance shown in the records of the Treasury and discrepancy, if any, between the two sets of records is required to be settled for identifying the accounting errors.

Chart-3.1(A) and Chart-3.1(B) show the differences that exists between the Opening and Closing balances in PDA as per NCHAC Accounts and Treasury.

Chart-3.1(A): Opening Balances as per Treasury records and Annual Accounts as on 01 April
(₹ in crore)

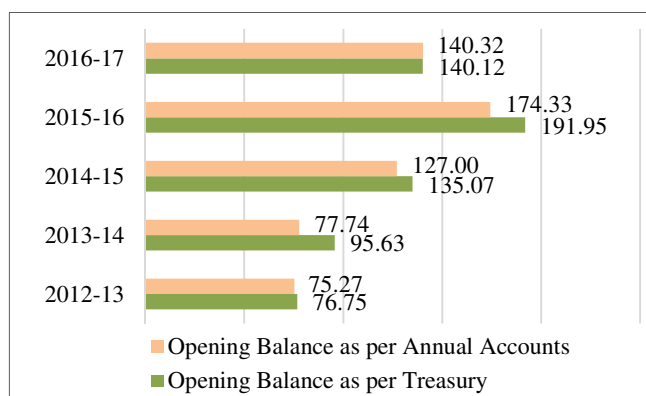
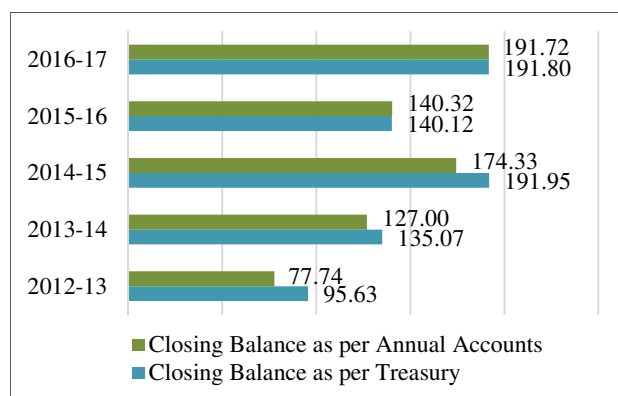


Chart-3.1(B): Closing Balances as per Treasury records and Annual Accounts as on 31 March
(₹ in crore)



The difference was not explained in the Annual Accounts as reconciliations of the figures between the two sets of records have not been made. The above deficiency persists despite being pointed out in previous Audit Reports and NCHAC needs to take appropriate steps for correct accounting. In reply, the Principal Secretary stated (June 2018) that necessary reconciliation would be done and intimated to audit. However, no such intimation was received from the Council (June 2021).

In this context, Audit further observed that during 2016-17 against the total receipts of ₹ 579.90 crore as per treasury records, NCHAC exhibited total receipts of ₹ 580.06

crore⁸ in the Annual Accounts, which led to overstatement of receipts by ₹ 0.16 crore in Statement-1.

The NCHAC replied (June 2018) that reason for such overstatement would be looked into and efforts would be made to avoid such lapses in future.

3.3 Conclusion

The audit of accounts of NCHAC for 2016-17 disclosed that:

- i. The principles of accounting followed by NCHAC for preparing its Annual Accounts *e.g.*, accounting of State Government funds into Deposit fund instead of District fund was not as envisaged in the Form of Accounts prescribed by CAG for District Councils in 1977.
- ii. The figures of the Annual Accounts were not supported by ledgers/ consolidated abstracts.
- iii. The Annual Accounts lacked transparency due to non-disclosure of head-wise details of balances.
- iv. Head-wise details of unspent balances of funds received for entrusted functions were not worked out both at the beginning and closing of the year. Thus, there was no assurance that the expenditure incurred out of unspent balance of previous years was actually incurred for the purpose for which it was sanctioned.
- v. Book-keeping (accounting) was weak and required further strengthening. Cases of discrepancies and lack of reconciliation with collateral records and under/ over statement of receipts/expenditure in Annual Accounts were noticed.

3.4 Recommendations

- *Council may prepare its Annual Accounts in complete consistency with the principles of accounting as envisaged in the Form of Accounts prescribed by C&AG incorporating all transactions appropriately under District Fund and Deposit Fund.*
- *Annual Accounts may show the details of funds received from State Government within the District Fund as against the current practice of showing the same within Deposit Fund. The Funds received from the State Government should also be disclosed minor head wise in **Statement 5** and **Statement 6** so as to assist greater accountability and transparency.*
- *Council needs to maintain ledger account, which should be the basis of compiling the Annual Accounts.*
- *Council should ensure control over budgetary allocation and expenditure, and to avoid fund being locked up or diverted.*

⁸ Part-I: District Fund = ₹ 58.99 crore and Part-II: Deposit Fund = ₹ 521.07 crore

- *Council may devise a system of periodical reconciliation of collateral accounting records to identify mistakes within the accounting period so that corrective action is taken.*

Chapter-IV

Compliance Audit Observations

Chapter-IV

Compliance Audit Observations

4.1 Failure to generate potential revenue on broom extraction

Test-check of records and information furnished by Divisional Forest Officer (DFO), West Division showed that 60,000 Kilogram (Kg) of broom stick was available annually for extraction during 2015-16 and 2016-17 from the broom *mahal* under Garampani range.

The DFO, however, entered (February 2015) into an agreement for a period of two years (February 2015 to February 2017) with a local *mahaldar*⁹ for extraction of 5,000 Kg of broom stick annually from the said broom *mahal*. Reasons for allotting the *mahal* for extraction of only 5,000 Kg against availability of 60,000 Kg each year for two years, were not available on records. Records in support of inviting tender for settlement of the *mahal* with the *mahaldar* were not found available on records. The *mahaldar* was required to pay total amount of ₹ 1.35 lakh¹⁰ excluding AVAT of ₹ 18,225 (13.5% of ₹ 1,35,000) which was duly realised by the DFO.

Thus, due to non-allotment of available broom stick, the Council failed to generate revenue to the extent of ₹ 14.85 lakh¹¹ despite having potential resources (broom stick) in the said *mahal*.

The Council did not furnish any reply.

Non-allotment of balance 1,10,000 Kg of broom sticks during 2015-17 from the mahal without any valid reasons needs to be investigated.

4.2 Loss of revenue due to non-payment of royalty

The Broom *mahals* are settled after collection of quotation from the intended *mahaldars*. After settlement, the selected *mahaldars* prints challans and submit the same to the DFO who forwards the same to the concerned Range Officers. After extraction of brooms by the *mahaldars*, the Range Officer issues challan and Transit Pass (TP) for the extracted quantity to the *mahaldar*.

One broom *mahal* under Harangajao range was allotted to a *mahaldar* for extracting 6,000 Kgs of broom annually with outright price of ₹ 1,20,000 at the rate of ₹ 10.00 per Kg for two years (From 18 February 2015 to 18 February 2017). As per information furnished to audit, the *mahaldar* extracted 1,49,820 Kgs of broom as on 31 March 2017 but paid only ₹ 1.20 lakh against the allotted 12,000 Kgs of broom stick. It is apparent that the extra 1,37,820 Kgs broom could not have been extracted without the knowledge of the Range Officer concerned. Moreover, no royalty was recovered from the

⁹ *Mahaldar* means person entity registered as such under Forest Department.

¹⁰ ₹ 1,00,000.00 (5,000 Kgs x ₹ 10.00 per Kg x2) plus 35 per cent monopoly fee

¹¹ 60,000 kg – 5,000 kg = (55,000 kg x 2) x ₹ 10 = ₹ 11,00,000 (Royalty) + ₹ 3,85,000 (35% Monopoly Fee) = ₹ 14,85,000

mahaldar for extraction of extra 1,37,820 Kgs than the allotted quantity of broom. No record in support of any action initiated by DFO in this regard was available on record.

Thus, inaction on the part of the DFO in taking timely action against the defaulting *mahaldar* resulted in a loss of revenue to the tune of ₹ 18.61 lakh¹².

The Council did not furnish any reply

The matter needs to be investigated and necessary action should be taken against the Range Officer, if found involved in the aforesaid leakage.

4.3 Loss of revenue due to settlement of Market/Vehicle Gate/Area below the official value

Records of Taxation Department of the Council showed that in exercise of the powers conferred under paragraph eight of the Sixth Schedule to the Constitution, NCHAC during 2016-17 operated 17 Markets/Vehicle Gates/Areas where taxes on entry of goods into markets (Scheduled goods) and taxes on animal and vehicles entering into the district were collected. These market/gates are settled annually with different lessees after inviting tender. However, before inviting tender, official value is fixed against each market/vehicle gate/area. Records in support of basis of fixation of the official value could not be produced to Audit, however, Secretary, NCHAC stated that official value was fixed by adding five to 10 *per cent* to the previous settled value.

During cross check of official value *vis-à-vis* settled value of previous years, it was seen that settled value of these markets/vehicle gates/areas of 2015-16 was taken as official value of the respective markets/vehicle gates, *etc.*, during 2016-17.

Scrutiny of tender notice and settlement of these markets/gates showed that out of the 17 markets/vehicle gates/areas, two markets, one Vehicle Gate and two Areas were settled below the official value¹³ as detailed below:

(i) Two Markets *viz.*, Mahur Bazar and Hatikhali Bazar were settled at value lower than the official value on the ground that all bidders¹⁴ offered value lower than the official value. However, neither re-tendering was resorted to nor any effort made by the Department to assess the reasons for submission of bid by the bidder below official value. Settlement of these two markets below the official value without retendering resulted in loss of revenue of ₹ 3.89 lakh as shown in **Table-4.1**.

¹² 1,37,820 Kg x ₹ 10.00 = ₹ 13,78,200 + ₹ 4,82,370 (35% monopoly fee) = ₹ 18,60,570

¹³ Minimum bid value as per NIT.

¹⁴ Four bidders each

Table-4.1: Loss of revenue

(in ₹)					
Sl. No	Name of Market/ Gate	Name of the lessee	Official Value	Settled Value	Loss of revenue
1	Mahur Bazar	Shri Anurag Kemprai	10,25,500	7,25,000	3,00,500
2	Hatikhali Bazar	Shri Nitesh Hakmaosa	1,75,000	87,000	88,000
Total					3,88,500

Further, it was also seen from records that the highest bidder for Hatikhali Bazar had offered the bid value of ₹ 1.10 lakh, but the Bazar was settled with the lowest bidder for reasons not on records. Settlement of Hatikhali Bazar with lowest bidder instead of highest bidder deprived the Council of revenue to the tune of ₹ 0.23 lakh.

(ii) From the records produced to Audit, it was seen that the tendering process of settlement of the vehicle gate for collection of entry tax *i.e.*, Manderdisa Vehicle Gate was cancelled (21 January 2016) without assigning any reason. Further scrutiny showed that in place of going for re-tendering of the Gate, the right of collection of entry tax was settled for the year 2016-17 through negotiation with a local lessee based on request made on 25 January 2016 by the lessee at a value of ₹ 35.00 lakh which was way below (42 *per cent*) the official value. It is pertinent to mention here that there has been a phenomenal rise (1100 *per cent*) in the settled value of the Gate, which has increased from ₹ 5.55 lakh in 2011-12 to ₹ 60.00 lakh in 2015-16.

Thus, due to acceptance of the request of the lessee and settlement of the Manderdisa Vehicle Gate at ₹ 35.00 lakh below the official value (₹ 60.00 lakh), the Council had to sustain loss of revenue to the tune of ₹ 25.00 lakh and extended undue favour to the lessee.

(iii) As per Clause 2 of Terms and Conditions of NIT tenderer, bidder quoting exorbitant rate and later surrendering their tender after settlement will be penalised with fine up to ₹ two lakh for tender value of ₹ 10 lakh and above, and ₹ 0.50 lakh for tender value below ₹ 10 lakh in addition to forfeiture of earnest money¹⁵. Further, as per Clause 7, if the successful bidder fails to deposit the accepted amount within stipulated time, beside forfeiting earnest money the gate/market, *etc.*, shall be settled with the second highest bidder.

Records produced to audit showed that Manderdisa Area was settled at ₹ 18.55 lakh against the official value of ₹17.50 lakh with the highest bidder. However, as the highest bidder failed to deposit the settled value, fresh tender was floated and the Area was settled with a lessee at ₹ 7.25 lakh instead of settling the Area, in terms of clause 7 of NIT, with the second highest bidder who quoted ₹ 18.35 lakh. As a result, the Council was deprived of generating its own revenue to the tune of ₹ 11.10 lakh (₹ 18.35 lakh - ₹ 7.25 lakh).

¹⁵ 5% for general bidder and 2% for ST bidder on official value.

Further, imposition of penal clause by the Council against the defaulting bidder, if any, and forfeiture of earnest money was not found available on records.

(iv) In respect of Haflong Area, the official value was ₹ 65.00 lakh. Four bidders had bid less than the official value for the Area and the highest bid value offered was ₹ 54.32 lakh by a local lessee. Records produced to audit revealed that a local lessee made an unsolicited request to the Principal Secretary (Normal) for allotting the Area at his offered rate of ₹ 40.00 lakh. The unsolicited request was accepted by the Chief Executive Member and necessary settlement order issued to the lessee who prayed for at ₹ 40.00 lakh. This resulted in loss of revenue to the Council amounting to ₹ 14.32 lakh (₹ 54.32 lakh - ₹ 40.00 lakh).

Thus, due to injudicious and inconsistent decision towards settlement of market/ bazar, etc., the Council had to sustain loss of revenue to the tune of ₹ 54.31 lakh¹⁶.

The Council did not furnish any reply.

Council should take measures to revamp the revenue earning departments, so as to explore all the possibilities to increase its revenue earning and to eliminate the instances of loss of revenue.

4.4 Short/non-deposit of revenue

According to Rule 17 of the NCHAC District Fund Rules, 1953 (DFR), all receipts due to the Council collected by an employee of the Council authorised to collect such receipts shall pass through the Cashier, who shall enter them in the cash book. Further, as per Rule 18 of DFR, all moneys received by the Council shall be remitted into the treasury promptly.

a) Cross verification of revenue receipt book along with Cash Book, Treasury challan, etc., for the year 2016-17 maintained by Range Officer, Garampani Range, showed that an amount of ₹ 4,63,916¹⁷ was realised as revenue receipts between September 2016 and March 2017. However, the revenue so realised was neither recorded in the receipts side of the Cash Book nor deposited into PDA, in violation of the rules *ibid*. Details of revenue realised and not deposited is detailed in **Appendix-V**.

b) Similarly, cross verification of Cash Book with revenue receipts books maintained by Taxation Department under NCHAC showed that revenue amounting to ₹ 5.55 lakh was realised between September 2016 and December 2016. Out of the above realised amount, only ₹ 5.38 lakh was deposited to the PDA during the year. This resulted in short deposit of ₹ 0.17 lakh as detailed in **Table-4.2**.

¹⁶ ₹(3.89+25.00+11.10 +14.32) lakh= ₹ 54.31 lakh

¹⁷ ₹ 4,02,279 as Forest royalty and ₹ 61,637 as VAT @ 14.5%

Table-4.2: Short deposit of revenue

(In ₹)

Receipt Book No.	Amount collected	Amount deposited	Amount short deposited
865	2,97,020	2,90,020	7,000
867	2,58,200	2,48,200	10,000
	5,55,220	5,38,220	17,000

Source: Departmental Records

Reasons for short/non-deposit of revenue into PDA were not available on record. Short/non-deposit of revenue of ₹ 4.81 lakh (₹ 4.64 lakh + ₹ 0.17 lakh) needs to be investigated as misappropriation/ misutilisation could not be ruled out and appropriate steps need to be taken for depositing of short/non-deposited amount of ₹ 4.81 lakh into PDA.

The Council did not furnish any reply.

4.5 Delay in deposit of revenue

According to Rule 18 of NCHAC District Fund Rules, 1953 (DFR), all moneys received by the Council shall be remitted into the treasury promptly.

Test-check of Cash Book and Money Receipt of different departments (Normal Sector) showed there was delay in deposit of revenue collected during 2016-17 in violation to the rules *ibid* as detailed in the following cases:

- i) Taxation Department collected revenue¹⁸ of ₹ 77.97 lakh. However, revenue so collected were retained in hand for a period ranging from four to 85 days prior to deposit into the PDA, as detailed in *Appendix-VI*.
- ii) Land and Revenue Department collected revenue amounting to ₹ 54.20 lakh towards land revenue, conversion, settlement fees, house tax, *dao* tax, *etc.*, but the amount was retained in hand for a period ranging from 05 to 139 days before depositing into PDA, as detailed in *Appendix-VII*.

The above cases of delay in deposit of revenue were only illustrative. Reason for delay in depositing the revenue to PDA of the Council was not on records. To obviate delays, the Council should take steps to ensure that all revenue realised are deposited into the PDA promptly.

The Council did not furnish any reply.

4.6 Irregular utilisation of departmental receipts

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.

¹⁸ Permit fees, Trade license, Professional tax, *etc.*

Test-check of records and information furnished by the Transport Department showed that during 2016-17, the Transport Department collected revenue to the tune of ₹ 36.84 lakh. The revenue so collected was against bus fare, hire charges of buses, sale proceed from auction of condemned vehicles, *etc.*, under the receipts head of account of Roads & Transport Services. Scrutiny of the records showed that against the total collection of ₹ 36.84 lakh, the Department deposited only ₹ 14.97 lakh into the PDA and the balance amount of ₹ 21.87 lakh was irregularly spent towards departmental expenditure, like procurement of fuel and lubricant, spare parts, *etc.*

Similarly, General Administration Department (GAD) of the Council realised a total revenue of ₹ 5.46 lakh during 2016-17 on sale of stamp paper. There was also revenue amounting to ₹ 0.26 lakh with the Department as on 01 April 2016. Thus, the total revenue with the Department during 2016-17 was ₹ 5.72 lakh. Of this, GAD deposited ₹ 4.54 lakh into PDA and utilised an amount of ₹ 1.05 lakh towards departmental expenditure such as printing cost of Court Fee Stamp, repairing of Air Conditioner at Chief Executive Member (CEM) secretariat, repairing of Photocopy machine, purchase of traditional *gamocha* for official programme, *etc.*, leaving a balance of ₹ 0.13 lakh to be deposited to PDA as on 31 March 2017.

Thus, during 2016-17, a total amount of ₹ 22.92 lakh was expended out of departmental receipts, in violation of Fund Rules *ibid.*

On this being pointed out, Principal Secretary, NCHAC stated (June 2018) that due to paucity of funds and unavoidable circumstances, departmental receipts were utilised towards departmental expenditure 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.

4.7 Fictitious expenditure towards construction of cultural hall

NCHAC accorded (December 2016) administrative approval and financial sanction for an amount of ₹ 30.00 lakh from the fund received during previous year under One Time Special Assistance (OTSA) of Central Scheme for the year 2015-16 to Sixth Schedule Areas for “Construction of *Baikho*¹⁹ at Dihur Phonglo”.

¹⁹ Dimasa Cultural Dancing Hall

Executive Engineer and Estate Officer (EE & EO), PWD, NCHAC, Haflong was assigned to execute the work, who accordingly prepared estimate of the work, based on APW SOR (Building) 2013-14. The estimate was technically sanctioned (February 2017) by the Superintending Engineer, PWD (R&B), Haflong Circle, Haflong and during the same month, fund was also released by the Principal Secretary, NCHAC.

Records furnished by EE&EO showed that work order was issued (15 December 2016) to a local contractor²⁰ after inviting tender (08 December 2016), but copies of tender documents, comparative statements, *etc.*, were not available on records. In absence of tender documents, criteria of selection of the contractor could not be ascertained in audit. It was also seen that the work order was issued prior to obtaining technical sanction. Reason for issue of work order irregularly was not found available on records.

Cross-verification of relevant vouchers with estimate and measurement book (MB) showed that the work of construction of the *Baikho* commenced on 15 January 2017 and completed on 05 March 2017 with a total expenditure of ₹ 29.17 lakh.

During joint physical verification of the above mentioned work, it was noticed that 13 items of works provided in the plan and estimates were not executed.



Baikho (traditional dancing house) constructed at Dihur Phonglo

However, relevant records like MBs and bill/vouchers showed that a total expenditure of ₹ 3.56 lakh was incurred against those items which were actually not executed as detailed in **Appendix-VIII**.

On this being pointed out, the EE&EO stated that as per verbal consent of Hon'ble Chief Executive Member, NCHAC some items of work not included in the original plan and estimates were executed by dropping/adjusting items of works as pointed out by audit. The reply was not tenable as neither details of execution of additional works, as stated, were recorded in the MB/bills nor could any records be produced to substantiate the reply.

²⁰ Shri Monit Johari

Thus, the expenditure of ₹ 3.56 lakh incurred against 13 items, which were not actually executed, was fictitious. This needs to be investigated and accountability fixed against the erring officer for fictitious recording in the measurement book. The excess amount paid to the local contractor also needs to be recovered.

4.8 Unfruitful expenditure

Principal Secretary, NCHAC accorded Administrative Approval (August 2012) of ₹ 129.67 crore for implementation of 30 irrigation schemes under Accelerated Irrigation Benefit Programme (AIBP) 2012-13. Out of the sanctioned amount of ₹ 129.67 crore, Central share was ₹ 116.70 crore and the balance amount of ₹ 12.97 crore was to be borne by GoA.

Scrutiny of records and information furnished to audit showed that the Executive Engineer (EE), NC Hills (Irrigation), Division, Maibong took up all the 30 irrigation schemes at a total cost of ₹ 129.67 crore through contractors selected by way of competitive bidding by floating tender. As per the NIT, the works were to be completed within 24 months from the date of issue of formal work order (January 2013). However, it was seen that as of March 2017 the physical progress ranged between 80 and 97 *per cent*. None of the works was completed even after a lapse of 26 months from the scheduled date of completion (January 2015), after incurring an expenditure of ₹ 68.86 crore.

From the records it was also seen that, out of the sanctioned amount of ₹ 129.67 crore, Central share of ₹ 68.86 crore²¹ was only released by the State Government. However, persuasion for release of balance central/state share was found to have been made, latest being in June 2017, but no funds was received till the date of Audit (June 2018).

As a result of non-completion of the schemes, expenditure of ₹ 68.86 crore remained unfruitful besides depriving the beneficiaries of the benefit contemplated while taking up the schemes.

The Council did not furnish any reply.

²¹ GoA release order dated March 2014 for ₹ 21.03 crore and letter dated March 2015 for ₹ 47.83 crore.

4.9 Idle expenditure

Test-check of records of Assistant Dairy Development Officer (ADDO), Umrangso showed that under Annual Plan 2010-11 - Creamery Scheme, construction of a new milk processing unit at Umrangso was undertaken at an estimated cost of ₹ 34.08 lakh (including 20 *per cent* premium applicable for North Cachar Hills). The estimate was prepared by the Junior Engineer, Dairy Development, Khanapara, Assam based on APWD (Building) Schedule of Rates 2010-11. However, copy of Administrative Approval and Technical Sanction could not be produced to Audit though specifically called for.

The work was awarded (February 2011) to the lowest tenderer²² at ₹ 35.05 lakh and was completed with an expenditure of ₹ 43.52 lakh. The excess expenditure of ₹ 8.47 lakh (₹ 43.52 lakh – ₹ 35.05 lakh) was incurred towards execution of some additional items, stated to be essential for the plant, which were not incorporated in the original estimate. The ADDO, Umrangso took up (May 2012) the matter with the Additional Director, Animal Husbandry and Veterinary Department (Hills), Haflong and requested him for preparing a revised estimate incorporating the additional items of work executed. The revised estimate prepared, if any, has not however been furnished to Audit.

Audit, however, observed that though the construction work was completed in 2012, the Milk Processing Plant remained non-functional till date (August 2018). Reason for the plant remaining non-functional was attributed to non-availability of soft (clean) water supply facility as the melt of soft water and milk was primarily required for milk processing. The plant remained non-functional for want of basic facility, in spite of excess expenditure of ₹ 8.47 lakh. This was indicative of lack of proper planning by the Department in execution of the work.

Thus, failure on the part of the Department, and ADDO in particular, to point out the deficiency in execution of the plant to higher authorities at an early stage, rendered the plant non-functional for more than five years. This also resulted in idle expenditure of ₹ 43.52 lakh and frustrated the objective of milk processing and packaging for their ready distribution among the people of the district.

The Council did not furnish any reply.

²² Shri Dilip Kumar Kemprai.

4.10 Non-recovery of Government loan

Records furnished to Audit by the Assistant Registrar of Co-operative Societies (ARCS), Haflong revealed that loans were disbursed to Co-operative Societies under different heads like Godown loan, Truck loan for societies engaged in distribution of essential commodities, construction of retail outlet, consumption credit, loan for construction of retail outlet, loan for lifting of essential commodities, *etc.* These loans were disbursed by the ARCS after executing agreements with the borrowing societies. As per the terms and condition of the agreements, loans were to be repaid by the borrowing societies within 10 annual equal instalments from 2nd anniversary of the date of drawal of the loan together with interest at the rate of 14 *per cent* per annum accrued thereon. The scheme was, however, discontinued from 2007.

Total loan sanctioned/disbursed by the ARCS could not be ascertained in audit due to non-furnishing of records. However, as per information furnished to Audit, total outstanding loan as on 31 March 2017 was ₹ 2.17 crore.

Scrutiny showed that, as of December 2017, a total accumulated loan amounting to ₹ 2.15 crore²³ remained outstanding in respect of 42 societies (including 24 defunct societies). There was nothing on record to suggest that credit-worthiness of the societies were assessed before granting loans.

Thus, failure on the part of the ARCS, Haflong in taking effective steps for recovery of loans is fraught with risk of loss to the Council to that extent.

The Council did not furnish any reply.

4.11 Irregular retention of money in the shape of DCR and Bankers' Cheques

As per Rule-31 of NCHAC Fund Rules 1953, no money should be withdrawn from the Fund (Treasury) unless it is required for immediate disbursement. It is not permissible to draw advances from the Fund either for the prosecution of works, the completion of which is likely to take a considerable time, or to prevent the lapse of budget allotments.

Scrutiny of Cash Book maintained by the Assistant Director of Handloom and Textiles (ADH&T), Haflong showed that an amount of ₹ 7.23 lakh was lying as closing balance (March 2018). The closing balance includes ₹ 3.48 lakh kept in the shape of 12 Deposit-at-Call Receipts (DCRs) and ₹ 3.75 lakh kept in the shape of 20 Bankers' Cheques (BCs). The DCRs/BCs were found to be in the name of the ADH&T, Haflong. Further scrutiny showed that the aforesaid amounts were released between 2009-10 and 2016-17, which was initially parked in DDO account and on closure of DDO account in September 2013 the amounts were parked as DCRs/BCs instead of remitting the same to treasury.


²³ Principal: ₹1.07 crore *plus* Interest: ₹1.08 crore.

The aforesaid 12 DCRs and 20 BCs valuing ₹ 7.23 lakh were not revalidated till date (June 2018). This indicated that the amount of ₹ 7.23 lakh was drawn without immediate requirement, which was in violation of Fund Rules *ibid*. It also indicates NCHAC's lack of financial control, thereby enabling DDOs under its jurisdiction to park funds irregularly outside PDA.

The Council did not furnish any reply.


NCHAC should initiate immediate steps to deposit the entire amount of ₹ 7.23 lakh to PDA which are parked in the form of DCRs and BCs.

Guwahati
The 22 February 2024


(KUMAR ABHAY)
Accountant General (Audit), Assam

Countersigned

New Delhi
The 27 February 2024


(GIRISH CHANDRA MURMU)
Comptroller and Auditor General of India

APPENDICES

Appendix-I
(Reference: Paragraph 2.2.1)

Receipts and expenditure of NCHAC for the year 2016-17 as per Annual Accounts and the resultant surplus/deficit under revenue, capital and deposit fund

(₹ in lakh)

Receipts		Particulars	Expenditure	
2015-16	2016-17		2015-16	2016-17
		Part-I: District Fund		
		A- Revenue Receipts and Expenditure		
451.99	429.06	Taxes on Income and Expenditure	-	-
341.68	202.67	Land Revenue	259.21	238.30
2.45	2.26	Stamps and Registration	-	-
-	85.58	Taxes on Vehicles	-	-
-	-	Education	1,823.54	2,048.46
622.33	512.70	Forests	1,522.48	1,594.02
490	950.43	Mines and Minerals	-	-
-	-	District Council	36.64	30.47
-	-	Executive Members	20.32	10.73
0.39	12.43	Administration of Justice	37.12	37.59
-	-	Secretariat General Services	590.13	553.47
-	-	Pension and Other Retirement Benefits	6.58	7.44
-	-	Art and Culture	49.69	57.40
-	-	Social Security and Welfare	12.25	31.50
10.98	30.40	Roads and Transport Services	71.86	93.24
-	0.02	Stationery and Printing	18.91	-
29.87	9.01	Public Works	509.66	623.96
1,685.76	1,757.00	Other General Economic Services	119.85	229.21
1,815.50	1,826.00	Grants in Aid from State Government	-	-
79.22	81.27 ²⁴	Miscellaneous Receipts [#]	-	-
5,530.17	5,898.83	Total –A: Revenue Receipts and Expenditure	5,078.24	5,555.79
-	-	Revenue Surplus	451.93	343.04
-	-	B- Capital Receipts and Expenditure	-	-
-	-	Capital Account	-	-
-	-	Capital Outlay on Public Works	50.89	129.71
-	-	Capital Outlay on Road Transport Services	99.25	184.19
-	-	Debt	-	-
-	-	Loans and Advances	-	-
-	-	Recoveries of Loans and Advances	-	-
0	0	Total-B: Capital Receipts and Expenditure	150.14	313.90
150.14	313.90	Capital Deficit	-	-
5,530.17	5,898.83	Total –Receipts and Expenditure (Part-I District Fund)	5,228.38	5,869.69
5,680.31	6,212.73	Total Part –I District Fund	5,680.31	6,212.73
		Part-II: Deposit Fund		
-	-	C- Receipts and Disbursements under entrusted functions	-	-
43,230.81	52,107.14	Funds received from the State Government	-	-
-	-	Disbursements	46,933.81	46,995.81
43,230.81	52,107.14	Total-C: Receipts and Expenditure (Deposit Fund)	46,933.81	46,995.81
3,703.00	-	Deficit/Surplus on Deposit Fund	-	5,111.33
46,933.81	52,107.14	Total- Part-II Deposit Fund	46,933.81	52,107.14
48,760.98	58,005.97	Total Receipts and Expenditure under Part I & II	52,162.19	52,865.50
-	-	D- Opening balance /Closing balance	-	-
17,433.15	14,031.93	Cash/Treasury (PLA)	14,031.93	19,172.40
66,194.13	72,037.90	Grand Total (A+B+C+D)	66,194.13	72,037.90

Source: Annual Accounts

Refund of unspent amount received from DDOs is treated as Miscellaneous Receipts classified as “Debt (Normal) Miscellaneous Receipts.

²⁴ Recovery of excess pay and allowances from staff.

Appendix-II

(Reference: Paragraph 2.2.3)

Statement showing head-wise variation of revenue receipts during 2016-17 as compared to 2015-16

(₹ in lakh)

Sl. No.	Heads of Account	Receipts during 2015-16	Receipts during 2016-17	Variation with 2015-16	Percentage of variation
1	Taxes on income and expenditure	451.99	429.05	(-) 22.94	5
2	Land Revenue	341.68	202.67	(-) 139.01	41
3	Stamps and Registration Fees	2.45	2.26	(-) 0.19	8
4	Taxes on Vehicles	0.00	85.58	85.58	--
5	Stationery and Printing	0.00	0.02	0.02	--
6	Public Works	29.87	9.01	(-) 20.86	70
7	Other Administrative Service	0.39	12.43	12.04	3087
8	Other General Economic Services	1,685.76	1,757.00	71.24	4
9	Forest	622.33	512.70	(-) 109.63	18
10	Mines and Minerals	490.00	950.43	460.43	94
11	Roads and Transport Services	10.98	30.40	19.42	177
12	Grants-in-aid from State Govt.	1,815.50	1,826.00	10.50	1
13	Debt (Normal)	79.22	81.27	2.05	3
Total Receipts Heads (Rev. A/Cs)		5,530.17	5,898.82	368.65	7

Source: Annual Accounts

Appendix-III

(Reference: Paragraph 2.3.1)

Revenue Receipts compared with Estimated Receipts (Budget) during 2016-17

(₹ in lakh)

Heads of Account	Estimated Amount	Receipts as per Annual Accounts	Variation Excess (+) Shortfall (-)	Percentage
Stamps and Registration	3.50	2.26	(-) 1.24	35
Forests	1,105.14	512.70	(-) 592.44	54
Roads and Transport Services	40.00	30.40	(-) 9.60	24
Other General Economic Services	5,988.09	1,757.00	(-) 4,231.09	71
Taxes on Income and Expenditure	415.00	429.06	(+) 14.06	3
Land Revenue	116.00	202.67	(+) 86.67	75
Taxes on Vehicles	50.00	85.58	(+) 35.58	71
Mines and Minerals	149.50	950.43	(+) 800.93	536
Other Administrative Service	3.00	12.43	(+) 9.43	314
Public Works	6.82	9.01	(+) 2.19	32
Stationery and Printing	0.02	0.02	-	-
Total	7,877.07	3,991.56	(-) 3,885.51	

Source: Normal Budget and Annual Accounts

Appendix-IV
(Reference: Paragraph 2.3.2)

Expenditure compared with that of Budget provisions during 2016-17

(₹ in lakh)

Heads of Account	Budget Provision	Expenditure as per Annual Accounts	Variation Excess (+) Saving (-)	Percentage
Land Revenue	378.15	238.30	(-) 139.85	37
Education	4,906.99	2,048.46	(-) 2,858.53	58
Forests	2,522.43	1,594.02	(-) 928.41	37
District Council	160.11	30.47	(-) 129.64	81
Executive Members	74.45	10.73	(-) 63.72	86
Other Administrative Service	55.56	37.59	(-) 17.97	32
Secretariat General Services	1,345.18	553.47	(-) 791.71	59
Pension and Other Retirement Benefits	1,000.00	7.44	(-) 992.56	99
Art and Culture	86.40	57.40	(-) 29.00	34
Relief on account of Natural Calamities	5.00	0.00	(-) 5.00	100
Roads and Transport Services	156.73	93.24	(-) 63.49	41
Stationery and Printing	27.00	0.00	(-) 27.00	100
Public Works	875.85	623.96	(-) 251.89	29
Other General Economic Services	232.92	229.21	(-) 3.71	2
Information and Publicity	5.00	0.00	(-) 5.00	37
Social Security and Welfare	26.60	31.50	(+) 4.90	18
Total	11,858.37	5,555.79	(-) 6,302.58	

Source: Normal Budget and Annual Accounts

Appendix-V
(Reference: Paragraph 4.4)

Statement showing the position of Forest Royalty collected during the year 2016-17 under Garampani Range, Umrangso under DFO (West), Haflong and not deposited into PDA

(In ₹)

Date of receipt	Receipt Book No.	Page No.	Nature of Forest Produce	Royalty Collected	AVAT	Total Collected	Received from whom
12/9/16	1,370	43	Earth & Clay	7,140	1,036	8,176	B. Sengyong
3/11/16	1,370	64	Sand	14,000	2,030	16,030	Diten Langthasa
6/11/16	1,370	68	sand	560	81	641	Diten Langthasa
27/2/17	038	092	Timber	21,073	3,288	24,361	-do-
27/2/17	038	093	Logs	21,375	3,186	24,561	Men singh Rongpi
27/2/17	038	094	Logs	19,451	2,994	22,445	-do-
27/2/17	038	095	Logs	18,808	2,930	21,738	-do-
27/2/17	038	096	Logs	18,780	2,868	21,648	Sar Millick
27/2/17	038	097	Logs	17,153	2,748	19,901	-do-
27/2/17	038	098	Logs	21,266	3,171	24,437	-do-
10/3/17	039	011	Timber	20,441	3,225	23,666	Sar Millik
10/3/17	039	012	Timber	20,630	3,223	23,853	Sar Millik
10/3/17	039	013	Timber	18,862	2,996	21,858	Sar Millik
10/3/17	039	014	Timber	18,765	2,982	21,747	Sar Millik
10/3/17	039	015	Timber	20,988	3,275	24,263	Sar Millik
10/3/17	039	016	Timber	15,156	2,401	17,557	Sar Millik
10/3/17	039	017	Timber	21,014	3,192	24,206	Sar Millik
10/3/17	039	018	Timber	20,385	3,159	23,544	Sar Millik
10/3/17	039	019	Timber	19,604	3,162	22,766	Sar Millik
27/3/17	043	016	Charcoal	11,138	1,615	12,753	On Singh Teron
27/3/17	043	018	Charcoal	11,138	1,615	12,753	On Singh Teron
27/3/17	043	019	Charcoal	11,138	1,615	12,753	On Singh Teron
28/3/17	043	020	Charcoal	11,138	1,615	12,753	On Singh Teron
28/3/17	043	021	Charcoal	11,138	1,615	12,753	On Singh Teron
28/3/17	043	022	Charcoal	11,138	1,615	12,753	On Singh Teron
Total				4,02,279	61,637	4,63,916	

Source: Departmental Records

Appendix-VI
(Reference: Paragraph 4.5)

Statement showing delay in deposit of Tax revenue collected

Book No.	Receipt No.	Date of collection		Date of deposit	Amount collected (in ₹)	Delay in deposit (in days)	
		From	To			Min	Max
747	37,301 to 37,350	25-02-2016	11-03-2016	26-04-2016	86,964	46	61
748	37,351 to 37,400	04-03-2016	27-04-2016	25-05-2016	94,254	28	82
749	37,401 to 37,450	11-03-2016	12-04-2016	26-04-2016	1,27,400	14	46
750	37,451 to 37,500	12-04-2016	22-04-2016	03-05-2016	1,61,700	11	21
775	38,701 to 38,750	06-05-2016	13-05-2016	15-06-2016	1,73,980	33	40
774	38,651 to 38,700	05-05-2016	13-06-2016	20-07-2016	1,47,050	37	76
773	38,601 to 38,650	30-04-2016	06-05-2016	10-05-2016	2,40,800	4	10
772	38,551 to 38,600	27-04-2016	05-05-2016	15-06-2016	1,51,354	41	49
771	38,501 to 38,550	22-04-2016	30-04-2016	16-05-2016	1,56,250	16	24
785	39,201 to 39,250	13-05-2016	13-06-2016	05-07-2016	1,77,884	22	53
787	39,301 to 39,350	15-06-2016	05-07-2016	09-08-2016	1,21,700	35	55
788	39,351 to 39,400	20-06-2016	27-06-2016	09-08-2016	96,740	43	50
789	39,401 to 39,450	27-06-2016	15-07-2016	01-08-2016	1,76,360	17	35
835	41,701 to 41,750	05-07-2016	12-07-2016	24-08-2016	95,780	43	50
836	41,751 to 41,800	12-07-2016	08-08-2016	08-09-2016	1,47,680	31	58
837	41,801 to 41,850	15-07-2016	02-08-2016	09-08-2016	2,69,768	7	25
838	41,851 to 41,900	02-08-2016	10-08-2016	09-09-2016	4,49,760	30	38
839	41,901 to 41,950	08-08-2016	30-08-2016	05-10-2016	2,72,240	36	58
863	43,101 to 43,150	16-08-2016	14-09-2016	27-09-2016	3,09,360	13	42
864	43,151 to 43,200	01-09-2016	14-10-2016	25-11-2016	1,14,344	42	85
865	43,201 to 43,250	14-09-2016	29-09-2016	25-10-2016	2,97,020	26	41
866	43,251 to 43,300	30-09-2016	07-11-2016	28-11-2016	2,55,964	21	59
867	43,340 to 43,350	09-12-2016	17-12-2016	16-01-2017	64,900	30	38
922	46,051 to 46,100	07-11-2016	08-12-2016	09-01-2017	93,600	32	63
923	46,101 to 46,150	08-12-2016	16-12-2016	09-01-2017	1,70,377	24	32
924	46,151 to 46,200	16-12-2016	21-12-2016	09-01-2017	2,17,600	19	24
925	46,201 to 46,250	19-12-2016	03-01-2017	16-01-2017	1,72,400	13	28
926	46,251 to 46,300	21-12-2016	28-12-2016	09-01-2017	2,88,800	12	19
977	48,801 to 48,850	28-12-2016	04-01-2017	16-01-2017	2,86,000	12	19
978	48,851 to 48,900	05-01-2017	09-01-2017	16-01-2017	3,62,500	7	11
979	48,901 to 48,950	09-01-2017	17-01-2017	14-02-2017	2,62,800	28	36
980	48,951 to 49,000	03-01-2017	19-01-2017	14-02-2017	1,77,000	26	42
981	49,001 to 49,050	17-01-2017	24-01-2017	14-02-2017	3,14,400	21	28
986	49,251 to 49,300	20-01-2017	07-02-2017	16-02-2017	1,64,080	9	27
987	49,301 to 49,350	24-01-2017	07-02-2017	16-02-2017	2,12,300	9	23
988	49,351 to 49,400	15-02-2017	10-03-2017	29-03-2017	1,80,300	19	42
989	49,401 to 49,450	07-02-2017	15-02-2017	02-03-2017	1,91,400	15	23
999	49,901 to 49,950	15-02-2017	28-02-2017	04-03-2017	2,27,700	4	17
1000	49,951 to 50,000	28-02-2017	21-03-2017	29-03-2017	286,700	8	29
		Total			77,97,209		

Source: Departmental Records

Appendix-VII
(Reference: Paragraph 4.5)

Statement showing delay in deposit of land revenue collected

Receipt Book No.	Receipt No	Date of collection		Amount (in ₹)	Date of deposit	Delay (in days)	
		From	To			Max	Min
776	38,751 to 38,800	03-05-2016	16-06-2016	3,23,607	21-07-2016	79	35
777	38,801 to 38,850	16-06-2016	29-06-2016	2,01,792	04-07-2016	18	5
829	41,401 to 41,450	29-06-2016	05-07-2016	2,54,950	15-07-2016	16	10
845	42,201 to 42,250	18-07-2016	21-07-2016	2,94,502	27-07-2016	9	6
846	42,251 to 42,300	21-07-2016	26-07-2016	2,05,348	31-08-2016	41	36
847	42,301 to 42,350	26-07-2016	29-07-2016	2,19,664	31-08-2016	36	33
868	43,351 to 43,400	08-08-2016	11-08-2016	1,38,514	15-09-2016	38	35
889	44,401 to 44,450	01-09-2016	06-09-2016	1,07,522	15-09-2016	14	9
890	44,451 to 44,500	06-09-2016	09-09-2016	1,42,254	22-09-2016	16	13
891	44,501 to 44,550	09-09-2016	14-09-2016	1,39,893	02-10-2016	23	18
892	44,551 to 44,600	10-09-2016	16-09-2016	98,763	19-10-2016	39	33
893	44,601 to 44,650	14-09-2016	21-09-2016	52,628	19-10-2016	35	28
901	45,001 to 45,050	21-09-2016	28-09-2016	31,350	19-10-2016	28	21
902	45,051 to 45,100	28-09-2016	30-09-2016	56,784	20-10-2016	22	20
903	45,101 to 45,150	30-09-2016	05-10-2016	48,225	20-10-2016	20	15
905	45,201 to 45,250	18-10-2016	20-10-2016	3,73,581	27-10-2016	9	7
911	45,501 to 45,550	24-10-2016	26-10-2016	3,29,878	04-11-2016	11	9
906	45,251 to 45,300	20-10-2016	24-10-2016	80,402	09-11-2016	20	16
912	45,551 to 45,600	24-10-2016	02-11-2016	1,93,985	09-11-2016	16	7
869	43,401 to 43,450	12-08-2016	18-08-2016	1,00,863	29-12-2016	139	133
915	45,701 to 45,750	15-11-2016	18-11-2016	1,40,067	29-12-2016	44	41
947	47,301 to 47,350	25-11-2016	30-11-2016	1,32,274	04-01-2017	40	35
951	47,501 to 47,550	14-12-2016	16-12-2016	1,70,278	04-01-2017	21	19
916	45,751 to 45,800	19-11-2016	23-11-2016	2,01,477	29-12-2016	40	36
948	47,351 to 47,400	01-12-2016	08-12-2016	91,386	29-12-2016	28	21
953	47,601 to 47,650	19-12-2016	22-12-2016	1,70,071	12-01-2017	24	21
968	48,351 to 48,400	22-12-2016	03-01-2017	1,91,006	21-01-2017	30	18
969	48,401 to 48,450	03-01-2017	05-01-2017	1,11,950	07-02-2017	35	33
970	48,455 to 48,500	05-01-2017	09-01-2017	85,515	21-02-2017	47	43
993	49,601 to 49,650	03-02-2017	09-02-2017	1,80,789	10-03-2017	35	29
994	49,651 to 49,700	09-02-2017	18-02-2017	80,562	22-03-2017	41	32
995	49,701 to 49,748	18-02-2017	21-02-2017	1,73,604	30-03-2017	40	37
996	49,751 to 49,800	21-02-2017	27-02-2017	94,365	30-03-2017	37	31
972	48,551 to 48,600	16-01-2017	25-01-2017	2,02,389	02-03-2017	45	36
	Total			54,20,238			

Source: Departmental Records

Appendix-VIII
(Reference: Paragraph 4.7)

Statement showing the details of items not executed

Name of item	Quantity shown as executed	Rate (in ₹)	Value of work (in ₹)
Part I 18/13.6.5a (Barge Board)	14.91	61.95	924
Part I 18/9.4.1 (Barge Board)	59.66	349.75	20,866
Part II 1/1.1Ab (Railing Post/Protection Wall)	348.14	138.12	48,085
Part II 2/2.1.1b (Railing Post/Protection Wall)	2.07	3,890.61	8042
Part II 3/4.1.4a (Railing Post/Protection Wall)	12.77	6,045.24	77,167
Part II 4/18.1.1a (Railing Post)	2.21	7,158.9	15,843
Part II 5/3.1.1a (Railing Post)	24.82	252.24	6,261
	37.54	394.81	14,821
Part II 6/18.1.1c (Railing Post)	0.538	6,767.66	3,641
Part II 7/2.2.1a (Railing Post)	1.22	5,496.65	6,728
Part II 8/2.2.1ba (Railing Post)	1.60	5,668.82	9,053
Part II 9/6.2.2a (Railing Post)	22.46	167.05	3,752
Part II 10/3.1.1Acii (Railing Post)	162.00	323.37	52,386
Part III Electrical Works	As per MB noting		88,769
		Total	3,56,338

Source: Departmental Records

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