

OVERVIEW

Overview

This Audit Report has been prepared in four chapters. Chapters I to III deal with Social, Economic and General Sectors. Chapter IV deals with general paragraphs.

This Report contains Performance Audits on “Direct Benefit Transfer”, “Implementation of Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) Scheme” and “Functioning of Guwahati Metropolitan Development Authority”. The Report also contains 10 paragraphs including two Subject Specific Compliance Audit Paragraphs, eight Compliance Audit Paragraphs and three general paragraphs. The draft Performance Audit Report and draft audit paragraphs were sent to the Principal Secretary/ Commissioner of the Departments concerned with a request to furnish replies within four weeks. The views of the Government were incorporated wherever appropriate. The audit findings were also discussed in exit conferences held with the representatives of Government of Assam and their views were duly acknowledged in the Report. A synopsis of the important findings contained in the Report is presented below.

SOCIAL SECTOR

Performance Audit

Performance Audit on ‘Direct Benefit Transfer’

Direct Benefit Transfer (DBT) was a major reform initiative of Government of India (GoI) to ensure better and timely delivery of benefits from Government to the people. DBT in Assam started with the constitution of a DBT Cell in August 2017. The State DBT portal is hosted by the Department of Information and Technology and its onsite technical support is being maintained under Finance Department, the nodal department for DBT. There are 94 schemes (17 Departments) registered under State DBT portal. Audit reviewed four DBT schemes (two Centrally Sponsored Schemes, one Central Sector Scheme and one State Sector Scheme) for the period from 2017-18 to 2019-20 namely, Pre-matric scholarship of SC, ST and Minority students and Deen Dayal Divyangjan Pension Scheme. Audit examined five sampled districts and covered 101 Institute Nodal Officers across the sampled districts.

Highlights:

The State DBT Cell did not create adequate IT infrastructure and robust database for seamless implementation of various Central and State schemes under DBT.

(Paragraphs-1.2.8.1, 1.2.8.2, 1.2.8.3 & 1.2.8.4)

During 2018-19 to 2019-20, audit noted 2,424 cases where the same beneficiaries had claimed pension in multiple districts under Deen Dayal Divyangjan Pension Scheme.

{Paragraph-1.2.9.1.1 (iii)}

There were instances of excess payment being made to duplicate beneficiaries. Excess payment of ₹ 1.90 crore was made to 1,901 beneficiaries under Deen Dayal Divyangjan

Pension Scheme while 451 students had availed scholarship under Pre-matric Scholarship for ST more than once resulting in excess payment of ₹ 10.22 lakh.

{Paragraphs-1.2.9.1.1 (iv), 1.2.9.3.2(i)}

Payment of scholarships at hostel rates was made to students of such schools where there was no hostel facility. During test-check of 101 schools, audit witnessed fraudulent payment of ₹ 5.92 crore in 86 such schools on account of scholarship payment to minorities students towards hostel charges.

{Paragraph-1.2.9.2.2(iii)}

In sampled districts, fake payment of scholarship amounting to ₹ 2.98 crore was made to 3,138 students who were not enrolled in schools.

{Paragraph-1.2.9.2.2(vi)}

Recommendations:

- *State DBT Cell should be made fully functional in terms of all its components and effective co-ordination ensured with the State Government Departments. Integration with scheme-specific MIS with the State DBT Cell should be done to exhibit complete and reliable data.*
- *Steps should be taken by the State DBT Cell to enroll the beneficiaries with a Unique ID and the Unique ID number should be linked with the bank account number of beneficiaries. The use of Unique Biometric Identification Number would obviate the need for multiple documents to prove one's identity and would bring in transparency and efficiency for beneficiary's selection and benefits conveniently.*
- *Social Welfare Department may migrate Deen Dayal Divyangjan Pension Scheme to a suitable IT platform with proper enrolment and validation procedures so that instances of beneficiaries claiming pension from multiple districts under the Scheme no longer recurs.*
- *Government may undertake a thorough review of the implementation of Pre-Matric Scholarship Scheme for Minorities and examine the systemic issues which led to such widespread fraudulent claims of hostel rate scholarship on non-existing hostels and fake beneficiaries and fix accountability for the same. Government may also ensure that the Unique ID based demographic authentication of the Institute/ District Nodal officers of the Scheme is completed at the earliest.*
- *The Institute Nodal Officers, District Nodal Officers and State Nodal Officer should ensure that eligibility criteria is thoroughly verified before the list of beneficiaries is finalised.*
- *The Welfare of Plain Tribes and Backward Classes Department may address the critical issue of low enrolment of students in the scholarship schemes meant for SC and ST students, and take required steps to cover all eligible SC and ST students within the State in a time-bound manner.*

(Paragraph 1.2)

Compliance Audit

Director of Welfare of Plain Tribes & Backward Classes and Director of Scheduled Castes incurred excess expenditure to the tune of ₹7.28 crore in procurement of water filters due to defective bid evaluation and award of work through 'Rate Contract' without verifying the market rate.

(Paragraph 1.3.1.1)

Director, Welfare of Scheduled Castes, and Director, Welfare of Plains Tribes and Backward Classes, Assam incurred excess expenditure to the tune of ₹ 5.09 crore on procurement of agricultural kits because of approval of higher rate without verification of the Maximum Retail Price and prevailing market rate. Also, procurement was made without assessing requirement of beneficiaries through field level offices resulting in idle procurement. In test-checked four districts alone, cost of such idle procurement was ₹1.20 crore.

(Paragraph 1.3.1.2)

Welfare of Plains Tribes & Backward Classes (WPT & BC) Department procured agricultural seed kits for ₹ 17 crore without assessing any requirement from the field offices resulting in expiry of seeds worth ₹ 2.37 crore in the test-checked 14 field offices.

(Paragraph 1.3.2)

ECONOMIC SECTOR

Performance Audit

Performance Audit on 'Implementation of Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) Scheme'

Government of Assam (GoA) is implementing PM-KISAN, a 100 *per cent* Government of India (GoI) funded scheme, to provide income support for meeting expenses related to agriculture and allied activities as well as for domestic needs. The responsibility of identifying the landholder farmer family eligible for benefit under the scheme was vested with the State Government.

A Performance Audit on '**Implementation of PM-KISAN Scheme**' revealed that the State Government did not maintain a database of landholding farmer families to identify potential beneficiaries. Emphasis was given to uploading of a large number of beneficiaries' data within a short period of time instead of ensuring eligibility of the beneficiaries as per the provisions of the guidelines. Lack of monitoring by Supervisory Officers also adversely affected implementation of the scheme. As a result, there were flaws in data entry causing rejection of large number (25 *per cent*) of data by PM-KISAN portal and PFMS during first and second level validation. Besides, 37 *per cent* beneficiaries were found ineligible during the enquiry conducted (May-July 2020) by the State Government. A mere 0.24 *per cent* of the funds released to ineligible beneficiaries was received back till October 2021.

Highlights:

No uniform criteria was adopted in opening user IDs as in 11 selected districts, data uploaded per user IDs ranged between 774 and 83,647.

Injudicious decision of the Deputy Commissioners of uploading the data within very short period of time instead of ensuring eligibility of beneficiaries under the guidelines led to uploading unverified data through unauthorised user IDs.

(Paragraph-2.2.5.3.1)

State Nodal Office (SNO)/District Nodal Office (DNO) did not upload the data (10,66,593) rejected by PM-KISAN portal and PFMS afresh after carrying out necessary correction in violation of Standard Operating Procedure (SOP) issued by GoI. There was mismatch in entry of bank account numbers in the portal vis-à-vis account numbers as per the copies of the bank passbooks found appended with the application forms.

(Paragraph-2.2.5.6)

There were flaws in data entry of village/block names in the selected samples as well as subsequent validation to remove the errors in violation of the SOP of GoI.

(Paragraph-2.2.5.6.1)

In 753 out of 953 sampled beneficiaries, benefits were released though the land was in others' name as per land document found attached with application forms.

In 96 out of 953 cases, benefits were released without the land document.

In 91 out of 953 cases, benefits of the scheme were released to multiple beneficiaries with the same land documents.

In 747 out of 953 cases, application forms were not countersigned by the BNOs.

In 637 out of 953 cases, application forms were not countersigned by the LMs concerned in support of their verification.

In 654 out of 990 selected beneficiaries, names of the beneficiaries were not available in the land records maintained by Revenue and Disaster Management Department.

Out of the 990 selected beneficiaries, against 258 beneficiaries declared by GoA as ineligible, audit scrutiny revealed 654 beneficiaries as ineligible based on the land records maintained by Revenue and Disaster Management Department.

(Paragraph-2.2.5.7.2)

Analysis of SNO database revealed that ₹300.98 lakh was released to 3,577 fake registration numbers created by adding zero(s) at the beginning of bank account number(s) in 16 out of 33 districts.

(Paragraph-2.2.5.9)

Mandatory five *per cent* physical verification by Supervisory Officers was largely ineffective in the State as DAOs conducted the physical verification, but no supporting records/document was furnished.

(Paragraph-2.2.5.14)

Utilisation Certificates for ₹140.51 lakh out of ₹217.51 lakh received towards administrative cost was not furnished yet (October 2021) for reason not on record.

(Paragraph-2.2.5.15 (B))

Recommendations:

- *GoA should take effective steps to ensure all the anomalies in the data entry are corrected and data rejected during first and second level of validation by PM-KISAN portal and PFMS are verified for fresh uploading after carrying out necessary correction as per the provisions of relevant SOP of GoI.*
- *GoA should ensure that database of land holding farmer families is created and all eligible land holding farmer families receive the benefit of the scheme.*
- *GoA should initiate steps to ensure that an effective monitoring mechanism is put in place and activities of the State Level Review, Monitoring and Grievance Redressal Committee (SLRM&GRC) are documented properly.*
- *GoA should ensure benefits released to ineligible beneficiaries are recovered and refunded to GoI without further delay.*

(Paragraph 2.2)

Compliance Audit

Compliance Audit on “Projects sanctioned by Ministry of Development of North-Eastern Region”

The Ministry of Development of North-Eastern Region (MDoNER) has been sanctioning projects to eight States in the North Eastern Region (NER) to fill up gaps in infrastructure through block grants of Non-Lapsable Central Pool of Resources (NLCPR) through 90 *per cent* Central funding and 10 *per cent* contributed by the States. The identified projects under the NLCPR schemes are executed by the State Government agencies.

The new Central scheme of North-East Special Infrastructure Development Schemes (NESIDS), fully funded by the GoI, was taken up to fill up gaps of infrastructure in certain identified sectors of the Region. NESIDS was implemented for three years from 2017-18 to 2019-20. Funds were also provided for the ongoing projects under NLCPR so that they could be completed by 2019-20.

During 2015-16 to 2020-21, a total of 33 projects at an estimated cost of ₹ 1,133.83 crore were sanctioned *i.e.*, 15 projects during 2015-18 at an estimated cost of ₹ 526.41 crore under NLCPR and 18 projects during 2018-21 at an estimated cost of ₹ 607.42 crore under NESIDS under Public Works Department (PWD) (Roads & Bridges), Sports, Health, and Irrigation Departments.

Out of the 33 projects, audit test-checked 13 projects involving approved cost of ₹ 517.13 crore (reported expenditure of ₹ 325.20 crore as of June 2022) implemented by the State PWD. Out of 13 projects, seven projects had been completed and five were

in progress with physical achievement of 60 to 84 *per cent* as of September 2022, while one project was foreclosed.

During test-check, audit noted irregularities in selection of contractor, cases of extending undue financial benefit to contractors and extra expenditure, *etc.*, highlighting financial mismanagement.

Besides, audit also noted execution of works violating the technical specifications which was fraught with the risk of damage to the work so executed.

(Paragraph 2.3)

Compliance Audit on Flood Management of River Ranganadi in North Lakhimpur

Critical flood control and river management works are covered under the Flood Management Programme (FMP). These works include river management, flood control, anti-erosion, drainage development and flood prone area development programme in critical regions. It also includes restoration of damaged flood control/management works. FMP was sanctioned by Government of India (GoI) in November 2007 during the Eleventh Five Year Plan (XI Plan) (2007-12). Spill over works of on-going Central plan schemes of Tenth Five Year Plan (X Plan) were supported under this scheme during XI Plan and spill over works of XI Plan were also supported during Twelfth Five Year Plan (XII Plan) (2012-17). Funding pattern under FMP was in the ratio of 70:30 between the Centre and the State.

GoI sanctioned (November 2013) the project ‘Flood management of river Ranganadi along with river training works on both bank embankments’ (FMP Package code: AS-131) at an estimated cost of ₹ 361.40 crore with targeted date of completion as June 2016. Government of Assam (GoA) accorded (August 2014) administrative approval to the work for ₹ 361.42 crore and the Chief Engineer (CE), Water Resource Department (WRD), technically sanctioned (October 2014) the project at a cost of ₹ 361.41 crore. The execution of work started in January 2015 with stipulated time to complete the earth work within 45 days and supplying of geo-materials including filling and laying within 180 days. However, the project was delayed due to various reasons¹ and achieved 100 *per cent* of physical progress only in September 2020 at a cost of ₹ 361.41 crore.

Departmental Tender Committee allotted works amongst a number of bidders by relaxing the technical eligibility selectively at its discretion without recording any justification. Criteria for distribution of works was also not specified in the bid documents and therefore, the method adopted by DTC was non-transparent and subjective. All such decisions of DTC were arbitrary and against the CVC guidelines.

(Paragraph 2.4.2.1)

¹ Clearing of encroachments, delay in removal of electric poles, length of embankments at both sides was 60 km which took time for earthwork, *etc.*

Executive Engineer, North Lakhimpur prepared the estimates with overstated rate of geo bags. The Chief Engineer, WRD also approved the rates by ignoring the lowest rate in other works executed at the same time which paved the way for the bidders to bid higher rates as compared to the prevailing market rate resulting in extension of undue financial benefit of ₹ 7.31 crore to contractor.

(Paragraph 2.4.2.2)

Due to non-adoption of extant SoR rate and non-review of rate after completion of initial contract period, the Department incurred avoidable expenditure of ₹9.53 crore on procurement of geo-mat resulting in financial benefit to the contractor.

(Paragraph 2.4.2.3)

Failure of the Department in handing over the site and the drawings to the contractor for construction of ITI building and releasing timely payment within the agreed time schedule led to avoidable payment of ₹ 52.90 lakh as compensation to the contractor. Besides, an expenditure of ₹ 1.70 crore incurred towards construction of the building remained unproductive due to non-completion of the work over a period of eight years.

(Paragraph 2.5)

Executive Engineer, PWD Sorbhog and Jania Territorial Division, Barpeta Road, allowed price adjustment claim of ₹90.25 lakh for High Tensile steel to the contractor although the same item was not covered under the contract agreement for the purpose and the calculation process was arbitrary.

(Paragraph 2.6)

Two contractors submitted fake forest permit for ₹66.98 lakh to avoid deduction at source of forest royalty and the Executive Engineer did not verify the same in violation of due procedures stipulated under Government's instruction.

(Paragraph 2.7)

GENERAL SECTOR

Performance Audit

Performance Audit on 'Functioning of Guwahati Metropolitan Development Authority'

The Guwahati Metropolitan Development Authority (GMDA) under the administrative control of the Department of Housing and Urban Affairs, was established in 1992 as per the GMDA Act, 1985. As per the Act, the function of the GMDA was to promote and secure the development of Guwahati Metropolitan Area according to the Master Plan.

The Performance Audit (PA) on "Functioning of GMDA" revealed that except for executing some development activities under the State's Own Priority Development Schemes, GMDA was not functioning as per the spirit of the provisions/bye-laws of

the GMDA Act, 1985. The Government engaged GMDA in functions like water supply, building permission, provision of urban amenities and facilities such as parks, gardens, playgrounds, street lighting, parking lots and public conveniences which were entrusted to the Guwahati Municipal Corporation (GMC) as per the 74th Constitutional Amendment Act.

GMDA was manned with very few technical staff and all senior posts were either filled by contractual staff or on deputation from other departments. Apart from inadequate human resources to handle major projects, GMDA also lacked commitment in complying with the important decisions taken in the Authority's meetings. Although GMDA had prepared the Master Plan, it has not monitored the achievement of targets set in the Plan. The accounts of GMDA pertaining to the years from 2014-15 to 2019-20 were submitted for audit to Principal Accountant General (Audit) only in July 2021 due to delayed approval of accounts by the Authority.

An amount of ₹ 27.90 crore released as advances for different purposes from the National Games Village (NGV) Phase-1 account remained outstanding without any adjustment even after finalisation of accounts in 2014-15. Due to lack of monitoring by the Project Management Consultant (PMC) in respect of South Guwahati (West) Water Supply Project (SGWSP), 13,776.40 meters of pipes not laid by the contractor remained undetected resulting in overpayment of ₹ 6.98 crore. Instead of engaging the consultant selected after observing procurement formalities, another firm was irregularly engaged (November 2021) as consultant by GMDA on nomination basis for managing the SGWSP. An amount of ₹ 6.20 crore expended on construction of Central Library Archive-Cum-Auditorium at Amingaon remained idle for a period of over four years due to lackadaisical approach of the Executive Agency GMDA and PWD (Building), Assam. Expenditure of ₹6.38 crore on Detailed Project Report (DPR) for Guwahati Metro Rail Project was rendered unfruitful as it was rejected by GoI for non-compliance to the guidelines for setting up Metro Rail.

Highlights:

The capacity of GMDA was not adequate to handle major projects as it was manned with very few technical staff. It was seen that barring few development works allotted under State's Own Priority Development (SOPD) schemes, the GMDA had either failed to complete all major projects or it was completed after huge delays and incurring additional expenditure due to cost escalations.

(Paragraph-3.2.7.5)

Due to lack of monitoring of revenue collection as well as lack of commitment in complying with CA as well as AG's observations an amount ₹17.67 lakh remained outside GMDA's account.

(Paragraph-3.2.8.1)

₹35.17 crore was released as advances for different purpose from the National Games Village (NGV) account remained as outstanding without any adjustment, though the

accounts were finalised in 2014-15. Further scrutiny of unadjusted advances revealed that outstanding amount of ₹78.20 lakh remained unadjusted against one individual from March 2015.

(Paragraph-3.2.9.2)

The South Guwahati West Water Supply Project which was to be completed in 30 months (September 2011), remained incomplete even after 11 years of start of the Project, mainly due to defects in the DPR, non-completion of major components of the Project viz., Water Treatment Plant, Semi Under Ground Reservoirs, Elevated Service Reservoir, Pre Settlement Tank, Distribution Grid lines and Intake Well.

(Paragraph-3.2.10.1.1)

It was found that out of 1524.27 meter pipes to be laid by the contractor, only 1179.41 meter pipes of various diameter were laid by the contractor resulting in less execution of 344.86 meter of pipes of various diameter. However, payment was made to the contractor without verifying the actual execution of work, resulting in overpayment of ₹4.09 crore.

(Paragraph-3.2.10.1.9)

Scrutiny of the individual RA Bills revealed that the ‘up-to-date cumulative payment’ figure in RA Bill no. 78 was understated by ₹3.22 crore in ‘payment cleared up to previous bill’ column in RA Bill no.79, based on which the payment to the contractor was made till RA Bill 135 and the contractor was paid ₹173.16 crore instead of allocated amount of ₹170.72 crore against procurement of DI and MS pipes resulting in excess payment of ₹3.22 crore.

(Paragraph-3.2.10.1.10)

₹1.65 crore was irregularly paid as interest to the contractor for delayed payment of bills ignoring the additional conditions for payment mentioned in the General Condition of Contract wherein it was clearly mentioned that “After certification by the engineer payment can be arranged within 28 days but shall not be construed for any compensation in case of any delay beyond 28 days.

(Paragraph-3.2.10.1.11)

Due to lack of monitoring by the CEO, GMDA and lack of co-ordination between CEO, GMDA and PD, un-authorized expenditure of ₹4.33 crore was done by MD, Guwahati Jal Board for staff salary, payments to vendors, etc., violating the agreement clause. Further, the payments made against the bills submitted by the contractor were neither certified by the PMC for JNNURM Project nor the bills were jointly signed by the CEO, GMDA.

(Paragraph-3.2.10.1.14)

Recommendations:

- *GMDA should focus on promoting and securing the development of GMA in accordance with the Master Plan, so that the key problems confronting civic life in Guwahati viz. flash floods, traffic congestion, etc. are addressed.*

- *The Government should provide adequate infrastructure to GMDA to enable it to achieve the targets proposed in the Master Plan.*
- *Rules for Conduct of Business of GMDA should be framed for its smooth functioning.*
- *The Advisory Council as envisaged in the GMDA Act may be constituted and Annual Action Plan should be prepared for implementation of the Master Plan with coordination with the concerned departments.*
- *GMDA should take immediate follow up actions to comply with the decisions taken in the Authority meetings.*
- *The Authority should strictly follow the Financial Rules for managing revenue collection including maintenance of Cash Book.*
- *The Annual Budget of GMDA must be prepared regularly and submitted to the Government for approval.*
- *The Assam Financial Rules must be scrupulously followed and all outstanding advances should be recovered immediately.*
- *The accounts of GMDA should be finalised annually in time with the closure of the financial year and approved by the Authority so that it may be audited and proposed corrective measures, if any, are taken in time.*

(Paragraph 3.2)

Compliance Audit

Procurement of tarpaulin sheets by DC, Charaideo at higher rate than the MRP resulted in excess expenditure of a minimum of ₹ 73.00 lakh. Besides, payment of ₹ 14.88 lakh made on fictitious bill and challan was suspected to be fraudulent.

(Paragraph 3.3.1)

Keeping untied fund in current bank account by the Deputy Commissioner (DC), Majuli and DC, Biswanath in violation of Government orders and Schematic guidelines resulted in loss of interest as well as revenue to the extent of ₹ 3.11 crore.

(Paragraph 3.3.2)