

Preface

This report has been prepared for submission to the Government of Assam in accordance with the terms and conditions of the Technical Guidance and Supervision (TGS) over the maintenance of accounts and audit of Panchayat Raj Institutions (PRIs) by the Comptroller & Auditor General (C&AG) of India.

Based on the recommendation of the Eleventh Finance Commission recommendations, the Government of Assam entrusted the Audit of PRIs to the C & AG of India under section 20 (1) of the C & AG's (DPC) Act 1971 for providing technical guidance and supervision to the Director of Audit (Local Fund) Assam.

The Report contains eight chapters of which Chapter I contains Overview of the Structure, Organizational Set Up, Flow of fund, Financial Profile, Asset Management, and Recommendations of PRIs. Chapter II contains Financial Management; Chapter III – Revenue Receipts, Chapter IV - contains audit observations on Implementation of Schemes by PRIs. Chapter V contains Overview of the Structure, Accounting Procedure & Financial Profile of ULBs and Chapter VI contains Accounting Procedure and Financial Management, Chapter VII Revenue Receipts and Chapter VIII contains topics of other importance relating to ULBs in the State of Assam for the year ended 31st March 2007.

The cases mentioned in this Report are among those, which came to notice in the course of test audit of accounts of 23 (twenty-three) PRIs and 34 (thirty-four) ULBs conducted during 2007-08 (December 07).

CHAPTER - I

AN OVER VIEW OF THE PANCHAYAT RAJ INSTITUTIONS

1.1 Introduction

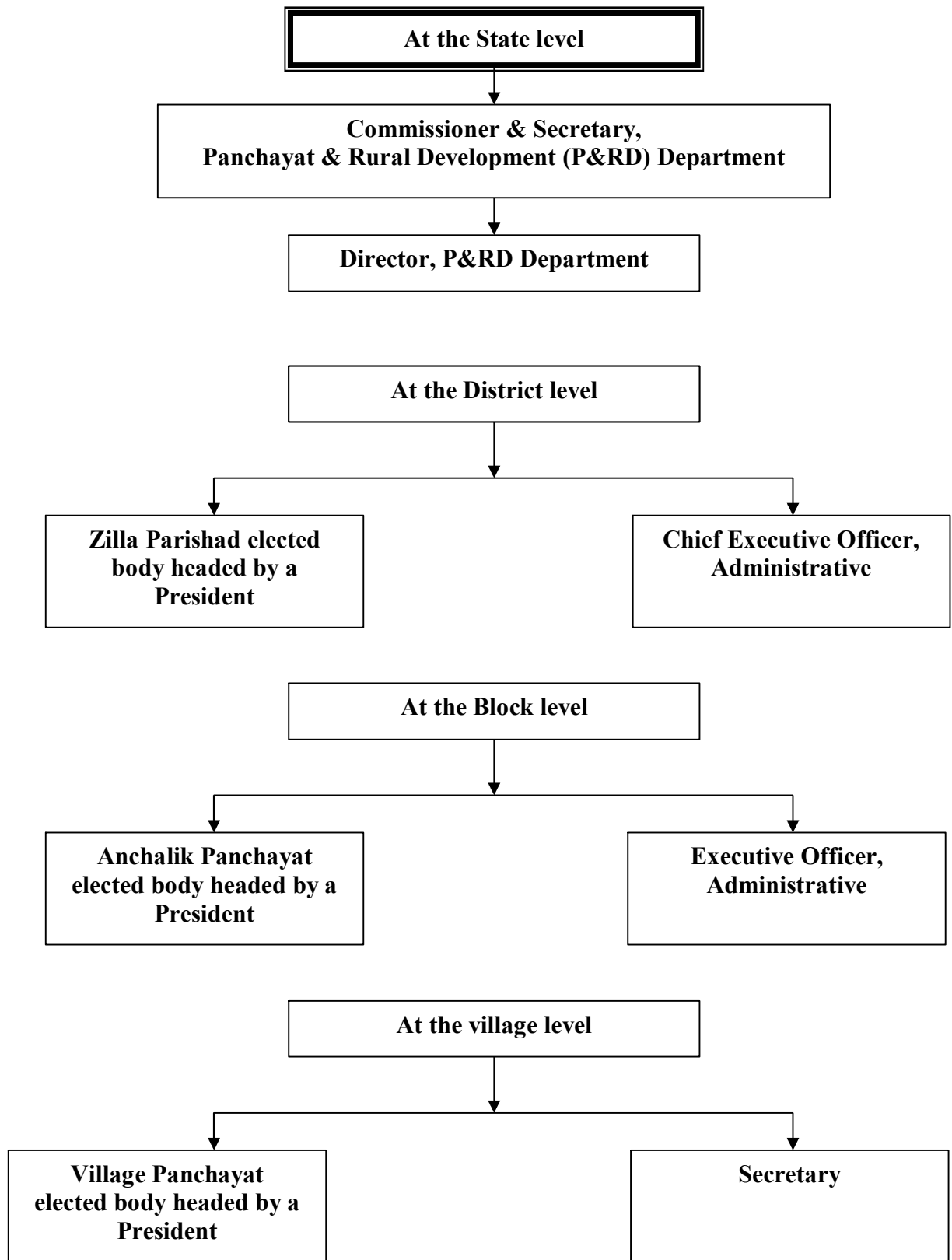
The audit institutions entrusted with responsibility of audit of Local Bodies, derive their duties and powers from Articles 243 J and 243 Z of the Constitution of India, which expect the States to make Legislation for maintenance of accounts by the Panchayat Raj Institutions (PRIs) and Urban Local Bodies (ULBs) and their audit. Accordingly, various States have passed necessary legislation for maintenance of accounts and audit of Local Bodies.

Consequent upon passage of 73rd and 74th Constitutional Amendment Act 1992, the Assam Panchayat Act 1986 has been replaced by “The Assam Panchayat Act 1994”, passed by Legislature in May 1994, to decentralize powers and have a three tier structure of local self governing bodies at the district, block and village level. With these landmark constitutional amendments, the local self-government at various levels got a new lease of life and many state laws were enacted to ensure proper functioning of democracy at the grass-root level.

1.2 Organizational Set Up

There are 20 Zilla Parishad, 190 Anchalik Panchayats and 2203 Gaon Panchayats in the State of Assam Panchayat and Rural Development Department (P&RD) headed by a Commissioner & Secretary exercises administrative control over the Panchayat Raj Institutions (PRI).

The organogram given below depicts the organizational set up of PRIs in Assam



1.3 Devolution of functions, functionary and fund

The State Government reported as on March 2007 that it transferred the remaining 23 functions out of 29 included in the 11th Schedule of the Constitution to the PRIs along with funds and functionaries (17 departments). But no supporting documents indicating the number of functionaries transferred could be produced by the P&RD Department for audit scrutiny. As the fund and functionaries relating to 23 functions out of 29 have not been transferred, audit could not verify as to how the devolution of 23 functions could effectively work in practice. During test check of 23 PRIs (March 2007), it was seen that all the PRIs denied such transfer.

The developmental works in respect of Education, Soil Conservation, Handloom & Textiles, Power, Agriculture and Veterinary were considered for execution and remaining functions were not yet transferred to the PRIs.

1.4 Power and duties of PRIs

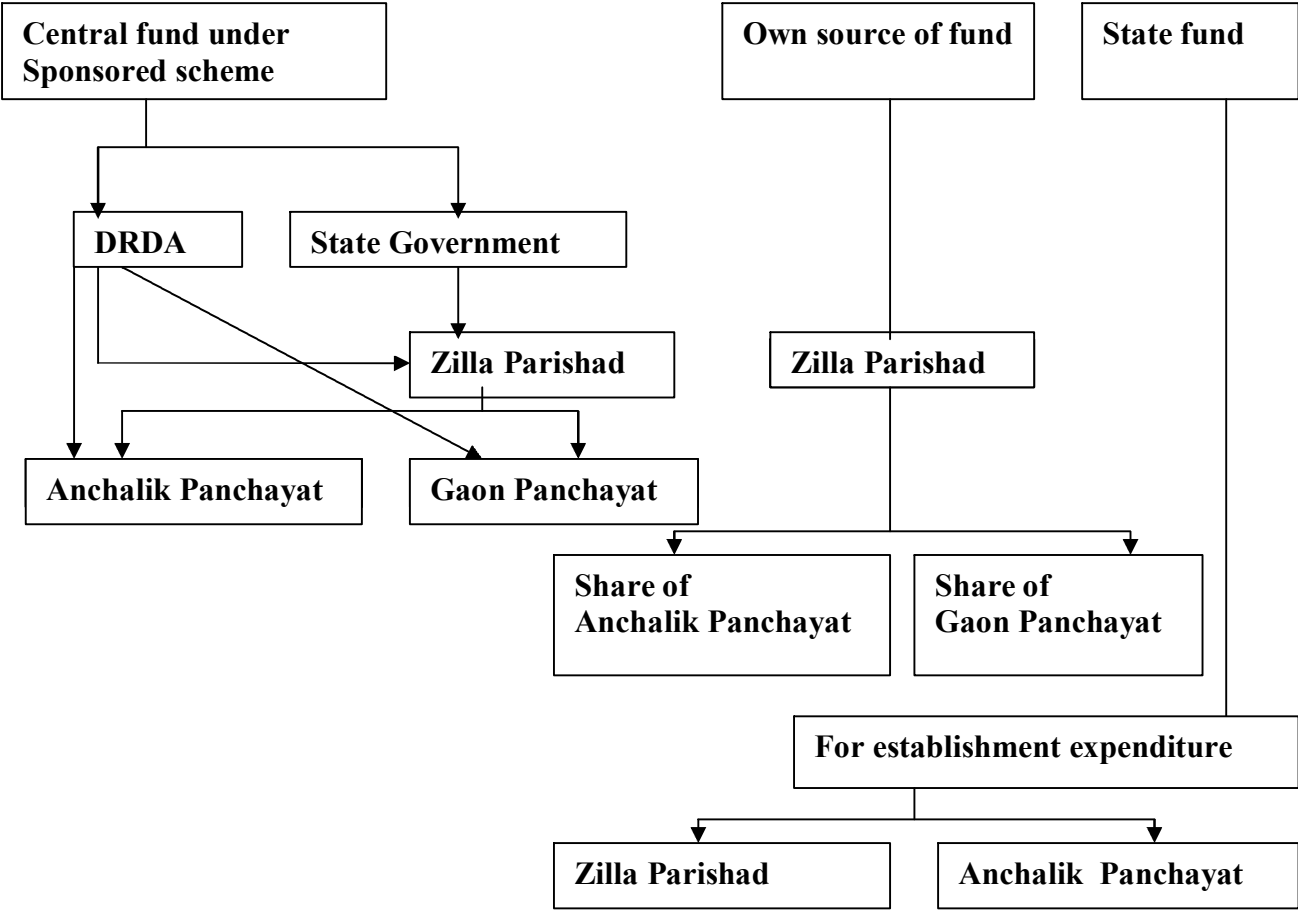
The Assam Panchayat Act vests PRIs with the following powers and duties:-

- (i) to prepare Developmental Plan/Annual Action Plan,
- (ii) to implement schemes for economic development and social justice as may be drawn up by or entrusted upon in pursuance of the 11th Schedule of the Constitution,
- (iii) to manage or maintain any work of public utility and
- (iv) to collect revenue and utilization of such fund for developmental works.

1.5 Flow of Fund

The funds for Zilla Parishad (ZP) and Anchalik Panchayat (AP) are lodged in Treasury account (under head 2515-Other Rural Development Programme, 101-Panchayat Raj) which is operated as non-interest bearing banking account. Centrally Sponsored Scheme funds are kept in nationalized Banks in savings account according to guidelines for the respective schemes. The funds for Gaon Panchayat (GP) are kept in savings bank account at the nearest Post Office or schedule Bank or Co-operative Bank.

Fund Flow



1.6 Financial Profile

PRIs Fund comprises receipts from their own resources under their jurisdiction, State/Central government grants and assistance provided from time to time, loans obtained from public financial institutions/nationalized banks or such other institutions as the State Government may approve, sums received as donations/contributions and all income from any trust or endowment.

GPs are required to prepare Annual Budget of estimated receipts/payments and forward the same to Anchalik Panchayat for approval. If APs fail to give approval within 30 days from the date of submission, the budget shall be deemed to be approved (Section 27 of Assam Panchayati Raj Act, 1994).

Similarly APs are required to submit their Annual Budget to the ZP. ZP submits their Annual Budget to the State Government through the Director, Panchayat and Rural Development, Assam. State Government may either approve the budget or return it to the ZP for modification to which the ZP shall oblige. If State Government approval is not received within 30 days from

the date of submission, the budget shall be deemed to be approved by the State Government as per Section 96 of Assam Panchayat Raj Act, 1994.

Test check of records of PRI units (ZPs & APs) revealed that budgets were prepared by the ZPs & APs only for own revenue resources. Due to non-inclusion of estimated receipts & expenditures out of State/Central Government funds in the Budget actual fund position could not be ascertained. It was also revealed that Budgets were not prepared in the prescribed formats of the CAG as the order of the Government of Assam was not issued in this regard.

The P&RD Department had no consolidated information on fund position with PRIs. The P&RD Department did not develop any system for monitoring all receipts and expenditures of the PRIs. Further, P&RD Department could not furnish any information on the funds received by the PRIs during 2003-04 to 2006-07 from various line departments for socio-economic programmes.

The Expenditure as per Finance Accounts for 2006-07 of Government of Assam for Major Head 2515-Other Rural Development Programmes (State Plan & Non-Plan Scheme), 101-Panchayati Raj, 1356-(Assistance to Panchayat Institute of Mahakuma Parishad (now Zilla Parishad)/GPs' Staff is as follows :

(Rs in Lakh)

Year	Expenditure under MH-2515-ORDP		Total
	Non-Plan	Plan	
2004-05	2169.03	676.40	2845.43
2005-06	2723.21	6.61	2729.82
2006-07	9541.79	1581.98	11123.77

Own source of Revenue

The own source of revenue of the P&RD during the period 2004-05 to 2006-07 is given below:-

(Rs in lakh)

Year	Own Revenue of			Total
	ZP	AP	GP	
2004-05	451.89	19.11	307.65	778.65
2005-06	497.08	21.22	338.41	856.71

2006-07 figures not available

State Finance Commission Grant

Test check of 23 PRI units revealed that SFC grant was not received by the PRIs during the period from 2002-03 to 2006-07.

1.7 Eleventh and Twelfth Finance Commission Grants

(A) Eleventh Finance Commission Grants

Eleventh Finance Commission (EFC) had recommended total grants of Rs.115.06 crore during 2003-04 to 2004-05 to augment the resources of Panchayats and thereby enable them to provide civic services in rural areas.

The details of EFC grants received and utilized by PRIs during 2003-04 to 2005-06 were as detailed below:

(Rs in crore)		
Year	Amount received	Amount utilized
2003-04	23.34	23.34
2004-05	45.03	45.03
2005-06	46.69	46.69

An overall audit of release and utilization of grants could not be taken up due to non-furnishing of release and utilization certificate by the State Government. However, test check of release and utilization of EFC grants by Dhubri ZP and Goalpara ZP revealed the following irregularities:-

The Director of Panchayat and Rural Development, Assam, Guwahati released Rs.8.01 crore of EFC grants to two Zilla Parishads (Dhubri ZP Rs.6.48 crore and Goalpara ZP Rs.1.53 crore) during 2003-04 to 2005-06. The amount was received by the respective Chief Executive Officer (CEO) of the ZPs during 2002-2006 and the same was deposited in savings bank accounts. Out of this Rs.8.01 crore, as on March 2007, an amount of Rs.4.47 crore only was released by two ZPs to the APs/GPs for implementation of various schemes leaving a balance of Rs.3.55 crore. Non-release of EFC grants to the GPs is not in order and resulted in the developmental works being affected in the GPs concerned.

(B) Twelfth Finance Commission Grants

The Government of India, based on the recommendation of the TFC awarded Rs.526.00 crore grant to PRIs in Assam State to be released during 2005-2010.

The position of receipt and release of Twelfth Finance Commission (TFC) grants during the year 2005-06 and 2006-07 was under:-

(Rs in lakh)

Year of grant	Amount of Grant	Date of receipt by the State Govt	Date of release of grants to PRIs	Number of delay in release of grants	Interest payable
2005-06	4236.405	22.11.06	8.12.06	2 days	1.28
	641.195	15.12.06	16.12.06	-	-
	126.675	3.4.07	21.4.07	3 days	0.29
	255.725	19.7.07	19.7.08	365 days	14.06
2006-07	4236.405	17.12.07	10.1.08	390 days	248.96
	641.195	18.10.07	11.10.08	392 days	37.82
	126.675	11.1.08	31.12.08	354 days	6.76
	255.725	11.1.08	31.12.08	354 days	13.64
Total					322.81

As envisaged in para 6.1 and 6.4 of the guidelines on release and utilization of TFC grants circulated vide GOI, Ministry of Finance, Department of Expenditure (June 2005), States were mandatorily required to transfer the grants released by the Government of India to PRIs within 15 days of the same being credited to the state's accounts concerned. In case of delayed transfer of funds to PRIs beyond the specified period of 15 days, the State Government was to pay interest to PRIs at the RBI bank rate along with such transferred grants.

Based on information and certificate received from the State Government, it was noticed by audit that there was a delay ranging from 2 to 392 days in crediting the funds to the respective bank accounts of PRIs. However, interest amounting to Rs.322.81 lakh had not been reimbursed by State Government. Non-payment of interest on delayed transfer of grants was communicated to the State Government and no reply was furnished (June 2008).

(ii) The information furnished by the Director, P&RD, Assam, regarding utilization of the TFC grant during 2006-07 is given below:

(Rs in lakh)		
Year	Amount sanctioned & receipt of grants	Utilization of grants by PRIs
2006-07	Rs.5260.00	Rs.5260.00

It was revealed that an amount of Rs.510.88 lakh (earmarked for maintenance of accounts Rs. 193.30 lakh and creation of database Rs.317.58 lakh) was not utilized (January 2009) as the accounting formats prescribed by the C&AG of India for maintenance of accounts and creation of database were not implemented by the State Government of Assam. Thus the Utilization Certificates given by the Director, P&RD, Assam is incorrect and resulted in non-utilisation of TFC grants of Rs. 510.88 lakh.

(C) Asset Management

The P&RD Department had not yet developed (June 2008) any effective system for accounting/valuation of assets created by PRIs. There was no system in place for obtaining data on asset creation by PRI out of the State funds/own funds on regular basis.

1.8 Audit Arrangement for PRIs

As per Section 29 and 37(iii) of Assam Panchayat Act 1994 Assam Panchayat Act 2004, the State Government is to appoint an auditor for audit of the accounts of ZP, AP & GP.

In Assam the Director of Audit (Local Fund), Assam is vested with the authority for audit of accounts of the ULBs and PRIs. As per recommendations of the Eleventh Finance Commission and the guidelines for utilization of grants to Local Bodies issued by Finance Ministry, Government of India, the Comptroller and Auditor General of India has been entrusted with the responsibility of exercising control and supervision over the proper maintenance of accounts and their audit for all three levels of PRIs/ULBs under Section 20(1) of C & AG's (Duties and Powers and Condition of service) Act, 1971.

Thus the Director of Audit (Local Fund), Assam is the primary auditor for Local Bodies, while the C&AG of India conduct a test check by way of technical guidance and supervision.

1.9 Audit Coverage

Audit of accounts of 23 PRIs (2 ZP and 21 APs) covering the accounts up to 31 March 2007 was conducted during January 2007 to December 2007.

1.10 Adoption of Accounting Database formats

Adoption of Budget and accounts format to PRIs prescribed by Comptroller & Auditor General (C&AG) of India during 2002 was accepted by the Government of Assam in August 2004, but the corresponding Budget and Accounts Manual were not yet formulated.

Similarly Data base formats prescribed by C&AG of India, though accepted by the State Government, were not made operational.

The State Government however, had developed and introduced one software package namely PRISOM for maintenance of accounts & database for ZP, AP and GP respectively. The status of implementation of the software package was not intimated (December 2007).

Test check of 23 PRIs (up to March 2007) also revealed that Rs.5.75 lakh (23 x Rs.25,000/-) grants released for creation of data base during 2006-07 has not been utilized as per the direction of PR Directorate.

1.11 Audit arrangement and Response to Audit Observations

The Principal Accountant General (Audit), Assam conducts audit of PRIs under section 20(1) of CAG's (DPC) Act, 1971. Objections raised in audit were communicated to the respective PRIs in the form of Local Audit Reports (LARs) with copy to the State Government. Replies were required to be furnished within four weeks of receipt of LARs. Only 10 PRI units furnished reply to the LAR. Due to non-furnishing of specific reply by the auditees, no LAR paragraph has been settled as on date (June 2008). The year wise position of LARs and outstanding paragraphs with money value is given below:

Year	Number of LARs	Paragraphs outstanding	Money value (Rs in crore)
2004-05	8	117	7.63
2005-06	19	274	55.56
2006-07	23	371	5.74
Total	50	762	68.93

Thus 50 LARs and 762 paragraphs with monetary value of Rs.68.93 crore were pending for settlement (31st July 2008) for want of replies from PRIs.

Director, Local Fund Audit, Assam is the primary auditor who conducts audit of PRIs. As per information furnished by the DLFA out of 2408 units of PRIs 101 units (1 ZP, 1AP and 99 GPs) have been audited by DLFA.

Proposals were made for placement of LB's report in the State Legislative Assembly for discussion & settlement of the objections on the spot by constituting Audit Committee at appropriate level at PAGs' end. Action of the State Government is awaited.

1.12 Recommendations

- (i)** State Government should take effective steps so that PRIs update their accounts/account records and ensure proper financial reporting. Responsibilities should be fixed clearly for preparation of accounts so that lapses in this regard can be addressed and rectified.
- (ii)** State Government may consider establishing a system to have consolidated information on all the PRIs in the State and maintenance of data base of PRIs at the State level.
- (iii)** Budget/Account Rules for PRIs may be prepared and put to practice.
- (iv)** Audit Committee be constituted at district level to discuss and settle audit objections. This would ensure establishing accountability structure at grass root level.
- (v)** State Government should ensure that the TFC Funds are released to PRIs immediately on receipt of fund from Government of India.
- (vi)** Budget should be prepared to cover all the receipts.

CHAPTER-II

FINANCIAL MANAGEMENT

2.1 Non-deduction of Income tax from the contractor's bills.

As per Section 194C of the Income Tax Act, 1961, Income Tax should be deducted at source from the bills of Contractors/Suppliers at the rate of 2.2 *per cent* on general bills thereon and shall be credited into the Government account in the subsequent month.

Test check of the records of 16 APs revealed that PRIs did not deduct and deposit Income Tax from the contractors/suppliers' final payment bills. As a result, revenue loss to Government of India to the extent of Rs. 6.10 lakh was caused during the period from April 2002 to March 2007. Details are indicated in **Annexure-I**.

The PRI units were suggested to consult the concerned authority of the IT department for proper follow up of the Government Rules to safeguard the loss of revenue due to the Government.

2.2 Tax Revenue not accounted in Cash Book/Bank

As per Assam Panchayat Rules, taxes, fees, fines etc are collected by the PRIs. After collection of revenue it is required to be deposited into the bank account of the concerned PRI.

Test check of records of two APs revealed that various taxes and fees amounting to Rs 1.03 lakh (Baghmara AP Rs.84,800/- and Naduar AP Rs.18,001/-) collected during July 2002 to March 2007 as per records of the Receipt Books were neither accounted for in the Cash Book nor in the Bank Pass Book. Non-accountal of such receipts in the books of accounts cannot rule out the possibilities of misappropriation/embezzlement.

2.3 Advances paid to Departmental Officers not adjusted

The Assam Financial Rules 388 requires that advances paid to the project implementing agencies have to be adjusted/recovered within specified period. Test check of Cash Book in nine PRIs (2 ZPs and 7 APs) revealed that Rs.91.66 lakh paid as advances (Rs.88.26 lakh works advance, Rs.2.80 lakh as Pay/Travelling Allowance advances and Rs.0.60 lakh carriage charges of Mid Day Meal (MDM) advances) to Project Implementing Agencies like Assistant Project Officer/Junior Engineer/President/Office Staff etc during April 2002 to March 2007 were not adjusted (May 2008). Further advances were made even without closing the previous outstanding advances. The details of outstanding of advances are given in **Annexure-II**.

Non-maintenance of Advance/Recovery Register/Ledger and accumulation of huge outstanding advances with Project Implementing Agencies was fraught with the risk of misuse/misappropriation of funds.

(B) Transportation charges not reimbursed

As per the instruction of District Administration and the guidelines on Mid-Day-Meal Scheme issued by State Government, raw materials for cooking the food are required to be distributed by the APs within their jurisdiction. The transportation cost is to be initially borne by the PRIs from their own fund or SGRY fund and would subsequently be reimbursed by the District Administration. In test check of four APs, it was observed that an expenditure of Rs.11.05 lakh towards transportation cost of cooking material was incurred out of SGRY fund during 2002-07 and preferred claims with the District Administration. However, the same is yet to be reimbursed by the DA (June 2007). Details were given below:

(Rs in lakh)				
SI No.	Name of Unit	Name of scheme from which fund was diverted	Period	Amount
1	Kushdhowa AP	SGRY	7/03 to 9/05	0.89
2	Debitola AP	SGRY	12/04 to 3/06	2.17
3	Krishnai AP	SGRY	02-03 to 06-07	1.59
4	Matia AP	SGRY	02-03 to 06-07	6.40
			Total	11.05

Thus, non-recoupment of transportation cost of Rs. 11.05 lakh from district administration has affected the implementation of SGRY scheme to that extent.

2.4 Non-reconciliation of Cash Book balances with Treasury/Bank

Sub-section (1) of Section 28, 60 and 97 of the Assam Panchayat Act 1994 and Rule-8 of the AP (F) Rule 2002, requires to record a separate Memorandum of reconciliation of balances with the Bank in the last page of the Cash Book in each month.

Test check of Cash Book at Krishnai AP has revealed a difference of Rs.35.85 lakh (Rs.113.00 lakh balance as per Cash Book and Rs.148.85 lakh as per Bank Pass Book) as on 31st March 2007 in respect of National Rural Employment Guarantee Scheme (NREGS). As bank reconciliation was not done, the differences between the two sets of figures could not be ascertained.

CHAPTER-III

REVENUE RECEIPTS

3.1 Loss of Revenue of Rs.30.12 lakh due to non realization of Registration Fees and Stamp Duties

Local markets, Par-ghats, fisheries etc falling under the jurisdiction of Panchayats are settled/leased to individual bidders annually on lease basis by inviting open tenders. As per terms & condition of Notice Inviting Tender, the successful bidder should mortgage a plot of land of the same value (bid value) or more by executing a registered deed at own cost within seven days of allotment of lease failing which the settlement will be treated as cancelled.

Further, as per Article No.35 (ii) of Assam Gazette Notification dated 5th July 1989 stamp duty at the rate of 3 *per cent* of demand should also be borne by the lessee concerned in addition to Registration fee.

Test check of records of 17 APs and two ZPs revealed that 326 nos of markets/Par-ghat/ fisheries were leased during the period 2002-03 to 2006-07, but no agreement was registered between the Panchayat authorities and the Lessee.

Thus due to non-registration of agreement deed and non-mortgage of plot of same value and non deduction of stamp duty at the rate of 3 *per cent* during last 5 years, the State Government was put to a loss of Rs 30.12 lakh (Registration fee Rs 18.33 lakh plus Stamp duty Rs 11.79 lakh). Details are as per **Annexure –III**.

3.2 Outstanding kist Money of Rs. 96.41 lakh

As per procedure under sub-rule 14 and 15 of Rule 47 of the Assam Panchayat (Financial) Rules 2002, Panchayats are required to recover the outstanding kist money¹ from the defaulter lessee. The Local markets are leased out to private parties annually by inviting open tenders. The highest bidder is awarded the lease on condition that the bidder must deposit their Kist money in four equal installments.

Test check of 17 APs and two ZPs revealed that kist money amounting to Rs.96.41 lakh as at 31 March 2007 were yet to be realized as detailed in **Annexure-IV**. The concerned PRIs did not initiate action to recover the outstanding amount kist money installments (June 2008), which is indicative of inadequate internal control and monitoring mechanism in PRIs.

3.3 Loss of Revenue due to settlement of Markets to the bidder with less price

Test check of records related to settlement of markets under 4 APs for the years 2002-2003 to 2006-2007 revealed that markets/Par-ghats, fisheries etc were not leased out to the highest

¹ Kist Money – Installment of lease amount

bidders. The highest bidders were rejected without assigning any reason and other bidders who quoted lower bid value were allotted markets.

Thus, four APs incurred loss of revenue of Rs. 72.95 lakh by violating basic financial rules and awarding of lease to bidders other than the highest bidders. The AP wise detailed position were detailed below:

(Rs in lakh)		
Sl No	Name of unit	Amount
1	Matia AP	20.03
2	Lakhipur AP	22.29
3	Jaleswar AP	26.87
4	Naduar AP	3.76
Total		72.95

3.4 Non-distribution of sale proceeds of Hat/Ghats among the ZPs, APs and GPs

As per sub-section 6 of Section 105 of Assam Panchayat Act, 1994, out of total sale proceeds of hats/ghats in any ZP/AP, 20 *per cent* shall be devolved to the ZP, 40 *per cent* shall be equally distributed to all the GPs under the AP and the balance 40 *per cent* be retained by the APs.

Test check of the records of eight APs and one ZP revealed that the above ratio of devolution of sale proceeds was not adhered to, depriving the ZPs/APs/GPs of their due share. Thus the ZPs/APs retained excess amount of Rs.50.99 lakh during the period 2002-2007 as detailed in **Annexure – V**.

3.5 Non-deduction of Assam General Sales Tax

As per Section 27 of the Assam General Tax Act, 1993, all Drawing and Disbursing Officers (DDO) of Government departments and government undertakings are under obligation to deduct tax at source for supply bills of any taxable goods or from works contract. Further, Rule 35 of the Assam General Sales Tax (AGST) Rules 1993 as amended provides that the tax so deducted should be deposited into designated Bank by appropriate challans within first 10 days of the subsequent month.

Further, as per Hon'ble High Court verdict dated 26th March 2002 circulated vide Commissioner of Taxes, Government of Assam Notification No CTS-37/2000/98 dated 21st December 2002, Assam General Sales Tax (AGST) is to be deducted at the rate of 4.4 *per cent* on the taxable turnover as certified by the Superintendent of Taxes.

In violation of the above provisions, one ZP and fifteen APs while making payment did not deduct AGST from the contractors/suppliers bills for supply of taxable materials during the period 2002-07. This has resulted in loss of tax revenue of Rs.16.09 lakh to the State Government as detailed in **Annexure-VI**.

3.6 Non-deduction of Forest Royalties

As per Rule 28 (3) of Assam mine or mineral concession Rule 1994 read with Government Notification issued in No. PEM 26/2004/31 dated 7th March 2005, Forest Royalty on all classes of forest produces are to be recovered. Thus the contractor/suppliers who did not obtain permit before procurement of materials like sand, stones, earth soil etc are required to pay royalty at the following rates.

<u>Name of material</u>		<u>Rate of Royalty</u>
Stone/Boulder/gravel	-	Rs. 100/-per cm
Sand	-	Rs. 70/- per cm
Soil/earth	-	Rs. 15/- per cm

Test check of one ZP and fifteen APs revealed that Royalty was not recovered from the bills of contractor/suppliers while making final payment and the document in support of payment of Royalty on forest produces was not insisted by the PRIs. During the period 2002-2007 non-recovery of Royalty from contractor's bills resulted in loss of revenue to the State Government to the extent of Rs 13.97 lakh as detailed in **Annexure-VII**.

CHAPTER-IV

IMPLEMENTATION OF SCHEMES

4.1 Sampoorna Gramin Rojgar Yojana (SGRY).

The Ministry of Rural Development, Govt. of India (GOI) launched SGRY from 25 September, 2001 to provide additional wage employment and food security to rural poor through creation of social and community assets. The scheme envisaged payment of wages in the form of cash as well as food grain. Cash component was to be borne by GOI and the State Govt in the ratio of 75:25 and the food grain was to be made available free of cost by GOI. Special safeguards for the weaker section and Women of the Community shall be earmarked at the rate of 22.5 *per cent* of the annual allocation for both at the level of District and Intermediate Panchayats (First Stream) and should be spent on SC/ST families living below the poverty line (BPL) for individual/group beneficiaries' scheme. The scheme also envisages that 15 *per cent* of the annual allocation to the Gram Panchayats (inclusive of food grains) should be earmarked for the creation of need-based village infrastructure in SC/ST habitations/works under the second stream (Gaon Panchayat) of SGRY.

Consequent upon discontinuation of SGRY programme w.e.f. 31st March 2005 the balance fund of SGRY scheme was required to be merged with NREGS fund which has come into force from 2005-06 in the State of Assam.

Initially the NREGS programme was launched only in 7 districts viz Lakhimpur, Kokrajhar, Bongaigaon, Goalpara, Dhemaji, Karbi Anglong and NC Hills in the first phase. In the second phase the programme was launched in the following 6 districts viz Barpeta, Morigaon, Nalbari, Darrang, Hailakandi and Cachar. However, since 2008-09 all the districts of Assam have been covered by the programme.

But due to late receipt of NREGS fund by the auditee units, the audit of the said programme were not taken up during that period.

Test check of the Scheme records in 23 PRIs revealed irregularities as detailed in the subsequent paragraphs.

4.1.1 Excess expenditure incurred on Administration/Contingencies

Para 4.6 of the revised Scheme Guidelines (w.e.f. 1st April 2004) provided that up to 2 per cent of the fund released during the year under the first stream could be spent by the ZPs & APs on contingency for strengthening, monitoring, and coordination.

Test checks of 22 PRIs revealed that an expenditure of Rs.237.56 lakh was made towards administrative contingencies in excess of the admissible limit during 2002-07 in violation of scheme guidelines as detailed in **Annexure- VIII and IX**.

4.1.2 Food grains not fully utilised

As per Para 2.2 of the scheme guidelines food grains should be utilised as part of wage to the workers at the rate of 5 kg per man-day in addition to cash component. Generally, the District Rural Development Agency (DRDA) releases the scheme fund (Cash and Food Grain) to the ZP & AP as per Action Plan with detailed estimates of each work submitted by the ZP/AP. Also the estimated fund (Cash and food grain) should be exhausted as soon as the works are completed.

Test check of records such as Food Grains Issue Statement of respective DRDA, Stock Register of ZP/APs in respect of 19 PRIs (two ZPs and 17 APs) revealed that huge quantity of food grains weighing 160332.67 quintals valued at Rs.11.75 crore were lying in the ZP/APs without utilization though the targeted works were completed as per records. Details are given in **Annexure- X**.

The Chief Executive Officer/Block Development Officer of 19 PRIs during audit stated that Food Grains (FG) were received in the fag end of the financial year and hence were carried forward to the next financial year.

4.1.3 Utilization of SGRY fund for creation of ineligible assets.

As per Para 6.5.1, 6.5.2 of SGRY Scheme guidelines, the SGRY fund may be utilized for assets/infrastructure only in rural areas. It mainly includes creation of income generating rural infrastructure, construction of rural link roads, drainage, kitchen sheds for schools, market sheds, afforestation, minor irrigation, rejuvenation of drinking water sources and augmentation of ground water, traditional water harvesting structure, distillation of village tanks/ponds etc. and such other schemes which were necessary for watershed development.

Construction of buildings for religious purposes, construction of Higher Secondary Schools, Colleges, monuments memorials, statues, idols, bridges, black topping of roads etc were specifically prohibited under Para 6.7.1 of SGRY Scheme Guidelines.

Test check of records revealed that 21 PRIs (two ZP & 19 AP) had utilized Rs 3.25 crore from SGRY Fund during 2002-07 for constructing, temples, college, bridges etc in violation of the SGRY Guidelines as detailed in **Annexure-XI**.

Reasons for creation of ineligible assets violating the provision of the guidelines has not been stated.

4.1.4(A) Non-disposal of empty gunny bags

As per Para 2.8 of the SGRY guidelines, gunny bags in which food-grains are received for distribution under the programme are to be disposed off and the sale proceeds realized was to be utilized to meet the transportation and other handling cost of the food-grains. Thus, it is imperative that proper records of empty gunny bags are kept in an appropriate manner.

Test check of records in 2 ZP and 21 APs revealed that despite specific provisions, details of empty gunny bags and sale proceeds received thereof were never recorded, although huge

quantity of rice contained in 1786812 nos of gunny bags had been issued during 2002-2007 as detailed in **Annexure-XII**. Non-accountal of empty gunny bags worth Rs.89.14 lakh, (being cost of empty gunny bags) resulted in deprival of additional resources for meeting the cost of transportation as envisaged.

4.1.4 (B) Non-reimbursement of Transportation Cost

As per Para 2.7 of SGRY guidelines, the State Governments will bear the transportation cost and other handling charges from their own resources.

However, test check of records of two ZPs and two APs revealed that an amount of Rs.63.80 lakh was diverted towards the cost of transportation and handling charges of FGs during the period from April 2002 to March 2007, in violation of the provision of SGRY guidelines. Therefore, non-reimbursement of cost of transportation of food grains frustrated the objective of the scheme, creation of durable assets meant for rural poor. Moreover entire payment of Rs. 63.80 lakh from the cash components of SGRY towards transportation charges was thus not only irregular but also caused short generation of 61742 man days as detailed below:

(Rs. in lakh)		
Sl No.	Name of the Unit	Amount
1	Goalpara ZP	36.64
2	Kharmuja AP	4.66
3	Dhubri ZP	13.20
4	Lakhipur AP	7.09
		2.21
	Total	63.80

4.1.5 Irregular payment for materials through food grains

Wages under SGRY Scheme are paid partly in cash and partly by food-grains. The food grains distributed under the scheme are largely subsidized and intended to protect the real wages of the workers.

The Government of Assam fixed the rate of food grains (rice) at subsidized rate of Rs.800/- per quintal under SGRY Programme against payment of real wages.

Test check of various records, such as vouchers, MR bills etc of two APs for the period 2004-06 revealed that food grain weighing 412.50 quintals, valued at Rs.3.30 lakh (Agomoni AP for Rs.0.60 lakh and Matia for Rs.2.70 lakhs) under SGRY scheme were adjusted towards payment of bills of materials like gravel, soil etc.(considering the subsidized price of food grains i e Rs.800/- per quintal, whereas it's actual cost is Rs.1260/- per quintal (FCI rate). This resulted in undue benefit of Rs.1.90 lakh (412.50 quintals x Rs.460/-per quintal = Rs.189750/-) being given to the suppliers for procurement of materials by adopting lower value (subsidized) of food grains as compared to its actual cost. The adjustment of food grains in lieu of cash was in violation of scheme guidelines.

Reasons for deviation were not available on record nor stated to audit.

4.1.6 Non-submissions of Vouchers/Actual Payee's Receipts

As per Rule 39 of the Assam Panchayat (Financial) Rules, 2002, the payment to labourers shall be made and signature/ thumb impression of the payees should be obtained on the Muster Roll in the presence of Anchalik Panchayat Members and the vouchers relating to the expenditure/payments with Actual Payee's Receipts (APRs) should be kept in order.

Test check of Cash Book and Bank Pass Book revealed that nine APs and one ZP incurred an expenditure of Rs.9.88 crore during 2002-2007 on various schemes but no supporting documents viz. voucher/actual payee receipt was produced to audit as detailed in **Annexure-XIII**.

Thus audit could not verify the correctness of the payment of Rs.9.88 crore, in the absence of valid documentary evidence.

4.1.7 Short accountal of SGRY scheme fund

In Assam, funds are distributed to the ZP/AP/GP by the District Rural Development Agency (DRDA) within 15 days from the date of receipts of the fund from the Central or the State Government.

Test check of details of statement of funds distributed to ZPs, APs and GPs as furnished by the concerned DRDA with the respective Cash Book of the PRIs disclosed that an amount of Rs.4.92 crore had been short accounted in the cash book of 14 PRIs during the period from April 2002 to March 2007 as detailed in **Annexure –XIV**.

No reasons were furnished for the short accountal of Rs.4.92 crore by the PRIs (June 2008).

4.1.8 Non-accountal of cash & food-grain components

(A) Test check of sanction letters regarding release of fund under SGRY revealed that CEO, Sonitpur ZP released Rs.2.60 lakh cash to Sakomatha AP and 617.50 quintals of food grains valued at Rs.3.71 lakh on 5th February 2003 for implementation of five works under SGRY programme. On scrutiny of Cash Book, Bank accounts and Stock Register of food grains of Sakomatha AP, it was revealed that neither the said amount of Rs.2.60 lakh cash was accounted for in the Cash Book/Bank account nor the food grains were accounted for in the Stock Register.

(B) During 2002-06 DRDA, Sonitpur released 1327.75 quintals of food grains in thirteen delivery challans to Sakomatha AP and 2720.44 quintals of food grains vide 19 delivery challans to Baghmara AP. Scrutiny of food grain stock register at Sakomatha AP and Baghmara AP revealed that the said food grains of 4048.19 quintals valued at Rs.26.77 lakh were not accounted for in the Stock Register of the respective APs.

4.1.9 Non-issue of food grains to the workers

Wages under SGRY scheme are paid partly in Cash and partly in food-grains and the prices of food grains are largely subsidized and intended to benefit the workers.

Test check of vouchers, muster rolls etc relating to nine PRIs during the period 2002 - 07 revealed that food-grains worth Rs.-33.83 lakh were not issued as part of the wages to the workers. Details are furnished in **Annexure –XV**. This was a clear violation of the scheme guidelines as the objective of the providing food security was defeated.

Reason for non-issue of food-grain (rice) to MR workers was not furnished to Audit (June 2008).

4.2 Cheques not issued to the National Old Age Pension beneficiaries

The objective of National Old Age Pension (NOAP) is to provide economic assistance to the rural people living Below Poverty Line (BPL) who have attained the age of 65 years and above. The old rate of pension of Rs.75/- per month per pensioner has been revised to Rs.250/-(Central Share Rs.200/- and State Share Rs.50/-) per month (August 2006) per pensioner.

Cheques under the NOAP schemes are received from the concerned Deputy Commissioners (DC) by the ZPs/AP and the ZPs/APs distribute the cheques to the beneficiaries through GPs. Test check of the records of Dhubri ZP revealed that an amount of Rs.11.30 lakh was not distributed during the period from April 2002 to March 2007 and was lying in the ZP account without distribution though the list of the beneficiaries were available in the units. No reasons were also furnished for non-distribution of NOAP to the beneficiaries.

Due to non-distribution of NOAP cheques amounting to Rs.11.30 lakh to the concerned beneficiaries, the objective of the NOAP programme was not achieved.

URBAN LOCAL BODIES

CHAPTER - V

5.1 Background

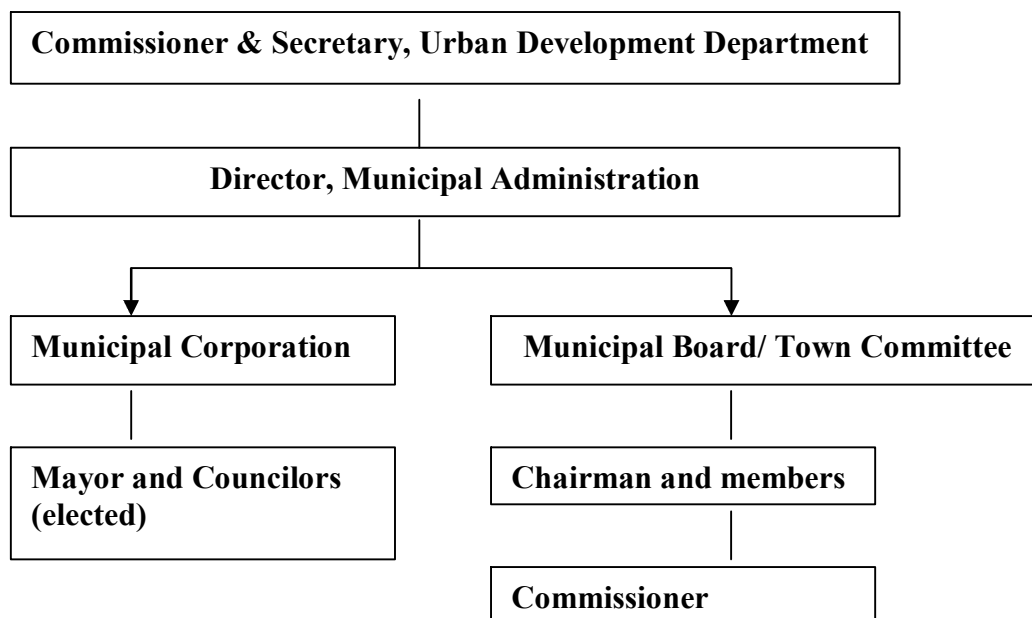
Article 243 of the Constitution of India envisages that the State Government may, by law, empower the Municipalities with such powers and authority as may be necessary to enable them to function as institutions of self-government and such law may contain provisions for the devolution of powers and responsibilities upon Municipalities, subject to such conditions as may be specified therein, with respect to (i) the preparation of plans for economic development and social justice and (ii) the performance of functions and the implementations of schemes as may be entrusted to them including those in relation to the matters listed in the Twelfth Schedule

Out of 87 Urban Local Bodies in Assam, 29 Municipalities and 57 Town committees are governed by the provisions of Assam Municipal Act, 1956 and one (1) Municipal Corporation is governed by the Guwahati Municipal Act, 1969 and vested with the Municipal Administration of the city of Guwahati. Each municipality is divided into number of wards, which is determined and notified by the State Government based on the population, dwelling pattern, geographical condition and economic consideration of the respective area. Each ward is represented by an elected Councilor and Ward Commissioner.

5.2 Organizational set up

The Chairman/Mayor elected by the Board of councilors (BOC) is the executive head of the ULB and presides over the meetings of Chairman-in-council/Mayor-in-council responsible for governance of the body. The executive power of a ULB is exercised by the council. The Chairman presides over the meeting of the Board of Councilors, the Chairman/Mayor enjoys such power as delegated by the Board.

The following organogram will show the organizational set up



5.3 Power and Function of Urban Local Bodies

The ULB exercise their powers and functions in accordance with the provisions of Section 60 (2) of Assam Municipal Act, 1956 in order to function as an institution of self government and carry out the responsibilities conferred upon them.

Some of the important functions devolved to the ULBs in Assam State are as follows: -

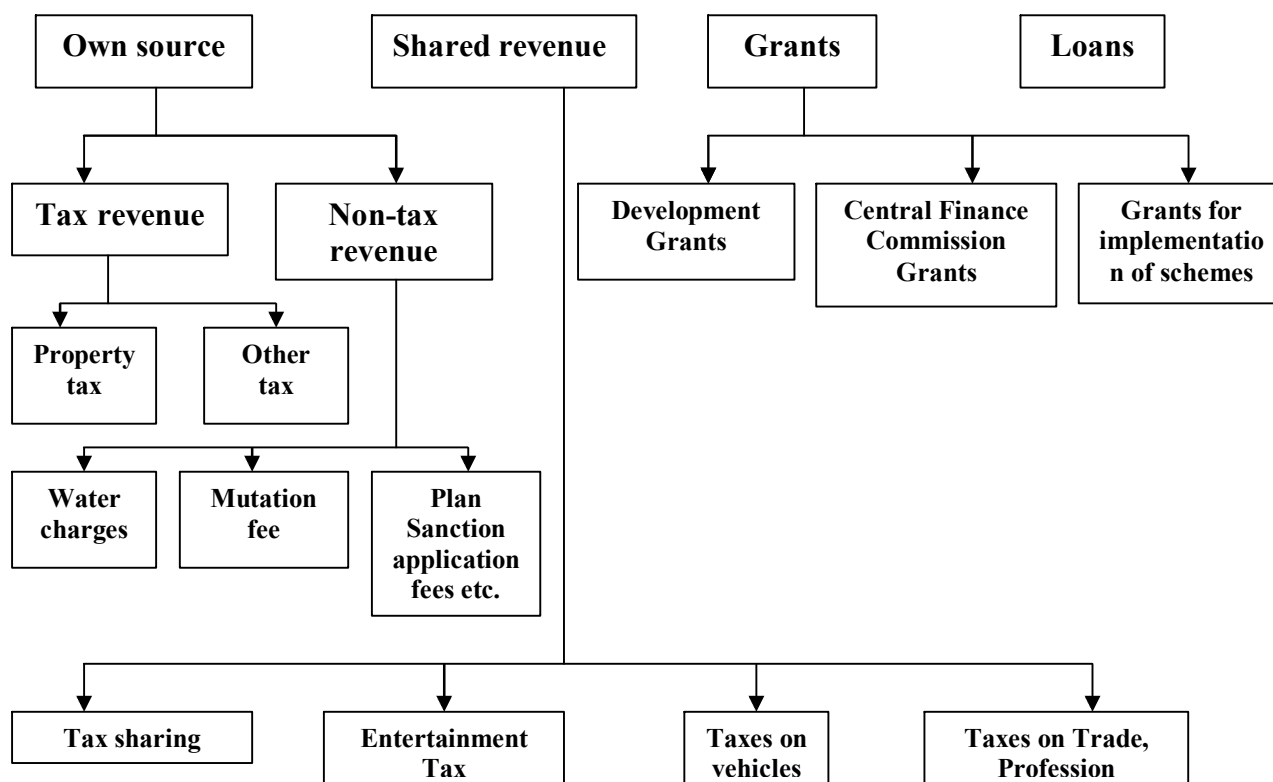
- (i) Constructions, maintenance and improvement of roads, bridges, squares, gardens, tanks, ghats, walls, drains, latrine and urinals.
- (ii) Planting and reservation of felling of trees and bamboos.
- (iii) Supply of drinking water and lighting
- (iv) Establishment and maintenance of a municipal market including taking market on lease.
- (v) Prevention of spreading of dangerous diseases.
- (vi) Establishment and maintenance of houses, hospitals and dispensaries for poor.
- (vii) Establishment and maintenance of, or the granting of aid to public libraries and reading rooms, amateur theatrical institutions and music schools.
- (viii) Provision of burial and burning grounds and the burial or burning of paupers.
- (ix) Acquiring, keeping and equipping of open spaces for purposes of ventilation or for the promotion of physical exercise and recreation.
- (x) Holding of fair and industrial exhibitions.
- (xi) Establishment and maintenance of dairies.
- (xii) Preparation of compost manure.

5.4 Financial Profile

The ULB fund comprises receipt from its own sources, grants and assistance from Government and loan obtained from public financial institutions or nationalized banks or such other institutions as the State Government may approve.

A flow chart of finances of ULB is as under:

Sources of finances of ULBs



The Property tax on land and building is the main source of revenue of a ULB. The main sources of non-tax revenue are Plan sanction fees, mutation fees and water charges.

All collection as permissible under the statute in force, such as tax and non-tax revenue of ULBs are meant for maintenance of administration & services to the tax payers. The State Government releases administrative grants to the ULBs to compensate their revenue expenditure.

The loans raised from different sources with prior approval of the State Government are utilized for execution of various projects/schemes. Grants and Assistance released by the Central and State Government are utilized for developmental activities as specified in the respective schemes or projects.

5.4.1 Financial outlay and application of funds

Funds allocated to ULBs (including Eleventh and Twelfth Finance Commission Grants) and the State Government during the year 2005-06 to 2006-07 through State Budgets were as under.

(Rs. in lakh)

Sl No	Year	Grant No. & Major Head	Total Grants Budget provision	Actual Expenditure	Excess +/- Savings (-)
1	2005-06	MV Tax	298.00	298.00	Nil
2	-do	General purpose Grant	2.00	2.00	Nil
3	-do-	Low Cost Sanitation Programme	11.20	11.20	Nil
4	-do-	SJSRY	144.00	136.80	After deduction of five <i>per cent</i> contingency charge
5	2006-07	-do-	843.27	801.11	-do-
6	-do-	MV Tax	298.00	298.00	Nil

The expenditure shown above was mainly on FA, providing basic services, training, preparation/maintenance of accounts and data base, Solid Waste Management etc.

The information regarding own revenue (Tax, Non-Tax and others) collected by ULBs and revenue actually collected and assigned to the ULBs was not made available by the Directorate of Municipal Administration. Absence of details regarding utilization of the allocated funds is a matter of concern, since it could not be ascertained whether expenditure was incurred for the purpose for which it was allocated and the desired objectives were fulfilled.

5.5 Audit Arrangements

The Assam Municipal Act, 1969 and Act governing Municipal Corporation envisages that the accounts of a body shall be examined and audited by an auditor appointed by the State Government. Accordingly, the State Government in exercise of power conferred by the Acts appointed the Director of Audit (Local Fund), Assam for audit of the accounts of the ULBs.

The department of local fund under the State Finance Department is headed by a Director and District Offices in all districts are headed by Deputy Directors. As per statement furnished by the Director of Audit (Local Fund), Assam in October 2008, thirteen ULBs have been audited during 2004 to 07 and sixty ULBs remained un-audited due to manpower constraint

Based on the recommendation of the Eleventh Finance Commission, the C&AG of India had been entrusted with the responsibility of TGS over maintenance of the accounts of ULBs and their audit under Section – 20 (1) of the C&AG's DPC Act, 1971.

5.5.1 Adoption of Accounts & Budget Formats

Formats for preparation of budget and keeping of accounts for the ULBs were prescribed by the Comptroller and Auditor General of India in 2004 which were accepted by the State Government (December 2007). However, Director, Municipal Administration, Assam (3rd December 2007) stated that CAG's formats for preparation of budget and accounts have not been received by them and therefore final action for adoption is awaited as of December 2007.

5.6 Twelfth Finance Commission Grants

Against the total allocation of TFC Grants of Rs.55.00 crore for the year 2005-10 (to be released in 10 equal installments), the Government of India released Rs.55.00 crore to the State Government for implementation of specified schemes during 2006-07. The State Government released the same to the ULBs during June 2006 to April 2007. The receipt and utilization of TFC grants for 2006-07 is given below:-

(Rs in lakh)

Year	Allocation	Receipt from GOI	Released to ULBs	Scheme wise allocation of TFC grants released
2006-07	550.00	550.00	550.00	Maintenance of accounts Rs.13.50 Creation of data base Rs.67.50 Solid waste management Rs.469.00

An overall audit of release & utilization of TFC grants could not be taken up due to non-furnishing of requisite documents & information by the State Government.

TFC grants are required to be utilized for developmental activities of the State Government. But test check of records of Maibong TC regarding implementation of scheme under TFC grants, revealed that the Chairman, Maibong TC had incurred an un-authorized expenditure of Rs.1.38 lakh during 2006-07 towards payment of staff salary & other miscellaneous expenditure.

5.7 Response to audit observation

The Chairman/Mayor is required to comply with the observations contained in the Inspection Report (IR) within 90 days from the date of issue of IR and rectify the defects and report their compliance to Audit. The details of IR & the Paras outstanding therein as of 31st December 2007 are given below:-

Year	No of IR	No of outstanding	Money value (Rs in crore)
2004-05	41	627	183.20
2005-06	4	52	3.42
2006-07	34	393	19.40

A review of the IRs which was pending due to non-receipt of replies revealed that 80 per cent auditee units whose records were inspected did not send any reply to outstanding IRs. The Secretary of the department who was informed of the position, also failed to ensure that the concerned officers of the ULBs take prompt & timely action. Although there was no proposal for constituting Audit Committee at appropriate level to discuss and settle the objection on the spot, the Director of Audit (Local Fund), Assam intimated (December 2007) that formation of High Level Committee by the Legislative Assembly has been proposed to the Government in the line of PAC for taking action on the misappropriation, defalcation and fraud cases involved in the ULBs.

Proposal was also made for placement of LB's report in the State Legislative Assembly for discussion & settlement of the objections on the spot by constituting Audit Committee at appropriate level at PAGs' end. But reply of the State Government is awaited.

5.8 Audit Coverage

Out of 87 ULBs, audit of accounts of 34 ULBs covering the accounts up to 2006-07 was conducted during January 2007 to December 2007.

Important findings of audit are described in the succeeding chapter.

Chapter-VI

FINANCIAL MANAGEMENT

6.1 Annual Accounts

74th Amendment to the Constitution Act, 1992 made it mandatory for the State Government to constitute Municipalities. Accordingly part IXA has been enshrined in the constitution dealing with the powers and the responsibilities of the ULBs. Accordingly, Second State Finance Commission (SSFC), Assam (para 4.1, 4.80 and 4.83 under Chapter IV of ULBs) recommended the EFC prescribed formats of all ULBs should be the same as suggested by the C&AG of India which has already been accepted by the Govt of Assam.

To depict the actual financial position, each ULB is required to prepare Income and Expenditure Statement, Balance Sheet of assets and liabilities in the prescribed format to place before the competent authorities.

Test check of 34 ULBs revealed that none of the ULBs had prepared annual financial statement for the periods from 1st April 2000 to 31st March 2007. This indicates poor financial management and lack of monitoring in the ULB units.

6.2 Non-Adjustment of Advances

Test check of records of three ULB units revealed that advances totaling Rs. 10.06 lakh (Kharupetia TC - Rs 4.96 lakh, Mahur TC - Rs.2.67 lakh and Maibang TC-Rs. 2.43 lakh) granted to Staff for various purposes during the period from April/2000 to March/2007 are yet to be adjusted. The practice of non-adjustment of advances for several years has encouraged the undesirable practice of blocking of institutional funds for indefinite period and providing undue benefits.

During audit query, Chairman of concerned ULBs stated that necessary steps will be taken to recover the same and result thereof will be communicated to audit in due course. The reply is still awaited (June 2008).

6.3 Tax Collected but not reflected in Cash Book and Bank Pass Book

Test check of records of six ULBs revealed that Rs.7.86 lakh collected/received by Tax Darogas of concerned ULBs as various taxes, fees etc as per receipt books was neither reflected in the cash book nor in the bank pass book. Thus the entire amount of Rs.7.86 lakh remained unaccounted for till the date of audit. During discussion Chairman/Chairperson of concerned ULBs stated that matter will be investigated and action taken thereof will be communicated to audit in due course. The details were as under:

(Rs in lakh)

Sl No	Name of Unit	Period of collection	Amount
1	Barpathar TC	4/2000 to 3/07	0.70
2	Golaghat MB	4/2000 to 3/07	2.61
3	Dokmoka TC	4/2000 to 3/07	4.22
4	Lakhipur TC (Goalpara)	4/2000 to 3/07	0.01
5	Simlaguri TC	04-05	0.02
6	Dhing TC	04-05 to 05-06	0.30
		Total	7.86

6.4 Outstanding Government Loans and Interest

The Director of Municipal Administration, Assam released Rs.9.64 lakh during the period from April 1994 to March 2005 to three ULBs (Gohpur TC Rs.2.75 lakh, Palasbari MB Rs.2.50 lakh and Rangapara TC Rs.4.39 lakh) as loan to ULBs for construction of sanitary latrines involving 186 nos of BPL beneficiaries under Low Cost Sanitation Programme (LCSP). As per terms and condition of the LCSP guidelines loan amount including interest @ 13.5 per cent was recoverable on installment basis from the beneficiaries availing benefit under the scheme.

Test check of records revealed that while Rangapara TC realized Rs.1.86 lakh from the concerned beneficiaries, the rest ULBs failed to realize the loan component along with the interest thereon. Non-realization of loan components amounting to Rs.7.71 lakh had therefore increased the liabilities of ULBs. Thus the ULBs failed to recover the loan along with interest thereon. ULBs authorities stated that due to fund constraint the loan have been taken. Regarding recoupment of loans, authorities of concerned ULBs stated that necessary recoupment will be made in due course and position will be intimated to audit. However, no reply from the concerned ULBs have been received (June 2008).

The ULB wise detailed position of realizable Loan component is summarized below:

(Rs in lakh)

Sl No	Name of the Unit	Period	Loan amount	Interest	Total Amount	Loans taken from
1	Palashbari MB	4/2000 to 3/07	2.49	-	2.49	LCSP
2	Rangapara TC	4/2000 to 3/07	2.10	-	2.10	-do-
3	Gohpur TC	4/2000 to 3/07	3.12	-	3.12	-do-
			Total		7.71	

6.5 Non-remittance of Employers share of Contributory Provident Fund.

Contributory Provident Fund subscription collected by deductions from employees' salary and equal amount of employers' share is to be credited to the fund account. Test check of the records of Haflong TC revealed that although Rs.31.41 lakh being CPF subscription was deducted from employees' salary during January 2000 to March 2007 and remitted to their individual CPF account, the employer's share of Rs.31.41 lakh is yet to be deposited into individual CPF accounts of the employees. This deprived the employees of their CPF benefits to the tune of Rs 31.41 lakh.

In case of Sapatgram TC the employees CPF contribution along with the employers share amounting to Rs.5.33 lakh (employees' contribution Rs.3.14 lakh plus employer's share Rs.2.19 lakh) was not credited to the individual CPF accounts of the employees as on 31st March 2007.

6.6 Fraudulent drawal of CPF amounting to Rs.2.07 lakh

During audit of Mangaldoi MB it was observed that an amount of Rs.2.07 lakh was fraudulently drawn by an employee of Mangaldoi MB in the name of the 14 employees of the Board. An FIR was lodged with the Mangaldoi Police Station against the employee Sri PC Kakati, UDA who has fraudulently withdrawn the CPF amount on 27th August 2007. The said amount was fraudulently withdrawn during the last 3-4 years and when the withdrawals were reflected in postal account, the victim officials had reported the matter to the higher authority of MB for necessary action. Since then, Sri PC Kakati (guilty employee) was finally sent on compulsorily retirement (21st August 2007) vide Assam Disciplinary & Appeal Rules 1964 with the condition that he will refund the said amount in phase manner. The amount was not recouped till November 2007.

6.7 Non-remittance of Professional Tax.

Under the Assam Professions, Trades, Callings and Employment Taxation Act, 1947, every person, who carries on a trade or a profession or calling, or who is in employment, within the State is liable to pay tax for each financial year at the prescribed rates.

Professional Tax is to be deducted from the monthly salary of the employees by the DDOs at rates prescribed by the State Government from time to time and should be deposited to the proper Head of Accounts of the State Govt.

Test check of 14 ULB units revealed that the units failed to realize and deposit the Professional Tax amounting to Rs 5.60 lakh as on 31st March 2007 from the concerned employees as detailed in **Annexure –XVI**.

6.8 Diversion of Fund/Grant

Test check of seven ULBs revealed that Rs 49.28 lakh out of Rs 58.20 lakh released under MVT, EFC, NSDP, TFC, LCSP, RSVY, SJSRY etc during 2004-05 to 2006-07 were diverted for payment of salaries of staff, miscellaneous expenses, contingency etc without proper authorization. Such diversion of funds not only frustrated the objective for which funds were released but also deprived the beneficiaries of the intended benefits.

During audit query, Chairman/Chairperson stated that due to paucity of fund in general fund account diversion has been made and will be recouped in the respective scheme fund as soon as fund will be available in this account. The scheme wise diversion of fund is summarized in **Annexure-XVII**. The funds are yet to be recouped.

6.9 Non-accountal of Fund amounting to Rs.23.40 lakh

Test check of records of nine ULBs revealed that the Director Municipal Administration, Assam, Guwahati released Rs.8.16 lakh to Rangapara TC under NSDP and Rs.7.00 lakh to Mangaldoi MB under EFC grant and Rs.8.24 lakh collected by Tax Daroga of the seven ULBs during the period 2000-07 but these were not accounted for in their respective funds and kept out of the accounts. This resulted in non-accountal of fund amounting to Rs.23.40 lakh as detailed in **Annexure –XVIII**

In reply to an audit query, Chairman/Chairperson of the ULBs stated that matter will be investigated and action taken will be communicated in due course (May 2008).

6.9.1 System deficiencies

- (A) Some of the common and persistent deficiencies noticed in the maintenance of Cash Book by the ULBs were :-
- (i) Cash Book was not maintained in all the ULBs that too in the prescribed format, instead only a receipt and payment statement was prepared.
 - (ii) Transactions were recorded in the Cash Book without indicating the date of transaction.
 - (iii) Pages of Cash Book were left blank and also were not struck out facilitating to insert on later dates.
 - (iv) Narration for transaction was not furnished in the Cash Book.
 - (v) Voucher number and Head of Account was not indicated against transaction.
 - (vi) Vouchers were not numbered serially.
 - (vii) Cash Book was not closed on a daily basis.
 - (viii) Cash Book was not authenticated by the competent authority.
 - (ix) Correction and alteration in Cash Book were without any authentication by the competent authority.
 - (x) All receipts were not recorded in the Cash Book.
 - (xi) Subsidiary Cash Book was not maintained.

(B) Non-maintenance of basic records

The prescribed basic records viz. Stock Register, Demand Register, Collection Register, Works Register, Contractor's Ledger, Advance Register, Final Payment Register, Tools & Plant Register, Unpaid Bill Register, Bank Scroll and Challan Files, Contingent Register, Register/Records relating to engagement of Master Roll Workers, Purchase and Supply Orders Files, Files/Records of flood damage repair works, Files/records regarding utilization of MLA Local Area Development fund, Files/Records regarding schemes undertaken for the benefit of SC/ST women and Children/Backward Classes etc. were not maintained in most of the ULBs.

Further, there were instances of deficiencies in the maintenance of Stock Register. Entries were not recorded in the prescribed columns for receipts and issue of materials in several instances;

daily balances were not worked out; entries were not attested and balances were not physically verified by the competent authority.

Annual physical verification of stock as prescribed in the GFRs was not carried out in any ULB.

CHAPTER-VII

REVENUE RECEIPTS

7.1 Arrears in collection of Municipal Taxes

Test checks of records in 26 ULBs revealed huge arrears in collection of Municipal taxes namely house tax, light-tax, water-tax, and property tax, Latrine-tax, Room/Stall/Building Rent, Trade License Fees etc. The arrears of collection accumulated to Rs.874.20 lakh which related to the period from April 2000 to March 2007.

The ULBs did not issue demand notices, imposed penalty or initiated recovery process through attachment of moveable property belonging to the defaulter. Inaction of the ULBs in recovering the taxes of Rs 874.20 lakh led to these amounts lying unrealized for periods ranging from 2 to 7 years. Some of them are fraught with the risk of becoming non-recoverable as details given in **Annexure-XIX**.

In reply to an audit query, the concerned Chairman/Chairperson stated that necessary steps would be taken to recover the same and result thereon will be communicated to audit. But no communication has been received from their end (June 2008).

7.2 (A) Outstanding Kist Money

Local Markets/Par-ghats/Fisheries etc were leased out to the private parties every year by inviting open tenders. The highest bidder is awarded the lease on the condition that the bidder must deposit their Kist money in four equal installments. However, ULBs failed to enforce this and Kist money remained unrealized for years.

Test check of records in 17 ULBs revealed that Kist money amounting to Rs 50.31 lakh due from 193 lessees/mahaldars remained un-realized (May 2008).

The concerned ULBs, however, did not take action to realize the outstanding Kist money as detailed in **Annexure –XX**.

7.2 (B) Loss of Revenue due to non-settlement of Markets to the highest bidder

It was also noticed that highest bidders were refused without assigning any reason and other bidders were allotted markets etc on lease basis in 36 cases by the nine ULBs. Thus the ULBs incurred loss of revenue of Rs. 18.20 lakh as a result of violating rules as detailed below:

(Rs in lakh)

SI No	Name of Unit	Period	Amount	No of cases
1	Mangaldoi MB	4/2000 to 3/07	6.92	6
2	Kharupetia TC	4/02 to 3/05	1.40	4
3	Sarupathar TC	03-04 to 05-06	4.15	2
4	Chapar TC	02-03 to 06-07	0.31	4
5	Golaghat MB	04-05 to 05-06	1.17	4
6	Bokajan TC	2000-01 to 04-05	1.44	5
7	Margherita TC	06-07	1.23	5
8	Titabor TC	07-08	0.91	1
9	Dongkamukam TC	01-02 to 07-08	0.67	5
Total			18.20	36

Further, the concerned ULBs made no efforts to realize the outstanding amounts.

7.3 Loss of Revenue due to non-deduction of AGST

As per Section 27 of the Assam General Tax Act, 1993 all DDOs of Government departments and government undertakings are under obligation to deduct tax at source of the prescribed rates for supply of any taxable goods or for undertaking works. Further, Rule 35 of the Assam General Sales Tax Rules 1993 as amended provides that the tax so deducted should be deposited into designated Bank by appropriate challans within 10 days from the expiry of each calendar month.

Further, as per Hon'ble High Court's verdict dated 26th March 2002 circulated vide Commissioner of Taxes, Government of Assam Notification No CTS-37/2000/98 dated 21st December.2002, Assam Government Sales Tax (AGST) is to be deducted at the rate of 4.4 *per cent* on the taxable turnover as certified by the Superintendent of Taxes.

Test check of records of 14 ULBs revealed that Government suffered loss of Revenue of Rs.8.51 lakh due to non-deduction of AGST from the Contractors/Suppliers bills, while making final payment by the 14 ULBs during 2000-2007.

Reasons for non-deduction and subsequent non-deposit of AGST from the Contractors/Suppliers bills were not available on record. Details are given in **Annexure –XXI**.

7.4 Loss of Revenue due to Non-deduction of Income Tax

As per provision under section 194 of the Income Tax Act 1961, Income-tax is to be deducted at the rate of 2.2 *per cent* from bills of contractors/suppliers who supplied materials like sand, boulders, stone, chips, stone dust, etc) and the amount so recovered was to be deposited to the Government account within the 10th of succeeding the month.

Test check of records of seven ULBs revealed that Government suffered a loss of Revenue of Rs 3.12 lakh as the ULBs failed to deduct/deposit income tax from the Contractors/Suppliers final payment bills during 2000-2007. Details of short recovery of income tax were as under:

(Rs in lakh)

Sl No	Name of the unit	No of items	Period	Amount of Income Tax to be realized
1	Golaghat Municipal Board	15	01/04/2000 to 31/03/2007	0.99
2	Titabor Town Committee	6	01/04/2006 to 31/03/2007	0.08
3	BokajanTown Committee	19	-do-	0.31
4	KampurTown Committee		01/04/2003 to 31/03/2007	1.05
5	DangkamukamTown Committee	18	-do-	0.58
6	Kharupetia Town Committee	9	01/02/2000 to 30/09/2002	0.05
7	Gohapur Town Committee	2	01/04/2004 to 31/03/2005	0.06
	Total	71		3.12

7.5 Loss of Revenue due to non-deduction of Forest Royalty.

Rule 28 (3) of Assam mine or mineral concession Rule 1994 read with Government Notification issued in No. PEM 26/2004/31 dated 7th March 2005, states that the following rates are leviable as Forest Royalty on all classes of forest produces. The contractor/suppliers who did not obtain permit before procurement of materials like sand, stones, earth soil etc are required to pay Royalty at the following rates.

<u>Name of materials</u>	<u>Rate of Royalty</u>
Stone/Boulder/gravel	- Rs. 100/-per cm
Sand	- Rs. 70/- per cm
Soil/earth	- Rs. 15/- per cm

Test check in 14 ULBs revealed that the Royalty was not recovered from the bills of contractor/suppliers while making final payment and the document in support of payment of Royalty on forest produces was not attached to the bills. During the period 2002-2007 non-recovery of Royalty from contractors' bills resulted in loss of revenue to the State Government of Rs 4.91 lakh vide details in **Annexure-XXII**.

This has been pointed out by audit and reply from the department is awaited (June 2008).

7.6 Non-collection of Registration Fee and Stamp Duty.

Through open tenders the local markets, par-ghats, fisheries etc coming under the jurisdiction of the ULBs are settled/leased to individual bidders annually on lease basis through open tenders. As per terms & condition of Notice Inviting Tender the successful bidder should mortgage a plot of land of the same allotment value (bid value) or more by executing a registered deed at own cost within seven days from the date of finalizing the bid/lease failing which the agreement will be treated as cancelled.

Further, as per Article No.35 (ii) of Assam Gazette Notification dated 5th July 1989 stamp duty at the rate of 3 *per cent* of bid value (demand) should also be borne by the lessee concerned in addition to Registration fee.

Test check of 23 ULBs revealed that during the period 2002-07, 91 nos of markets/Par-ghat/ fisheries were leased but no settlement (agreement) deed was registered between the ULB authorities and Lessee.

Due to non-registration of agreement deed, non-mortgage of plot of land of the same allotment value and non deduction of stamp duty at the rate of 3 *per cent* during the period 2002-07, the State Government was put to revenue loss of Rs 92.83 lakh (Registration fee Rs 64.57 lakh plus Stamp duty Rs 28.26 lakh) as detailed in **Annexure-XXIII**.

Chapter - VIII

Miscellaneous

8.1 Drawal of conveyance allowance.

As per Section 42 (1) and (2) of the Assam Municipal Act, 1956 (Assam Act No. XV of 1957), conveyance allowance is payable out of Municipal Fund as fixed from time to time to the Authorities of MC/MB/TC (excluding Ward Commissioner). The rate of payment is subject to the approval of the State Government. Accordingly, the State Government, Municipal Administration Department vide Notification No. MA 66/83/68 dated April 1988 has fixed the rate of conveyance allowances at Rs.500/- and Rs.350/- per month for the Chairman and vice-chairman of the Town Committees (TCs).

Test check of records of 15 TCs revealed that excess conveyance allowance over and above the prescribed limit were drawn by the Chairman & vice-chairman of these TCs amounting to Rs. 28.88 lakh during the period from April 2000 to March 2007 as detailed in **Annexure-XXIV**.

Reply of the Department to the audit observation is awaited (June 2008).

8.2 Non-submissions of Vouchers/Actual Payees' Receipts

Test check of Cash Book and Bank Pass Book in five TCs revealed that an expenditure of Rs.98.57 lakh was incurred during the period 2000-2007 as detailed below:

(Rupees in lakh)

Sl. No.	Name of Unit	Funds to which relate	Particulars	Period	Amount
1	Dhakuwakhana TC	Govt Grant	Vouchers	7/04 to 2/06	5.97
2	Sinlaguri TC	TC fund	APRs	7/03 to 10/03	0.39
3	Haflong TC	SJSRY, RSVY, EFC, Dev Grants	Vouchers	8/02 to 3/07	51.65
4	Mahur TC	SJSRY, RSVY, EFC, NSDP	Vouchers	9/02 to 1/07	21.82
5	Dongkamukam TC	EFC & SJSRY	Vouchers & APRs	11/03 to 11/06	18.74
				Total	98.57

The ULBs, however, failed to provide the supporting voucher/payee receipt to audit. In the absence of supporting vouchers, payee receipt etc audit could not test check the genuineness of the expenditure.

Reply of the concerned TCs is awaited (June 2008).

8.3 Non-maintenance of records

The prescribed basic account such as Demand and Collection Register, Work Register, Appropriation Register, Investment Register, Loan Register, Un-paid bill Register, Self Cheque Register, Deposit Ledger, Assets Register, Advance Ledger and Provident Fund Ledger Abstract etc were not being maintained in most of the ULBs test checked by audit.

Due to non-maintenance of basic records the financial status of ULBs could not be ascertained in audit.

**Guwahati
the**

**Sr. Deputy Accountant General
(Local Bodies Audit & Accounts)
Assam, Guwahati**

Countersigned by

**Guwahati
the**

**Principal Accountant General (Audit)
Assam, Guwahati**

Annexure-I
(Refer paragraph 2.1)

Loss of revenue to GOI due to non-deduction and non-remittance of Income tax

(Rupees in lakh)

SI No	Name of the Units	Bill Amount	Period	Amount of Income Tax
1	Dhekiajuli AP	10.51	8/04 to 2107	0.23
2	Kushdhowa AP	7.97	10/03 to 3/07	0.18
3	Behaguri AP	23.53	9/02 to 3/05	0.52
4	Jaleswar AP	19.48	7/03 to 4/05	0.43
5	Debitola AP	11.11	6/04 to 7/05	0.24
6	Mahamaya AP	23.07	02-03 to 05-06	0.51
7	Krishnai AP	4.16	3/03 to 3/05	0.09
8	Baghmara AP	28.00	1/04 to 4/05	0.62
9	Dhubri ZP	1.04	2/04 to 3/06	0.02
10	Barchala AP	7.76	04-05	0.17
11	Gauripur AP	25.57	02-03 & 04-05	0.56
12	Agamoni AP	8.69	6/04 to 3/05	0.19
13	Chaiduar AP	20.58	7/04 to 11/05	0.45
14	Matia AP	6.79	1/03 to 12/06	0.15
15	Sakomatha AP	40.04	02-03 to 06-07	0.88
16	Chapar Salkocha AP	39.13	03-04 to 05-06	0.86
	Total	277.43		6.10

**Annexure-II
(Refer paragraph 2.3 (A))**

Advances not adjusted

(Rupees in lakh)

Sl No	Name of Unit	Name of fund from which Adv. made	Period	Amount
1	Goalpara ZP	Departmental works from SGRY	5/06 to 6/06	2.02
2	-do-	Advance pay to staff from AP's own fund	02-03 to 06-07	0.93
3	Golokganj AP	-do-	9/03 to 2/06	70.50
4	Kharmuja AP	-do-	02-03 to 06-07	4.50
5	-do-	Departmental works from NREGA	11/06 to 3/07	1.25
6	-do-	Carriage charges of MDM & Godown Rent	5/02 to 1/03	0.60
7	Agomoni AP	MPLAD, IAY, SGRY	02-03	1.05
8	Lakhipur AP	Departmental works from SGRY	03-04 to 06-07	1.90
9	Jaleswar AP	-do- from SGRY	2/06 to 6/06	7.04
10	Dhubri ZP	TA advance to President, VP & CEO from own fund	02-03 to 06-07	0.83
11	Bihaguri AP	Staff salary from SGRY	-do-	0.65
12	Barchala AP	Adv TA paid to the president AP's own fund	-do-	0.32
Total				91.66

**Annexure-III
(Refer paragraph 3.1)**

Non-collection of Registration Fees and Stamp Duties

(Rupees in lakh)

SI No	Name of Unit	Period	Registration Fee	Stamp Duty	Total Amount	No of Market/hat-ghats
1	Dhekiajuli AP	02-03 to 06-07	1.35	0.94	2.29	15
2	Golakganj AP	02-03 to 05-06	0.92	0.58	1.50	16
3	Kushdhowa AP	02-03 to 06-07	0.57	0.38	0.95	11
4	Kharmuja AP	4/02 to 3/04	0.70	0.45	1.15	17
5	Jaleswar AP	4/02 to 3/07	0.75	0.55	1.30	15
6	Debitola AP	04/02 to 3/06	0.11	0.09	0.20	13
7	Mahamaya AP	04/02 to 3/06	0.36	0.57	0.93	23
8	Krishnai AP	04/02 to 3/06	0.42	0.32	0.74	10
9	Baghmara AP	4/03 to 3/07	0.38	0.30	0.68	07
10	Dhubri ZP	4/04 to 3/07	3.88	1.72	5.60	18
11	Goalpara ZP	4/02 to 3/06	2.81	1.32	4.13	10
12	Barchala AP	4/02 to 3/07	1.03	0.77	1.80	22
13	Naduar AP	4/02 to 3/07	1.15	0.77	1.92	15
14	Gauripur AP	4/02 to 3/06	0.53	0.47	1.00	35
15	Agomani AP	4/02 to 3/06	0.31	0.27	0.58	25
16	Chaiduar AP	4/02 to 3/07	1.51	0.72	2.23	14
17	Matia AP	4/02 to 3/06	0.84	0.99	1.83	35
18	Lakhipur AP	4/02 to 3/07	0.33	0.23	0.56	07
19	Chapar Salkocha AP	4/02 to 3/06	0.38	0.35	0.73	18
Total			18.33	11.79	30.12	326

**Annexure – IV
(Refer paragraph 3.2)**

Outstanding Kist Money not realized

(Rupees in lakh)

Sl No.	Name of Unit	Period	No of Hat/Ghats & defaulter lessee	Total Demand	Total Collection	Total outstanding
1	Dhekiajuli AP	02-03 to 06-07	17	10.08	6.12	3.96
2	Golakganj AP	02-03 to 05-06	26	19.24	11.80	7.44
3	Kushdhowa AP	02-03 to 06-07	33	8.23	3.44	4.79
4	Kharmuja AP	4/02 to 3/04	156	21.68	14.09	7.59
5	Jaleswar AP	4/02 to 3/07	26	2.87	1.42	1.45
6	Debitola AP	04/02 to 3/06	67	12.03	7.67	4.36
7	Mahamaya AP	04/02 to 3/06	22	8.94	4.19	4.75
8	Krishnai AP	04/02 to 3/06	25	9.96	8.47	1.49
9	Baghmara AP	4/03 to 3/07	15	18.82	12.50	6.32
10	Dhubri ZP	4/04 to 3/07	16	29.45	16.62	12.83
11	Goalpara ZP	4/02 to 3/06	8	40.65	35.22	5.43
12	Barchala AP	4/02 to 3/07	35	15.17	8.76	6.41
13	Naduar AP	4/02 to 3/07	71	25.72	23.64	2.08
	-do-(Market Rents)	-do-	28	2.10	1.08	1.09
14	Gauripur AP	4/02 to 3/06	124	15.80	12.20	3.60
15	Agomani AP	4/02 to 3/06	28	9.04	4.44	4.60
16	Chaiduar AP	4/02 to 3/07	10	14.29	10.92	3.37
17	Matia AP	4/02 to 3/06	13	13.94	6.63	7.31
18	Lakhipur AP	4/02 to 3/07	18	9.22	6.29	2.93
19	Chapar Salkocha AP	4/02 to 3/06	15	11.75	7.14	4.61
		Total	753	299.05	202.64	96.41

Annexure –V
(Refer paragraph 3.4)

Non-distribution of Hat/Ghats Share to the ZPs, APs and GPs

(Rupees in lakh)

Sl No	Name of unit	Total collection	Own share (40% for AP & 20% for ZP)	Share to be devolved	Share Released	Outstanding
1	Dhekiajuli AP	23.94	9.58	14.36	11.25	3.11
2	Golakganj AP	28.41	11.36	17.05	15.00	2.05
3	Kushdhowa AP	12.96	5.18	7.78	5.78	2.00
4	Jaleswar AP	14.36	5.74	8.62	3.85	4.77
5	Barchala AP	16.67	6.67	10.00	6.89	3.11
6	Naduar AP	21.07	8.42	12.65	8.95	3.70
7	Matia AP	17.90	7.16	10.74	1.50	9.24
8	Lakhipur AP	6.29	2.52	3.77	2.73	1.04
9	Goalpara ZP	34.61	6.92	27.69	5.72	21.97
Total						50.99

Note: 1) ZP released the shares in favour of APs & GPs (retaining his own share)
2) AP released the shares in favour of ZPs & GPs (retaining his own share)

Annexure-VI
(Refer paragraph 3.5)

Loss of Revenue due to non-deduction of AGST

(Rupees In lakh)				
Sl No	Name of the Units	No. of items	Period	Amount of AGST
1	Dhekiajuli AP	34	8/04 to 2/07	0.46
2	Kushdhowa AP	37	10/03 to 3/05	0.35
3	Bihaguri AP	31	9/02 to 3/05	1.04
4	Jaleswar AP	20	7/03 to 4/05	0.86
5	Debitola AP	60	6/04 to 7/05	0.49
6	Mahamaya AP	44	02-03 to 05-06	0.98
7	Krishnai AP	26	3/03 to 3/05	0.18
8	Baghmara AP	31	1/04 to 4/05	1.23
9	Dhubri ZP	73	2/04 to 3/06	4.61
10	Barchala AP	30	04-05	0.34
11	Gauripur AP	51	02-03 to 04-05	1.13
12	Agomani AP	4	6/04 to 3/05	0.38
13	Chaiduar AP	3	7/04 to 11/05	0.91
14	Matia AP	4	1/03 to 12/06	0.30
15	Sakomatha AP	4	02-03 to 06-07	1.13
16	Chapar Salkocha AP	15	03-04 to 05-06	1.70
			Total	16.09

**Annexure –VII
(Refer paragraph 3.6)**

Loss of Revenue due to non-deduction of Forest Royalty

(Rupees in lakh)

Sl No	Name of the Unit	No of Items	Period	Amount
1	Dhekiajuli AP	32	8/04 to 2/07	1.16
2	Kushdhowa AP	28	10/03 to 3/05	0.83
3	Bihaguri	26	2/03 to 2/06	0.90
4	Debitola AP	23	1/04 to 3/05	0.75
5	Mahamaya AP	22	1/03 to 1/06	1.02
6	Krishnai AP	20	3/03 to 2/05	0.44
7	Baghmara AP	13	3/04 to 10/06	2.36
8	Dhubri ZP	14	3/04 to 5/06	0.25
9	Behali AP	11	3/04 to 8/06	0.53
10	Barchala AP	22	04-05	0.30
11	Naduar AP	31	3/06 to 3/07	1.96
12	Agomani AP	4	2/03 to 3/05	0.65
13	Chaiduar AP	4	9/04 to 11/05	0.88
14	Matia AP	3	2/03 to 2/06	0.24
15	Sakomatha AP	2	6/04 to 1/05	1.13
16	Chapar Salkocha AP	2	03-04 to 05-06	0.57
Total				13.97

Annexure-VIII
(Refer paragraph 4.1.1)

Statement showing excess expenditure incurred on Administration/Contingencies

(Rupees in lakh)

SI No	Name of Unit	Total Fund received (on which 2% Contingency admissible)	Total Contingencies utilized during 02-03 to 05-06	2 percent contingency admissible	Excess expenditure over permissible limit
1	Kushdhowa AP	205.42	7.48	4.11	3.37
2	Bihaguri AP	195.61	7.64	3.91	3.73
3	Jaleswar AP	108.10	3.38	2.16	1.22
4	Krishnai AP	15.50	4.64	0.31	4.33
5	Baghmara AP	210.72	7.91	4.21	3.70
6	Dhubri ZP	1052.17	32.43	21.04	11.49
7	Behali AP	81.26	4.28	1.63	2.65
8	Naduar AP	140.62	4.98	2.81	2.17
9	Chaiduar AP	219.53	6.59	3.92	2.67
10	Matia AP	28.24	3.25	0.56	2.69
11	Sakomatha AP	250.59	11.53	5.01	6.52
12	Gauripur AP	151.54	16.76	3.03	13.73
13	Agamoni AP	150.33	4.70	3.01	1.69
14	Debitola AP	143.59	11.57	2.87	8.70
Total					68.66

Annexure-IX
(Refer paragraph 4.1.1)

Statement showing excess expenditure incurred on Administration/Contingencies

(Rupees in lakh)

Sl No.	Name of Unit	Period	Particulars of diversion	Amount
1	Jaleswar AP	7/04	Various purpose	73.86
2	Debitola AP	02-03 to 05-06	Contingencies	10.11
3	Krishnai AP	02-03 to 06-07	Contingencies	2.48
4	Goalpara ZP	02-03 to 06-07	Various purpose	21.33
5	Gauripur AP	02-03 to 05-06	Contingencies	13.70
		02-03 to 05-06	Materials	31.42
6	Agomani AP	02-03 to 05-06	Contingencies	4.70
7	Rupshi AP	02-03 to 06-07	Contingencies	4.94
8	Mahamaya	12/04 to 3/06	Constn & repairing of RCC Culverts etc	16.36
Total				168.90

Total = Rs. 237.56 lakh (Rs.68.66 (VIII) + Rs.168.90 (IX))

Annexure-X
(Refer paragraph 4.1.2)

Statement showing the position of unutilized food grains

(Rupees in lakh)

Sl No.	Name of Unit	Period	Total quantity of FG in quintals	Amount)
1	Dhekiajuli AP	2002-03 to 2006-07	3284.64	22.67
2	Golakganj AP	2002-03 to 2005-06	13460.06	92.14
3	Kushdhowa AP	2002-03 to 2006-07	1179.10	9.43
4	Bihaguri	2002-03 to 2006-07	7166.78	44.85
5	Jaleswar AP	2002-03 to 2005-06	758.40	60.67
6	Debitola AP	2002-03 to 2005-06	14573.52	102.74
7	Mahamaya AP	2002-03 to 2005-06	3305.41	26.44
8	Krishnai AP	2002-03 to 2006-07	2551.86	20.34
9	Baghmara AP	2002-03 to 2006-07	8324.85	62.01
10	Dhubri ZP	2002-03 to 2005-06	5395.23	43.16
11	Goalpara ZP	2002-03 to 2005-06	36938.71	223.00
12	Behali AP	2002-03 to 2006-07	5401.44	38.70
13	Barchala AP	2002-03 to 2006-07	3624.48	26.33
14	Naduar AP	2002-03 to 2006-07	7702.95	57.15
15	Agomani AP	2003-04 to 2005-06	15622.93	117.67
16	Chaiduar AP	2002-03 to 2006-07	2468.45	19.75
17	Rupshi AP	2003-04 to 2005-06	14876.46	108.05
18	Matia AP	2002-03 to 2006-07	5336.70	37.67
19	Sakomatha AP	2002-03 to 2006-07	8360.70	61.94
			Total	1174.71

Annexure-XI
(Refer paragraph 4.1.3)

Utilization of SGRY fund for creation of inappropriate assets

(Rupees in lakh)

Sl No.	Name of Unit	Period	Amount
1	Dhekiajuli AP	8/04 to 3/07	14.89
2	Golakganj AP	12/03 to 1/06	10.54
3	Kushdhowa AP	6/04 to 6/06	3.38
4	Bihaguri AP	4/02 to 3/07	22.44
5	Kharmuja AP	04-05 to 05-06	4.46
6	Jaleswar AP	02-03 to 06-07	8.62
7	Debitola AP	02-03 to 05-06	40.58
8	Mahamaya AP	02-03 to 05-06	14.01
9	Baghmara AP	7/04 to 9/06	5.66
10	Dhubri ZP	02-03 to 05-06	74.00
11	Goalpara ZP	02-03 to 05-06	39.40
12	Behali AP	02-03 to 06-07	12.65
13	Barchala AP	04-05 to 05-06	3.50
14	Naduar AP	02-03 to 06-07	9.65
15	Gauripur AP	02-03 to 05-06	5.30
16	Agomani AP	02-03 to 06-07	4.42
17	Chaiduar AP	02-03 to 06-07	17.23
18	Rupshi AP	02-03 to 06-07	8.53
19	Lakhipur AP	02-03 to 06-07	12.40
20	Sakomatha AP	02-03 to 06-07	6.68
21	Chapar Salkocha AP	02-03 to 06-07	6.50
Total			324.84

Annexure-XII
(Refer paragraph 4.1.4 A)

Non-disposal of empty gunny bags

(Rupees in lakh)

Sl No.	Name of Unit	Period	Amount	Total Nos of Empty Gunny Bags
1	Dhekiajuli AP	2002-03 to 2006-07	6.70	133998
2	Golakganj AP	2002-03 to 2005-06	1.50	29940
3	Kushdhowa AP	2002-03 to 2006-07	2.61	52292
4	Bihaguri AP	2002-03 to 2006-07	4.57	91314
5	Kharmuja AP	2002-03 to 2006-07	4.38	87620
6	Jaleswar AP	2002-03 to 2006-07	4.58	91614
7	Debitola AP	2002-03 to 2005-06	2.86	57115
8	Mahamaya AP	2002-03 to 2005-06	2.51	50192
9	Krishnai AP	2002-03 to 2006-07	3.58	71528
10	Baghmara AP	2002-03 to 2006-07	2.68	53655
11	Dhubri ZP	2002-03 to 2005-06	10.43	208615
12	Goalpara ZP	2002-03 to 2005-06	8.15	162916
13	Behali AP	2002-03 to 2006-07	1.98	39643
14	Barchala AP	2002-03 to 2006-07	4.17	87288
15	Naduar AP	2002-03 to 2006-07	2.50	50070
16	Gauripur AP	2002-03 to 2005-06	3.60	72059
17	Agomani AP	2002-03 to 2005-06	1.21	24197
18	Chaiduar AP	2002-03 to 2006-07	5.06	101246
19	Rupshi AP	2002-03 to 2005-06	3.14	62879
20	Matia AP	2002-03 to 2005-06	3.35	67036
21	Lakhipur AP	2002-03 to 2005-06	4.85	96998
22	Sakomatha AP	2002-03 to 2006-07	3.01	60211
23	Chapar Salkocha AP	2002-03 to 2005-06	1.72	34386
Total			89.14	1786812

Annexure-XIII
(Refer paragraph 4.1.6)

Non-submission of Vouchers/Actual Payee Receipt against Government Funds

(Rupees in lakh)

Sl. No.	Name of Unit	Schemes which relate to	Wanting Particulars	Period	Amount
1	Dhekiajuli AP	Hariali, IAY	Vouchers etc	12/05,3/07 1/03,1/04	15.41 53.25
2	Bihaguri AP	SGRY	-do-	11/03 to 3/06	4.10
3	Kharmuja AP	SGRY,MP/MLA, IAY etc	-do-	10/04 to 5/06 4/02 to 3/07	97.45 128.64
4	Jaleswar AP	NREGA, SGRY,MP/MLA, IAY etc	-do-	12/03 to 3/07	276.00
5	Goalpara ZP	EFC & SGRY	-do-	2/04 to 6/06	145.50
6	Barchala AP	-	-	2/07 to 3/07	12.69
7	Chaiduar AP	-	Food-grains	3/03 to 2/07	12.69
8	Rupshi AP	SGRY	Materials & Wages	4/02 to 3/07	34.75
9	Lakhipur AP	IAY,SGRY & NREGA	Bill/Vouchers/APRs etc	4/02 to 3/07	179.44
10	Sakomatha AP	SGRY	Bill/Vouchers etc	4-1-03 to 30-12-03	27.73
Total					987.65

Annexur –XIV
(Refer paragraph 4.1.7)

Short accountal of SGRY fund during April 2002 to March 2007

(Rupees in lakh)		
Sl No	Name of Unit	Amount
1	Agomoni Ap	1.66
2	Behali AP	43.74
3	Chapar Salkocha AP	30.40
4	Goalpara ZP	30.02
5	Golokganj AP	12.71
6	Jaleswar AP	10.68
7	Kharmuja AP	42.56
8	Kushdhowa AP	36.39
9	Lakhipur AP (Goalpara)	7.56
10	Matia AP	10.01
11	Naduar AP	70.72
12	Rupshi AP	184.86
13	Debitola AP	9.54
14	Dhekiajuli AP	0.70
Total		491.55

Annexure –XV
(Refer paragraph 4.1.9)

Non-issuance of SGRY Scheme Food Grains

(Rupees in lakh)

SI No	Name of Unit	Period	FG In quintals	Amount
1	Lakhipur AP (Goalpara)	02-03 to 06-07	202.70	1.62
2	Rupshi AP	02-03 to 06-07	95.70	0.77
3	Golakganj AP	02-03 to 06-07	25.40	0.20
4	Goalpara ZP	02-03 to 06-07	1533.04	12.26
5	Jaleswar AP	02-03 to 06-07	196.20	1.57
6	Kharmuja AP	02-03 to 06-07	289.35	2.31
7	Krishnai AP	02-03 to 06-07	168.70	1.35
8	Dhekiajuli AP	02-03 to 06-07	1228.00	9.82
9	Barchala AP	02-03 to 06-07	490.85	3.93
Total			4229.94	33.83

**Annexure –XVI
(Refer paragraph 6.7)**

Non-remittance of Professional Tax

(Rupees in lakh)

Sl No	Name of Unit	No of staff	Period	Amount
1	Hamren TC	13	4/2000 to 7/03	0.36
2	Barpathar TC	5	06-07	0.05
3	Chapar TC	9	1/02 to 3/07	0.38
4	Golaghat MB	51	06-07	0.64
5	Mariani TC	6	06-07	0.07
6	Dokmoka TC	6	4/2000 to 10/04	0.29
7	Lakhipur TC (Goalpara)	10	1/03 to 6/06	0.45
8	Dhekiajuli MB	-	4/05 to 3/07	0.63
9	Tezpur MB	25	4/01 to 3/07	1.47
10	Kharupetia TC	10	06-07	0.13
11	Mangaldoi TC	35	1/05 to 3/07	0.73
12	Mahur TC	12	4/06 to 3/07	0.14
13	Haflong TC	44	8/05 to 3/07	0.16
14	Howraght TC	8	06-07	0.10
Total				5.60

**Annexure-XVII
(Refer paragraph 6.8)**

Diversion of Fund/Grant

(Rupees in Lakh)

Sl. No.	Name of Unit	Name of Grant	Period	Purpose for Which Diverted	Amount diverted	Total fund Received
1	Tezpur MB	Motor Vehicle Tax	2K-01	General Fund	7.89	8.21
2	Palashbari MB	EFC Grant MV Tax	4/03 7/2000	do do	5.79 8.50	8.90 9.36.
3	Dhakuakhana TC	MV Tax	3/04 to 4/05	do	1.11	3.27
4	Bokajan TC	National Slum Dev Programme	9/01	do	3.25	3.25
5	Maibang TC	EFC Grant TFC Grant	6/05 10/06	do do	2.00 1.38	
6	Margherita TC	SJSRY MV Tax NSDP LCSP	04-05&06- 07 04-05&06- 07 05-06 05-06	do do do do	5.28 2.11 1.37 0.59	11.50 4.15 2.70 2.75
7	Halflong TC	RSVY SJSRY LCSP TFC Grant	6/06 11/03 & 1/07 10/03 05-06	do do do do	1.80 1.60 2.50 4.11	- - - 4.11
Total					49.28	58.20

Annexure –XVIII
(Refer paragraph 6.9)

Non-accountal of Fund

(Rupees in lakh)

Sl No	Name of Unit	Period	Name of fund	Amount
1	Mangaldoi MB	4/2000 to 3/07	EFC Grant	7.00
2	Palashbari MB	30-5-03	MB Fund	0.01
3	Udalguri TC	2/03 to 5/06	TC Fund	0.35
4	Borpathar TC	4/2000 to 3/07	TC Fund	0.70
5	Chapar TC	3/02 to 6/05	TC Fund	0.04
6	Golaghat MB	7/2000 to 3/01	MB Fund	2.61
7	Dokmoka TC	4/2000 to 3/07	TC Fund	4.22
8	Dhekiajuli MB	4/2000 to 3/07	MB Fund	0.31
9	Rangapara TC	2000-01	NSDP	8.16
Total				23.40

**Annexure –XIX
(Refer paragraph 7.1)**

Outstanding Municipal Taxes

(Rupees in lakh)

Sl No	Name of Unit	Period	Nature of taxes	Amount
1	Hamren TC	4/2000 to 3/07 -do-	Room Rent Holding tax	9.66 7.51
2	Borpathar	4/2000 to 3/07	Room Rent	1.04
3	Sarupather	-do- -do-	Room Rent Trade Licence fee	2.88 0.19
4	Sorbhog TC	-do-	Urban tax House tax Light tax Trade license	1.20 1.44 0.95 1.68
5	Golaghat MB	-do-	House, Water, light, urban taxes Stall rent Trade license	37.79 63.00 5.80
6	Mariani TC	-do-	Light tax House tax Trade license	24.00 2.25 0.82
7	Dokmoka TC	-do-	Room Rent	6.73
8	Lakhipur TC (Goalpara)	-do-	House tax License Fee Building rent	3.80 2.49 0.85
9	Dhekiajuli MB	Since inception to 3/07	Holding Tax Room Rent Land Rent	38.32 2.04 0.24
10	Tezpur MB	Since inception to 3/07	House tax Light tax Water Tax Clearing Tax AUIP Tax Trade License Fee	32.12 2.66 17.41 23.13 24.01 9.08
11	Kharupetia TC	4/2000 to 3/07	Holding tax AUIP Tax Room Rent	16.51 5.52 10.00
12	Mangaldoi MB	-do-	Holding tax Room Rent Water Tax	18.56 5.73 9.41
13	Palasbari MB	4/01 to 3/07	Shop rent House tax Trade License Fee	3.79 3.25 0.52

14	Rangapara TC	4/2000 to 3/07	Holding tax, room rent, trade license fee	13.66
15	Titabor TC	06-07	Trade License Fee	1.72
16	Dhing TC	4/2000 to 3/07	Holding//Light tax, Trade License Fee & room rent	13.66
17	Udalguri TC	-do-	Rent, taxes & fees	18.91
18	Bokajan TC	Since inception to 3/07	Municipal taxes & Rent	169.00
19	Mahur TC	4/2000 to 3/07	Holding tax, Light tax Water Tax, License Fee	36.48
20	Sapatgram TC	-do-	Rent, taxes, fees etc	4.87
21	Kampur TC	4/05 to 3/07 4/02 to 3/07	House tax, Holding tax License Fee	2.06 1.42
22	Simoluguri TC	4/03 to 3/07	License Fee	0.33
23	Donkamukam TC	As on 3/07 3/02 to 3/07 1999 to 3/07	Building rent Holding tax Holding tax, Water Tax, License Fee etc	1.08 4.43 18.12
24	Haflong TC	4/90 to 3/07 1995 to 3/07	Holding tax, Light tax, License Fee etc Shop rent & taxes	159.00 1.25
25	Maibang TC	4/02 to 3/07	Holding tax, Light tax etc	18.12
26	Howrahghat TC	4/02 to 3/07	Holding tax, Light tax etc	6.39
Total				874.20

Annexure-XX
(Refer paragraph 7.2 (A))

Outstanding Kist Money not realized

(Rupees in lakh)

Sl No	Name of Unit	Period	No. of Hat/Ghats & defaulter lessee	Total Demand	Total Collection	Total outstanding
1	Borpathar TC	01.4.2000 to 31.3.2007	3	15.02	10.65	4.37
2	Sarbhog TC	01.4.2000 to 31.3.2007	5	16.76	15.26	1.50
3	Chapar TC	01.4.2000 to 31.3.2007	23	21.77	17.45	4.32
4	Golaghat MB	01.4.2000 to 31.3.2007	5	14.28	12.03	2.25
5	Moriani T C	01.4.2000 to 31.3.2007	2	1.84	Nil	1.84
6	Dokmoka T C		8	4.39	3.15	1.24
7	Lakhipur TC	01.4.2000 to 31.3.2007	28	50.32	38.95	11.37
8	Dhekiajuli M B		6	171.39	168.48	2.91
9	Tezpur M B	01.4.2000 to 31.3.2007	15	8.90	5.94	2.96
10	Kharupetia TC	01.4.2000 to 31.3.2007	21	52.96	49.69	3.27
11	Mangaldoi M B	01.4.2000 to 31.3.2007	16	41.56	36.51	5.05
12	Basugaon TC	01.4.2000 to 31.3.2007	12	22.51	21.51	1.00
13	Mahur T C	01.4.2000 to 31.3.2007	6	6.13	5.37	0.76
14	Sapatgram TC	01.4.2000 to 31.3.2007	20	13.88	11.44	2.44
15	Kampur T C	01.4.2000 to 31.3.2007	9	37.93	35.52	2.41
16	Margherita TC	01.4.2000 to 31.3.2007	7	4.03	2.65	1.38
17	Bokajan T C	01.4.2000 to 31.3.2007	7	13.01	11.77	1.24
Total			193	496.68	446.37	50.31

Annexure-XXI
(Refer paragraph 7.3)

Loss of Revenue due to non-deduction of AGST

(Rupees in lakh)

Sl No	Name of the unit	No of Items	Period	Amount of AGST
1	Karupetia Town Committee	09	02/00 to 09/02	0.11
2	Bokajan Town Committee	19	04/05 to 03/07	0.69
3	Basugaon Town Committee	20	04/05 to 11/06	3.36
4	Mahur Town Committee	13	04/02 to 03/04	0.65
5	Kampur Town Committee	05	04/03 to 03/04	0.12
6	Damkamukam Town Committee	18	04/01 to 03/06	1.28
7	Maibong Town Committee	16	04/04 to 03/06	0.54
8	Teok Town Committee	16	04/06 to 03/07	0.26
9	Mongaldoi Municipal Board	78	04/04 to 03/07	0.46
10	Rangapara Town Committee	52	04/04 to 03/07	0.35
11	Titabor Town Committee	06	04/06 to 03/07	0.16
12	Dhing Town Committee	01	04/03 to 03/04	0.29
13	Gahpur Town Committee	04	04/05 to 03/06	0.03
14	Dhekiajuli Municipal Board	14	09/06 to 03/07	0.21
Total :		271		8.51

Annexure-XXII
(Refer paragraph 7.5)

Loss of revenue due to non-deduction of Forest Royalty

(Rupees in lakh)

Sl No	Name of the unit	No of items	Period	Amount of Forest Royalty
1	Hamren Town Committee	3	01/06/2005 to 31/03/2006	0.23
2	Sarbhog Town Committee	16	01.4.2005 to 31.3.2007	0.31
3	Narayarpur Town Committee	2	01.7.2006 to 31.3.2007	0.16
4	Lakhipur Town Committee	4	01.4.2006 to 31.05.2006	0.43
5	Dhekiajuli Town Committee	8	01.06.2000 to 31.3.2007	0.28
6	Kharupetia Town Committee	24	01.4.2001 to 31.3.2007	0.64
7	Rangapara Town Committee	21	01.4.2004 to 31.3.2007	0.20
8	Dhakuakhana Town Committee	8	01.4.2004 to 31.3.2067	0.40
9	Gahpur Town Committee	3	01.4.2002 to 31.3.2003	0.74
10	Basugaon Town Committee	12	01.4.2005 to 31.01.2007	0.60
11	Sapatgram Town Committee	1	01.4.2006 to 31.3.2007	0.31
12	Kampur Town Committee	5	01.4.2003 to 31.3.2004	0.49
13	Domkamukam Town Committee	1	01.4.2002 to 31.3.2003	0.01
14	Howraghat Town Committee	14	01.4.2005 to 31.3.2006	0.11
Total		122		4.91

Annexure-XXIII
(Refer paragraph 7.6)

Non-collection of Registration fee and stamp Duty

(Rupees in lakh)

Sl No	Name of Unit	Period	Registration Fee	Stamp Duty	Total amount
1	Barpathar TC	01.4.2000 to 31.3.2007	2.70	1.20	3.90
2	Sarbhog TC	01.4.2000 to 31.3.2007	2.36	1.28	3.64
3	Chapar TC	01.4.2000 to 31.3.2007	1.97	1.06	3.03
4	Golaghat MB	01.4.2000 to 31.3.2007	3.54	1.86	5.40
5	Moriani TC	01.4.2000 to 31.3.2007	0.44	0.20	0.73
6	Lakhipur TC	01.4.2000 to 31.3.2007	2.67	1.39	4.06
7	Tezpur MB	01.4.2000 to 31.3.2007	5.94	2.31	8.25
8	Kharupetia TC	01.4.2000 to 31.3.2007	4.43	1.95	6.38
9	Mangaldoi MB	01.4.2000 to 31.3.2007	11.39	4.60	15.99
10	Palashbari MB	01.4.2000 to 31.3.2007	0.10	0.07	0.17
11	Rangapara TC	01.4.2000 to 31.3.2007	4.09	1.45	5.54
12	Titabor TC	01.4.2000 to 31.3.2007	0.36	0.15	0.51
13	Udalguri TC	01.4.2000 to 31.3.2007	2.66	1.44	4.10
14	Bokajan TC	01.4.2000 to 31.3.2007	1.31	0.77	2.08
15	Basugaon TC	01.4.2000 to 31.3.2007	2.34	1.28	3.62
16	Mahur TC	01.4.2000 to 31.3.2007	0.33	0.18	0.51
17	Sapatgram TC	01.4.2000 to 31.3.2007	0.50	0.39	0.89
18	Kampur TC	01.4.2000 to 31.3.2007	4.17	1.54	5.71
19	Simaluguri TC	01.4.2000 to 31.3.2007	3.25	1.19	4.44
20	Domkamukam TC	01.4.2000 to 31.3.2007	0.07	0.07	0.14
21	Margherita TC	01.4.2000 to 31.3.2007	0.19	0.07	0.26
22	Howraghat TC	01.4.2000 to 31.3.2007	0.46	0.29	0.75
23	Dhekiajuli MB	01.4.2000 to 31.3.2007	9.30	3.43	12.73
	Total	(91 nos Market)	64.57	28.26	92.83

Annexure –XXIV
(Refer paragraph 8.1)

Excess drawal of conveyance allowance

(Rupees in lakh)

Sl No	Name of Unit	Amount
1	Hamren TC	5.61
2	Barpathar TC	0.31
3	Sorbhog TC	0.70
4	Moriani TC	0.78
5	Dokmoka TC	4.91
6	Titabor TC	0.75
7	Gorpur TC	1.53
8	Mahur TC	5.23
9	Simlaguri TC	0.09
10	Dongkamukam TC	2.58
11	Maibang TC	1.47
12	Margherita TC	0.19
13	Haflong TC	2.71
14	Umrangshu TC	0.21
15	Howraght TC	1.81
	Total	28.88