

# REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA



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FOR THE YEAR ENDED 31 MARCH 2018

KARBI ANGLONG AUTONOMOUS COUNCIL, DIPHU, ASSAM

# REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

#### **FOR THE YEAR 2017-18**

KARBI ANGLONG AUTONOMOUS COUNCIL, DIPHU, ASSAM

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#### **PREFACE**

This Report has been prepared for submission to the Governor of Assam under Paragraph 7(4) of the Sixth Schedule to the Constitution of India. It relates mainly to the issues arising from the audit of the Annual Accounts as also of the transactions of for the year 2017-18.

2. This Report contains four Chapters, the first of which deals with the Constitution of the Council, the rules for the management of the District Fund and maintenance of accounts by the District Council. Chapter-II depicts Autonomous District Council Fund position. Chapter-III deals with the Comments on Accounts and Chapter-IV deals with compliance audit observations for the year 2017-18 made during test-audit of the transactions of the Council Secretariat of KAAC including DDOs of the entrusted departments for the year 2017-18. The compliance audit observations on the DDOs of entrusted departments under the Council are also reported separately thorough C&AG's Report on Social, Economic and General Sectors along with the issue of Inspection Reports.





#### **OVERVIEW**

This Report contains four Chapters. Chapter-I provide a background on the formation of the Autonomous District Council, rules for the management of the District Fund and relevant constitutional provisions on maintenance of Accounts. Chapter-II gives an overview on the financial position of the Council and budgetary process during the year. Chapter-III deals with audit comments on annual accounts of the Council for the year 2017-18. Chapter-IV of the Report deals with the audit findings pertaining to transaction audit of the Council and contains 10 paragraphs.

#### **Internal Control**

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

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

#### 2. Fund Management and Budgetary Process

➤ Funds received from the State Government for subjects/departments entrusted to the Council during 2017-18 were accounted for in Part-II Deposit in contradiction to the form of accounts prescribed by C&AG.

(Paragraph 2.1)

➤ Bulk of the activities (Approximately 80 *per cent*) undertaken by KAAC during 2017-18 was from the funds provided by the State Government, which is currently being shown under Deposit Fund.

(Paragraph 2.2.1)

➤ During 2017-18, against total Revenue Receipts of ₹ 202.93 crore KAAC incurred Revenue Expenditure of ₹269.43 resulting in Revenue Deficit of ₹ 66.50 crore (33 per cent) under District Fund.

(Paragraph 2.2.2)

During 2017-18, KAAC received ₹ 1,544.92 crore for entrusted functions from the State Government, whereas the Council disbursed ₹ 1,300.37 crore to the Drawing and Disbursing Officers for performing entrusted functions leaving an unspent balance of ₹ 244.55 crore as of March 2018.

(Paragraph 2.2.3)

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

(Paragraph 2.3)

➤ Wide variations between budget estimates and actual receipts as well as expenditures indicated preparation of unrealistic budget during the year 2017-18.

(Paragraphs 2.3.1 & 2.3.2)

#### **Recommendations**

Council may disclose head-wise breakup of consolidated opening and closing balances in the Annual Accounts so that assurance that the expenditures incurred was for the purpose it was sanctioned could be drawn.

The Council may undertake budgetary reviews to identify the Head of Accounts for better estimate of revenue receipts & expenditure and to improve financial management of the Council.

#### 3. Comments on Accounts

➤ Revenue receipts under Part-I District Fund as well as Closing balance were overstated by ₹ 2.10 crore during 2017-18 in the Annual Accounts of the Council.

(*Paragraphs 3.2.1.1*)

➤ There was overstatement of Capital expenditure by ₹ 2.18 crore with corresponding understatement of revenue expenditure by ₹ 2.18 crore during 2017-18 under Capital Outlay on Road Transport Service.

(*Paragraphs 3.2.1.3*)

➤ Bank interest of ₹ 36.34 lakh earned was neither accounted for in the PDA Cash Book nor reflected in the Annual Accounts, which resulted in understatement of receipts to that extent in the Annual Accounts of 2017-18.

(*Paragraphs 3.2.1.6*)

Against total receipts of ₹ 1,456.74 crore, ₹ 1,544.92 crore was exhibited under Deposit fund in the Annual Accounts 2017-18 leading to overstatement of receipts under Deposit fund by ₹ 88.18 crore.

(*Paragraphs 3.2.2.1*)

➤ During 2017-18, KAAC diverted salary funds of ₹ 3.51 crore provided by GoA towards non-salary expenditure to two DDOs based on the proposals submitted by them.

(Paragraph 3.2.2.2)

➤ During 2017-18, KAAC did not reconcile the discrepancies in opening and closing balances between two sets of records *viz.*, Treasury records and Annual Accounts despite these having been pointed out in previous Audit Reports.

(Paragraph 3.3)

#### **Recommendations**

Council may prepare its Annual Accounts consistent with the Form of Accounts prescribed by C&AG incorporating all transactions appropriately under District Fund and Deposit Fund.

Annual Accounts may show the details of funds received from State Government within the District Fund as against the current practice of showing the same within Deposit Fund. The Funds received from State Government should also be disclosed minor head wise in Statement-5 and Statement-6 for greater accountability and transparency.

Council should maintain opening and closing balance not only fund wise but also head of account wise to ensure control over budgetary allocation and expenditure, and to avoid diversion of funds.

Council may devise a system of periodical reconciliation with Treasury Officer to identify mistakes within the accounting period for completeness of Accounts and proper accounting of transactions.

#### 4. Compliance Audit Observations

➤ Against total demand of ₹ 3.64 crore of land revenue under three Revenue Circles, the Revenue Department realised ₹ 0.19 crore only, leaving an outstanding recoverable amount of ₹ 3.45 crore.

(*Paragraph 4.1.2*)

➤ Revenue receipts of ₹ 3.95 lakh realised during the year by the Mouzaders of West Ronghang, East Ronghang and Duar Bagori was not deposited into PDA.

(*Paragraph 4.1.3*)

➤ Transport Department of KAAC irregularly utilised departmental receipts of ₹ 106.13 lakh towards revenue expenditure without depositing the same into PDA in violation of Fund Rules.

(*Paragraph 4.1.4*)

➤ Expenditure of ₹ 28.16 crore incurred towards purchase of teaching and non-teaching materials by the District Primary Education Officer, Diphu could not be vouchsafed in audit due to absence of records and documents relating to actual requirement, distribution of materials, acknowledgement of receipt by the end users and procurement of the materials without following the applicable financial rules.

(Paragraph 4.2.1)

#### Recommendations

Council should take measures to strengthen the revenue earning departments, so as to mitigate the instances of loss of revenue.

Council should evolve a system of checks so that revenues collected by various departments are deposited to PDA within a time frame.

Council may issue clear instructions prescribing the role and responsibilities of the Executives to avoid extra, irregular and unauthorised expenditure.

Council should ensure adherence to provisions of its Fund Rules in all cases of the financial transactions to ensure financial discipline.

## **Chapter-I**

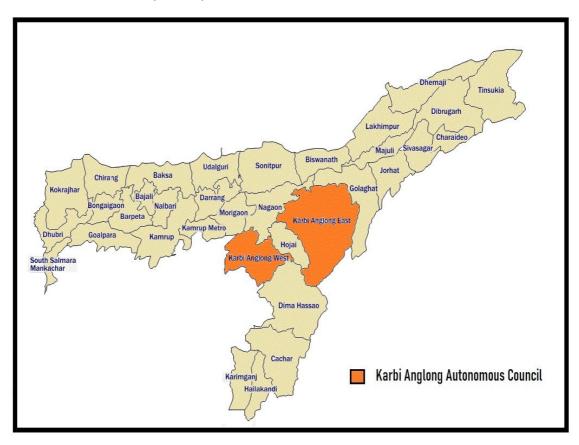
Constitution, Rules & Maintenance of Accounts



### Chapter-I Constitution, Rules and Maintenance of Accounts

#### 1.1 Profile of Karbi Anglong Autonomous Council

The Karbi Anglong District Council in Assam was set up on 23 June 1952 under the provisions of Article 244(2) read with Sixth Schedule to the Constitution of India. In terms of Memorandum of understanding (April 1995) amongst Central Government, State and representatives of the district, the Council was renamed Karbi Anglong Autonomous Council (KAAC).



KAAC is governed by a Council which consists of 30 members, of which, 26 are elected on the basis of adult franchise and not more than four members are nominated by the Governor of the State on the advice of the Chief Executive Member for a term of five years. There were 26 elected and four nominated members in the Council during 2017-18.

The Sixth Schedule to the Constitution provides for administration of specified tribal areas by constituting a District/Regional Council for each autonomous district/region with powers to make laws on matters listed in paragraph 3(1) of the Sixth Schedule, mainly in respect of allotment, occupation, use of land, management of forests (other than reserve forests), use of any canal or watercourse for agriculture, regulation of the practice of 'Jhum' or other forms of shifting cultivation, establishment of village or town committees or councils and their powers, village or town administration, public health and sanitation and inheritance of property. Further, in terms of Paragraph 3A of

the Sixth Schedule, KAAC was vested with additional powers to make laws on the subjects, as specified under serial (a) to (o) in the Schedule *ibid*.

In terms of paragraph 6(1) of the Sixth Schedule, the Councils have the powers to establish, construct or manage primary schools, dispensaries, markets, cattle pounds, ferries, fisheries, roads, road transport and waterways in the respective autonomous districts. KAAC also has the powers to assess, levy and collect within the autonomous district, revenue in respect of land and buildings, taxes on professions, trades, callings and employments, animals, vehicles and boats, entry of goods into a market for sale therein, tolls on passengers and goods carried in ferries and maintenance of schools, dispensaries or roads as listed in paragraph 8 of the Sixth Schedule. Under paragraph 9 of the Schedule, the Council is also entitled to the share of revenue generated from licenses/leases for extraction of minerals within the Council area as agreed upon between Government of Assam and the Council. The above functions are called normal or inherent functions of the Council in the common parlance.

In addition, the State Government entrusted additional functions, under Paragraph 6(2) of the Schedule *ibid*, (called entrusted functions) to KAAC in relation to 30 subjects<sup>1</sup>, since June 1970 (further revised in November 1979, November 1992 and December 1996). According to the terms of the latest entrustment, the State Government is required to make funds available to KAAC in advance, primarily against 'Grant No. 76 – Karbi Anglong Autonomous Council' in the State Sector budget (Entrusted budget of the Council), so that the latter can finance the expenditure relating to entrusted functions. KAAC is required to render monthly detailed accounts against their expenditure to the Principal Accountant General (Accounts and Entitlements) (PAG (A&E) for adjustment of such advance of funds provided through the State Budget. Budget provision for these functions is to be made in the State budget and in terms of Office Memorandum (31 December 1996) of Government of Assam (GoA), the Council is responsible to the State Legislature in respect of all matters relating to such funds provided for discharging the functions entrusted to it.

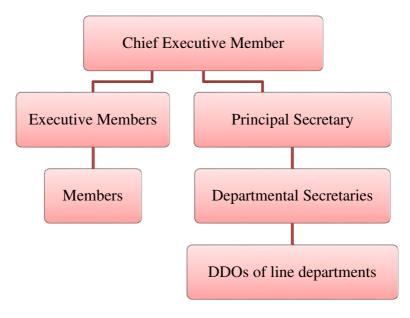
Thus, while executive functions were delegated in stages to the Council by GoA under Paragraph 6(2) since June 1970, with the Constitution (Amendment) Act, 1995 (42 of 1995) and the consequent insertion of paragraph 3A in the Sixth Schedule, the Council has inherent legislative powers on these subjects.

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

#### 1.2 Organisational structure of KAAC Secretariat

The Principal Secretary, KAAC is appointed by GoA, who is assisted by departmental Secretary, Joint Secretaries and other State service officers deputed by GoA and also officers appointed by the Council. He is responsible towards administration of inherent functions (Council Sector) as well as the entrusted functions (State Sector) of the Council. The structure of KAAC administration is given in the following organogram:



#### 1.2.1 Human Resources

As per Rule 126 of KAAC Fund Rules, 1952, the Council shall prepare a detailed statement of the permanent establishment existing on 01 April each year in the prescribed form.

Scrutiny of records in the KAAC showed that sanctioned strength (SS) of KAAC Secretariat was 1,130 under Council Sector, against which persons-in-position (PIP) during 2017-18 was 1,099 (97 per cent). However, the Council did not prepare any detailed statement of the permanent establishment. Copies of Government/Council orders pertaining to the actual SS of the Council could not also be provided to audit. Moreover, KAAC did not maintain SS vis-à-vis PIP for various categories of the Entrusted departments. Due to failure to provide the information despite specifically called for (September 2021), Audit could not verify the actual staff position of KAAC.

During exit meeting (July 2023), it was stated that all efforts would be made to prepare a detailed statement of the sanctioned strength vis-à-vis MIP for both inherent and entrusted functions in terms of KAAC Fund Rules.

#### 1.3 Rules for management of District Fund

In terms of the provisions of Paragraph 7(2) of the Sixth Schedule, rules for the management of the District Fund *viz.*, Karbi Anglong Autonomous District Fund Rules, were framed by the Council and notified in April 1952.

#### 1.4 Maintenance of Accounts and Audit Arrangements

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

The accounts and records of the Principal Secretary, KAAC, Diphu are test-audited by the CAG of India under Paragraph 7(4) of the Sixth Schedule. The KAAC submitted its Annual Accounts for the year 2017-18 in November 2019 after a delay of 15 months. Audit of Annual Accounts along with transactions of the Council for the year 2017-18 was conducted and result of audit of Annual Accounts for the year 2017-18 and test-check of the transactions of the Council during the year have been presented in Chapter-II to Chapter-IV of this Report.

The Draft Audit Report was forwarded to the Council on 19 June 2023, with a request to furnish replies on Audit paras within two weeks from the date of receipt of the Report. Exit meetings were held on 06 July 2023 on Chapters-I, II and III and on 04 August 2023 on Chapter-IV.

#### 1.5 Internal Control

Internal control system in an organisation ensures that proper checks and procedures are exercised for efficient and effective discharge of its mandate, reliability of its financial reporting and compliance with applicable laws and regulations.

An evaluation of the internal control system in the Council revealed the following shortcomings:

- Preparation of budget estimates of receipts and expenditure was not based on realistic amounts, leading to large variations between the budget and the actual expenditure.
- II. KAAC did not maintain proper ledger or consolidated abstract showing receipts generated from its own resources, fund received from the Government, disbursements made to Drawing and Disbursing Officers (DDOs) of different departments under administrative control of KAAC (for entrusted function) and for the expenditure incurred by DDOs of KAAC (for inherent function). Thus, control system did not assure accuracy of figures of annual accounts by itself.

- III. Absence of any laid down policy in the major revenue earning departments like Forests, Transport, Taxes, Mines and Minerals, resulting in *ad hoc* management of revenue earning resources and environmentally sensitive issues.
- IV. There was no effective mechanism for timely deposit of revenue earned by the different organs of the KAAC into PDA of the Council.
- V. There was no Internal Audit wing to strengthen the internal control system and enforce effective management.

During exit meeting (July 2023), it was stated that the audit observations had been noted for future guidance.

#### 1.6 Recommendations

- The Council should maintain detailed statement of sanctioned strength and persons-in-position for all the cadres for better human resource management.
- Council may ensure timely submission of Annual Accounts to the Principal Accountant General and adhere to the prescribed timelines; and
- Council needs to strengthen its internal control mechanism and take action on any deficiencies in financial management and maintenance of records.

# Chapter-II Autonomous District Council Funds



## Chapter-II Autonomous District Council Funds

#### 2.1 Introduction to District Fund

The Sixth Schedule provides for a District Fund for each autonomous region and a Regional Fund to which shall be credited all moneys received by the District Council for that district and the Regional Council for that region in the course of the administration of such district or region respectively in accordance with the provisions of the Constitution. The District Fund of KAAC has been constituted under the provisions of Sub-Paragraph (I) of Paragraph 7 of the Sixth Schedule. This fund is maintained as Deposit Account (8443 – Civil Deposit) in the Diphu Treasury and the Principal Secretary, KAAC is the authorised officer who operates the fund.

The ADC fund comprises receipts from its own resources, shared revenue and grants/ Loans and Advances from State/Central governments. Broad classification as per C&AG's prescribed form of Accounts is discussed:

#### A. District Fund

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

#### B. Deposit Fund

Deposit Fund covers transactions relating to Deposits, General Provident Fund (GPF), other funds and advances such as Cess, Income Tax, GPF, Sales Tax and Security Deposits, *etc*. where the Council incurs a liability to repay the moneys received or has a claim to recover the amount paid.

Contrary to this, as per the extant practise, funds received from the State Government for subjects/departments entrusted to the Council during 2017-18 were accounted for in Part-II Deposit Fund while own resources of the Council were accounted for in the District Fund. This has been discussed in Chapter-III of this Report.

During exit meeting (July 2023), the Council stated that all efforts would be made to compile the Annual Accounts from 2018-19 onwards in the format prescribed by CAG duly following the prescribed guidelines.

#### 2.2 Sources and Application of Funds

#### 2.2.1 Receipts and Disbursements

Details of receipts and disbursements of the current as well as previous year as per Annual Accounts of KAAC are provided in *Appendix-I*, while **Table-2.1** shows the summary of fiscal transactions of KAAC during 2017-18.

Table-2.1: Summary of fiscal transactions of KAAC during 2017-18

(₹ in crore)

Receipts			Disbursement
203.49	District Fund		273.24
1,544.92	Deposit Fund		1,300.37
1,748.41	Total Receipts Total Disbursement		1,573.61
493.83	Opening Balance Closing Balance		668.63
2,242.24	Grand	2,242.24	

Source: Annual Accounts

It can be seen from **Table-2.1** that bulk of the expenditure for activities (Approximately 80 *per cent*) undertaken by KAAC was met from the funds provided by the State Government, which has been accounted in the Deposit Fund.

Charts-2.1(A) and 2.1(B) present the trends of receipts and disbursements under District Fund (fund generated from its own sources) and Deposit Fund (funds provided by the State Government) over a period of five years (2013-18).

300 80 273.25 69.76 70 250 221.30 60 204.26 53.80 203.49 200 47.76 50 167.50 156.50 ₹ in crore 37.36 150 40 28.06 30 100 80.11 66.22 20 52.05 50 28.86 10 0 2013-14 2014-15 2015-16 2016-17 2017-18 Receipts Disbursement — Disbursement beyond receipts

Chart-2.1(A): Trend of receipts and disbursement under District Fund during 2013-18

As can be seen from **Chart-2.1(A)**, during all the years from 2013-14 to 2017-18 expenditure from District Fund exceeded the receipts (Own receipts). During 2017-18, the expenditure exceeded the receipts by  $\stackrel{?}{\underset{?}{|}}$  69.76 crore. The excess expenditure was met out of the balances available with the Council.

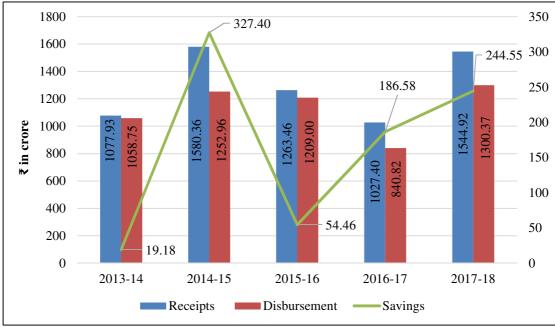


Chart-2.1(B): Trend of receipts and disbursement under Deposit Fund during 2013-18

Source: Council Budget and Annual Accounts

As far as Deposit Fund is concerned, the Council failed to utilise the fund received from the State Government as disbursements were always less than the receipts during the last five years. During 2017-18, the disbursement was less than the receipts by ₹ 244.55 crore. KAAC should therefore initiate steps to ensure that the funds released by the State Government is utilised for the purpose for which it was transferred.

During exit meeting (July 2023), the Council accepted the audit observation.

#### 2.2.2 Revenue deficit under District Fund

Position of revenue receipts and revenue expenditure as well as excess of revenue expenditure over revenue receipts (revenue deficit) during 2017-18 is given in Table-2.2.

Table-2.2: Position of revenue receipt, revenue expenditure and revenue deficit

(₹ in crore)

Total Revenue Receipt	Council's own Revenue	Percentage of own Revenue to total Revenue	Revenue expenditure	Revenue deficit	Percentage of deficit to total Revenue
1	2	3	4	5 (4-1)	6
202.93	28.08	14	269.43	66.50	33

Source: Annual Accounts

It may be seen from **Table-2.2** that the Council's revenue expenditure exceeded its total revenue receipts under District Fund during the year. The revenue expenditure exceeded the revenue receipts ₹ 66.50 crore (33 per cent) during 2017-18. This was mainly due to lack of proper control over expenditure in respect of inherent functions (Council Sector) and inadequate revenue generation which was only ₹ 28.08 crore (14 per cent) of the total Revenue Receipts (₹ 202.93 crore) during 2017-18. Grants-in-aid from the State Government (₹ 174.86 crore) formed 86 per cent of the total Revenue Receipts during the year. The excess expenditure was evidently met

from the unutilised balances of earlier years. The Heads of Account from which funds were specifically diverted could not be ascertained in audit as the Council maintains consolidated balances for both District and Deposit Fund and also does not maintain Heads of Account-wise balances.

In absence of Heads of Account wise balances, Audit could not rule out diversion of funds from the funds released by the State Government for the entrusted functions towards discharging inherent functions during 2017-18.

During exit meeting (July 2023), the Council accepted the audit observations and stated that no disbursement beyond fund receipts had been made from the year 2018-19 onwards.

#### 2.2.2.1 Non-receipt of Council's share of Motor Vehicle Tax

As per GoA directive HAD.61/82/216 dated 22 March 1991, the Deputy Commissioner of Karbi Anglong District was to release 90 *per cent* of Motor Vehicle Tax on quarterly basis to the KAAC.

Audit noticed that up to 2015-16, a total amount of ₹ 27.76 crore being Council's share of Motor Vehicle Tax remained unrealised by the Deputy Commissioner, Diphu. During 2016-17 and 2017-18, another ₹ 5.01 crore and ₹ 6.32 crore was collected, of which Council's share was ₹ 4.51 crore and ₹ 5.69 crore respectively, which was also not released to KAAC by the Deputy Commissioner. Thus, a total amount of ₹ 37.96 crore² being Council's share of Motor Vehicle Tax was not released to the Council up to 2017-18.

As a result, the Council was deprived of revenue to the extent of ₹ 37.96 crore.

During exit meeting (July 2023), the Council stated that the matter regarding non-release of Council Share on MV Tax would be pursued with the GoA for early release.

#### 2.2.3 Unspent balances

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

During 2017-18, KAAC received ₹ 1,544.92 crore for entrusted functions from the State Government. Of this, the Council disbursed ₹ 1,300.37 crore to the Drawing and Disbursing Officers, for performing entrusted functions leaving an unspent balance of ₹ 244.55 crore as of March 2018.

2

Year	MV Tax collected during the year (₹ in crore)	Share (90% on gross collection) of KAAC (₹ in crore)
Up to 2015-16	30.84	27.76
2016-17	5.01	4.51
2017-18	6.32	5.69
Total	42.17	37.96

Chart- 2.2: Unspent balance as per Annual Accounts 2500 800 700 668.63 2000 600 355.22 493.84 500 1500 ₹ in crore 400 361.59 1000 555.95 300 200 500 100 55.88 0 0 2013-14 2014-15 2015-16 2016-17 2017-18 ■ Total expenditure ■ Total available fund —Unspent balance

**Chart-2.2** presents the position of unspent balances of last five years as per Annual Accounts.

Source: Annual Accounts

Note:- Total Available funds include balances available with the Council

It can be seen from the chart above that unspent balance of the Council increased by  $1097 \ per \ cent$  during the last five years from ₹ 55.88 crore at the end of 2013-14 to ₹ 668.63 crore as of March 2018. This indicated that expenditure was not commensurate with the fund receipts from the State Government.

Audit observed that the Annual Accounts of KAAC did not disclose grant-wise/ head-wise details of balances under which the unspent balances were kept. Maintenance of consolidated opening and closing balances without head/grant-wise details in the Personal Deposit Account with proper disclosure in the Annual Accounts made the Accounts opaque. This will weaken control over the public expenditure for various schemes/programmes and misutilisation of funds will go undetected. No assurance can be given for the fact that the expenditure was incurred for the purpose for which it was sanctioned.

During exit meeting (July 2023), the Council assured compliance to the audit observation for maintaining Head wise/Grant wise balances.

#### 2.3 Comments on budgetary process

KAAC prepares two sets of budgets as detailed below:

Entrusted Budget: KAAC prepares its entrusted budget in respect of Grant No. 76, for subjects entrusted to it as per the Sixth Schedule. This budget is submitted to the State Government for appropriation by the State Legislature and release of funds. In this budget, the Chart of Accounts (CoA) followed by KAAC is that followed by GoA, which is in line with List of Major and Minor

Head (LMMH) of the Union and States. Funds from this Grant are released to KAAC in two instalments as advance.

ii) **Council Budget:** KAAC also prepares another budget in respect of estimated own revenue receipts and estimated expenditure to be incurred therefrom. This budget is termed as Normal budget in common parlance. In this budget, KAAC follows the CoA prescribed by CAG.

As KAAC did not disclose the details of receipts and expenditure in respect of funds received from the State Government in its Annual Accounts, variation between budgeted (Entrusted) and actual figures with respect to both receipts and expenditure could not be ascertained. There was also no assurance that the expenditure was actually incurred for the purpose for which it was sanctioned. Instances of variation between Revenue receipts/Revenue expenditure and Council Budget are discussed in the succeeding paragraphs.

During exit meeting (July 2023), the Council stated that the audit observation has been noted for guidance and all efforts would be made to disclose Heads of Account/ Grant-wise fund received and disbursed in the Annual Accounts from 2018-19 onwards.

#### 2.3.1 Revenue receipts compared with budget estimates

The position of variation between budgetary provision and actual revenue receipts during the last five years is depicted in Chart-2.3:

80 70% 65% 69.27 70 60% 63.47 55% 54% 60 50% 48.33 45% 50 41% 40% ₹ in crore 37.64 40 34.87 30% 28.08 27.33 26.15 20% 17.65 16.88 20 10% 10 0 0% 2013-14 2017-18 2014-15 2015-16 2016-17 Provision Actual Receipts Percentage

Chart-2.3: Variation between estimated (budget) receipts and actual receipts during 2013-14 to 2017-18

Source: Normal Budget and Annual Accounts

During the last five years, the actual revenue receipts of KAAC ranged between 41 and 65 *per cent* of its estimated (budget) receipts. Head-wise position of variations between estimates of receipts and actual receipts during 2017-18 showed that shortfall

ranging from 1 to 100 *per cent* occurred in 11 Heads of account while excess receipts over budget estimates, occurred in five Heads of account. These are detailed in *Appendix–II*.

The wide variation between estimated and actual receipts including the shortfall against the budget estimates was indicative of deficiencies in budgeting exercise. The Council had not been able to make its revenue collection mechanism effective. There is a need for improvement in budget preparation and strengthening of the revenue collection mechanism of the Council.

During exit meeting (July 2023), the Council stated that the audit observation has been noted for guidance and all efforts would be made to prepare realistic budget from the year 2024-25.

#### 2.3.2 Revenue expenditure compared with budget estimates

The position of revenue expenditure of KAAC *vis-à-vis* the budgetary provision during the last five years (2013-18) is depicted in Chart-2.4:

300 120% 254.18 273.24 97% 240.46 91% 250 100% 204.91 217.7 199.57 185.5 200 80% 171.51 ₹ in crore 150 60% 40% 36% 100 40% 74.85 61.01 50 20% 0 0% 2013-14 2014-15 2015-16 2016-17 2017-18 Provision Actual Expenditure Percentage

Chart-2.4: Variation between estimated provision and actual revenue expenditure during 2013-14 to 2017-18

Source: Normal Budget and Annual Accounts

As can be seen from the above chart, actual revenue expenditure of KAAC during the last five years ranged from 36 to 107 *per cent* of budgetary provision.

During 2017-18, against the estimated revenue expenditure of  $\stackrel{?}{\underset{?}{?}}$  254.18 crore under 27 heads of accounts, the actual expenditure was  $\stackrel{?}{\underset{?}{?}}$  273.24 crore resulting in overall excess expenditure of  $\stackrel{?}{\underset{?}{?}}$  19.06 crore *i.e.*, eight *per cent* of the total projection. On further examination of budget and expenditure, it was seen that the actual excess of  $\stackrel{?}{\underset{?}{?}}$  40.17 crore (25 *per cent*) occurred against seven heads of accounts, which was offset by shortfall of  $\stackrel{?}{\underset{?}{?}}$  21.10 crore (22 *per cent*) against 17 heads of accounts. Details are given in *Appendix-III*.

The above savings and excess expenditure against estimated provision indicated the need for improvement in budgetary process each year. To improve generation and collection of revenue, and expenditure position, the Council has to initiate steps to strengthen the existing administrative machinery.

During exit meeting (July 2023), the Council stated that the audit observation had been noted for guidance and all efforts would be made to prepare realistic budget from the year 2024-25.

#### 2.4 Conclusion

- i. The Council did not disclose the details of balances grant-wise/head-wise under which the unspent balances were kept. No assurance that the expenditure incurred out of unspent balance of previous years was actually incurred for the purpose for which it was sanctioned could be ensured.
- ii. Fiscal management was weak which led to substantial deficit/ surplus under District and Deposit Fund.
- iii. Budgetary exercise of the Council needs improvement to reduce the gaps in savings and excess expenditure for better financial discipline.

#### 2.5 Recommendations

- Council may disclose head-wise breakup of consolidated opening and closing balances in the Annual Accounts so that assurance that the expenditures incurred was for the purpose it was sanctioned could be drawn.
- The Council may undertake budgetary reviews to identify the Head of Accounts for better estimate of revenue receipts & expenditure and to improve financial management of the Council.

# Chapter-III Comments on Accounts



### Chapter-III Comments on Accounts

#### 3.1 Introduction to Accounts and Comments on Council Accounts

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

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

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

#### 3.2 Comments on Annual Accounts

KAAC prepared its Annual Accounts in the aforementioned seven statements. Audit found some deviations with respect to the format prescribed by CAG which are pointed below:

a. Statement-1 of the Annual Accounts of KAAC exhibited revenue receipts of ₹ 202.93 crore from its own sources (including assistance of ₹ 174.86 crore received from State Government and excluding recovery of loans of ₹ 0.56 crore) and of ₹ 1,544.92 crore from the State Government for functions entrusted to it under Paragraph 3A of the Sixth Schedule. The receipts of ₹ 1,544.92 crore from the State Government was, however incorrectly accounted under Part-II Deposit Fund instead of Part-I District Fund.

- b. Statement-1 also shows the summary of expenditure made, both from its own revenue (₹ 273.24 crore) and from State Government for entrusted functions (₹ 1,300.37 crore). The amount of ₹ 1,300.37 crore was, however incorrectly shown under Deposit Fund instead of District Fund.
- c. Statement-5 did not show details of revenue by Major Heads for ₹ 1,544.92 crore received from the State Government for the entrusted functions which forms nearly 88 *per cent* of its total receipts. There is no Minor Head-wise breakup in Statement-5. Consequentially, Audit could not ascertain whether the expenditure made under different heads out of this fund was within the allotted budget.
- d. Statement-6 showed details of expenditure for District Fund (₹ 273.24 crore). The details of expenditure of ₹ 1,300.37 crore received from State Government were, however, not included in Statement-6 of the Annual Accounts.
- e. The form of Accounts prescribed by CAG requires the Council accounts to be kept in two parts the District Fund and Deposit Fund, analogous to the Consolidated Fund and Public Account in State and Union Government Accounts. However, the funds transferred by Government of Assam to KAAC for subjects/departments entrusted to the Council has been accounted for under Part-II Deposit Fund as a single line item with no breakup of either receipts or expenditure being shown in the accounts. Thus, treatment of the same as Deposit Fund in Statement-1 is in contradiction to the form of accounts prescribed by C&AG. Further, since both Statement-5 and Statement-6 provide insufficient information *vis-à-vis* the prescribed form of accounts, the accounts lacked completeness and comparability.
- f. KAAC is required to submit Monthly Accounts to PAG (A&E) for funds transferred against Grant No. 76, based on which, the Appropriation Accounts is prepared. Appropriation Accounts of the said Grant indicated that during 2017-18, KAAC had made a total expenditure of ₹ 143.78 crore towards Capital Outlay. However, as per Statement-2, KAAC incurred an expenditure of ₹ 3.81 crore only towards Capital Outlay. Thus, Annual Accounts of KAAC did not provide the true and fair picture of the current and cumulative expenditure towards creation of capital assets as of March 2018.

Thus, it is evident that the Accounts lack transparency as the details regarding the receipts and expenditure from the funds<sup>3</sup> provided by the State Government were not disclosed properly. This has also put a constraint for Audit to conduct detailed analysis of receipts and expenditure of KAAC. KAAC is required to rectify the mistake by correctly accounting its fiscal transactions from the funds received from State Government in the Annual Accounts as per the format prescribed by the C&AG.

Approximately 80 *per cent* of total receipt and expenditure of the Council.

During exit meeting (July 2023), the Council accepted the audit observation and stated that the Annual Accounts for the year 2018-19 would be compiled following CAG's guidelines on accounting and submit to Audit.

#### 3.2.1 District Fund

#### 3.2.1.1 Overstatement of receipts

The Annual Accounts (Statement-5) exhibited ₹ 28.08 crore as total revenue receipts (excluding grants-in-aid) during 2017-18 against the actual revenue receipts (excluding grants-in-aid) of ₹ 25.98 crore remitted into the Personal Deposit Account (PDA) of KAAC. This resulted in overstatement of revenue receipts under Part-I District Fund as well as Closing balance by ₹ 2.10 crore during 2017-18.

During exit meeting (July 2023), the Council accepted and noted the audit observation for compliance.

#### 3.2.1.2 Overstatement of revenue receipts

Scrutiny of Cash Book and Deposit challans for the year 2017-18 revealed that revenue receipts amounting to ₹ 1.16 crore collected during 2016-17 was entered in the cash book during 2017-18 (*Appendix-IV*), which resulted in overstatement of revenue receipts during the year 2017-18 to that extent.

During exit meeting (July 2023), the Council accepted and noted the audit observation for compliance.

#### 3.2.1.3 Overstatement of Capital Expenditure

Government of Assam released, between July 2017 and February 2018, ₹ 4.30 crore to KAAC towards Capital Outlay on Road Transport Services. Against the receipt, the Transport Department of KAAC incurred an expenditure of ₹ 1.63 crore towards Capital expenditure and the balance amount of ₹ 2.67 crore was spent towards revenue expenditure *viz.*, rethreading of old tyres, repairing of KAAC bus *etc.* However, in the Annual Accounts, an amount of ₹ 3.81 crore was shown as capital expenditure. This resulted in overstatement of Capital expenditure by ₹ 2.18 crore with corresponding understatement of revenue expenditure by ₹ 2.18 crore. This irregularity persisted despite being pointed out in previous Audit Reports.

During exit meeting (July 2023), the Council accepted the audit observation and stated that no Capital fund was disbursed towards Revenue expenditure from 2021-22 onwards.

#### 3.2.1.4 Incorrect exhibition of Progressive Capital Outlay

Paragraph 2.4.3 of Audit Report of KAAC for 2011-16 has pointed out that there was understatement of Progressive Capital outlay by ₹ 21.19 crore. Progressive Capital Outlay at the end of 2015-16 was shown as ₹ 6.68 crore in place of actual Progressive Capital Outlay of ₹ 27.87 crore. It was suggested to reconcile the Progressive Capital Outlay and to exhibit correct figures in the subsequent Annual Accounts.

Scrutiny of Annual Accounts for the year 2017-18 revealed that no reconciliation had so far been done in this regard and incorrect exhibition of Progressive Capital Outlay continued during 2016-17 and 2017-18 also. The position of Progressive Capital Outlay during 2016-17 and 2017-18 is detailed in Table-3.2.

Table-3.2: Position of Progressive Capital Outlay as on 31 March 2018

(₹ in lakh)

Year	Progressive	Capital	Progressive	Progressive	Understatement
	Capital Outlay	Outlay	Capital	Capital Outlay	of Progressive
	at the end of	during	Outlay at the	shown in the	Capital Outlay
	previous	the year	end of the	Annual A/cs	
	financial year		year		
2016-17	2,787.23	142.69	2,929.92	1,028.00	1,901.92
2017-18	2,929.92	381.21	3,311.13	1,409.21	1,901.92

As can be seen from the table above, the Progressive Capital Outlay during 2017-18 has been shown as ₹ 14.09 crore instead of ₹ 33.11 crore leading to understatement of Progressive Capital Outlay by ₹ 19.02 crore.

Thus, the Progressive Capital Outlay shown in the Statement-2 of the Annual Accounts needs to be reconciled and correct figures exhibited in the Annual Accounts of the Council.

During exit meeting (July 2023), the Council accepted and noted the audit observation for compliance.

#### 3.2.1.5 Discrepancy in ways and means position

Statement-3 of Annual Accounts exhibits the position of Ways & Means of KAAC for discharging its inherent functions (Council Sector) during the year. The statement shows month-wise receipts, disbursement, Opening and Closing balances of Cash.

Scrutiny of Annual Accounts 2017-18 and Subsidiary Cash Book (Council Sector) revealed discrepancies in the Opening and Closing balances between the two sets of Accounts. The discrepancy is detailed in Table-3.3.

Table-3.3: Opening and Closing balance as per Cash Book and Statement-3 of the Annual Accounts

(₹ in lakh)

As per Ca	sh Book <sup>4</sup>	As per An	nual Accounts
Opening balance	Closing balance	Opening balance	Closing balance
277.26	899.52	303.07	805.74

Reason for such discrepancies was not disclosed by way of explanatory notes in the Annual Accounts. Further, monthly receipts and disbursements as shown in the Statement could not be verified due to non-compilation of monthly accounts in respect of its inherent functions during the year.

4

Cash Book	Balance as on		
Cash book	31-03-2017	31-03-2018	
Council Sector (Inherent)	91,56,188.00	3,93,87,482.00	
Council Sector (GIA)	1,85,69,430.00	5,05,64,346.00	
Total	2,77,25,618.00	8,99,51,828.00	

During exit meeting (July 2023), the Council accepted and noted the audit observation for compliance.

#### 3.2.1.6 Understatement of receipts

Scrutiny of records revealed that during 2017-18 KAAC operated four savings bank accounts and earned bank interest of ₹ 36.34 lakh during the year as detailed in Table-3.4.

Table-3.4: Bank interest earned

(in ₹)

		20	017-18		
Account No. Name of Bank		Date of crediting interest	Amount credited		
		24-06-2017	5,82,957.00		
		23-09-2017	6,17,552.00		
xxxx2456	IDBI Bank, Diphu	23-12-2017	3,23,696.00		
		24-03-2018	1,25,280.00		
		Total	16,49,485.00		
(212	Assis Danla Dinlar	31-03-2018	1,47,426.00		
xxxx6312	Axis Bank, Diphu	Total	1,47,426.00		
		01-04-2017	98,990.00		
		01-07-2017	95,797.00		
xxxx8349	HDFC Bank, Diphu	01-10-2017	91,327.00		
		31-12-2017	92,137.00		
		Total	3,78,251.00		
		24-06-2017	4,57,295.00		
		30-09-2017	4,51,263.00		
xxxx5565	Axis Bank, Diphu	31-12-2017	2,76,552.00		
		31-03-2018	2,73,267.00		
		Total	14,58,377.00		
	Grand Total				

The interests earned were neither accounted for in the PDA Cash Book nor reflected in the Annual Accounts. This resulted in understatement of receipts to that extent in the Annual Accounts of 2017-18.

During exit meeting (July 2023), the Council accepted the audit observation and assured that all interest earned would be disclosed in Annual Accounts from 2018-19 onwards.

#### 3.2.1.7 Understatement of expenditure

Cross verification of Cheque counterfoils along with Council Sector Cash Book revealed that eight cheques were issued to the following DDOs during 2017-18 without making any entry in the cash book:

Sl. No.	Cheque No & date	Amount (In ₹)	Particulars	To whom issued
1.	4292/0429183 dt.07-10-2017	39,59,645	Salary	Jt. Secy. i/c Personal (A)
2.	4292/0429184 dt.07-10-2017	94,189	Deduction	Jt. Secy. i/c Personal (A
3.	4322/0432156 dt.14-12-2017	27,56,270	Salary	DO, KLDB
4.	4322/0432157 dt.14-12-2017	38,390	Deduction	DO, KLDB
5.	4322/0432158 dt.14-12-2017	27,56,270	Salary	DO, KLDB
6.	4322/0432159 dt.14-12-2017	38,390	Deduction	DO, KLDB
7.	4322/0432197 dt.30-12-2017	8,01,153	RRT	EE (M), KAAC
8. 4340/0433984 dt.12-02-2018		26,78,862	Gratuity	Dy. Secy, i/c Personal (A)
	Total	1,31,23,169		

As a result of the cheques not being entered in the cash book, the expenditure remained understated to the extent of ₹ 1.31 crore during 2017-18.

During exit meeting (July 2023), the Council accepted and noted the audit observation for compliance and also assured to avoid such type of error in future.

#### 3.2.1.8 Irregular retention of revenue outside PDA

Rule 18 of the Karbi Anglong District Fund Rules, 1952 (DFR) provides that all money received by the Council shall be remitted into the treasury promptly.

Paragraph 3.2.3 of the Audit Report of KAAC for the period 2011-16 had pointed out about non-deposit of revenue received from time to time by the cash branch of KAAC into the treasury (PDA of KAAC) and a portion of it was retained with the Cashier.

Scrutiny of records of Cash Branch of KAAC revealed that revenue received from different sources from time to time were not deposited immediately into Treasury and a portion of it was retained with the Cashier. As of March 2018, ₹ 3.84 crore<sup>5</sup> of revenue collected was retained by the cashier. Besides, Revenue Receipts Register exhibiting date of receipt and date of deposit into PDA was also not maintained by the Council. These receipts were also not reflected in the Annual Accounts of that year. This resulted in understatement of receipts by ₹ 3.84 crore and was fraught with the risk of misappropriation/misuse of fund. During exit meeting (August 2023) the Council stated that the amounts were deposited into the treasury in the next financial year.

The reply is not tenable as non-deposit of revenue received by the Cash branch of KAAC into PDA promptly is in violation of the provisions of the DFR. Revenue received by the Cash branch should be deposited to PDA promptly.

#### 3.2.2 **Deposit Fund**

Although, funds received from the State Government for subjects/departments entrusted to the Council, was to be accounted for under District Fund as per the format provided by the CAG, the Council accounted these funds under Deposit Fund. Audit comments on the Deposit Fund are discussed in the succeeding paragraphs.

#### 3.2.2.1 Overstatement of receipts

Scrutiny of main Cash Book, Treasury Receipt Schedule, sanction letters, Challans and bank statements pertaining to receipts from Government of Assam and other sources revealed that even though the total receipts under Deposit Fund was ₹ 1,456.74 crore, the amount of receipts exhibited under Deposit Fund in the Annual Accounts 2017-18 was ₹ 1,544.92 crore leading to overstatement of receipts under Deposit Fund by ₹ 88.18 crore as detailed in Table-3.5.

	Balance outside PDA	
()	3,84,37,503	

				(in ₹)
Year	Opening balance	Revenue received	Revenue deposited	Balance outside PDA
2017-18	89,98,854	26,79,95,869	23,85,57,220	3,84,37,503

**Table-3.5: Overstatement in Annual Accounts** 

(₹ in crore)

Total funds received from GoA as per PDA Cash Book and Treasury Schedule	Funds directly credited in bank accounts	Amount transferred to District fund	Total receipts under deposit funds	Receipts under deposit fund as per Annual Accounts	Overstate- ment in Annual Accounts
1	2	3	4 (1+2-3)	5	6 (4-5)
1,556.57	75.03	174.86	1,456.74	1,544.92	(+) 88.18

The Council needs to ensure accurate disclosure of receipts under Deposit fund.

During exit meeting (July 2023), the Council accepted the audit observation and stated that the difference would be reconciled regularly.

#### 3.2.2.2 Diversion of salary funds towards non-salary expenditure

Paragraph 9.1 VIII (d) of the Budget Manual of the Government of Assam prohibits any re-appropriation from savings under pay of officers or pay of establishment.

During 2017-18 GoA sanctioned and released (October 2017) an amount of ₹ 323.56 crore for salaries/wages under EE for 2<sup>nd</sup> Six months for the year 2017-18.

Audit noticed that out of the total fund of ₹ 323.56 crore, KAAC diverted ₹ 3.51 crore towards non-salary expenditure to be incurred by two DDOs based on the proposal submitted by them. The details of the releases are shown in Table-3.6.

Table-3.6: Diversion of salary funds

	Table-5.0: Diversion of safary funds					
Sl.	KAAC	Released to	Amount	Dumaga	Payment	details
No.	sanction No.	Keleaseu to	(in ₹)	Purpose	Cheque No.	Date
1.	KAAC/Edn-	Addl. Director	22,99,500	Procurement	4589/	27.03.18
	03/Supply of	of Education,		of College	458810-13	
	Works/2017-	KAAC, Diphu		Furniture,		
	18/Pt.II/1929			Sports material		
	dt. 24-03-2018			etc.		
2.	KAAC/Edn-	Addl. Director	3,15,92,919	Procurement	4584/	28.03.18
	03/Supply of	of Education,		of College	458357-59	
	Works/2017-	KAAC, Diphu		Furniture,		
	18/Pt.II/1985			Sports material		
	dt. 27-03-2018			etc.		
3.	KAAC/Edn(H)/	Inspector of	12,05,000	Renovation of	4591/	28.03.18
	Works/Part-	Schools, KA,		Donkamokam	459020-22	
	(B)/1982	Diphu		High School		
	dt. 27-03-2018					
	Total		3,50,97,419			

During exit meeting (August 2023) the Council accepted the audit observation and assured to avoid such diversion in future.

#### 3.3 Personal Deposit Account

KAAC maintains a Personal Deposit Account (PDA) with the Diphu Treasury into which all receipts of KAAC are credited and from which withdrawals for all expenditure are made. The balance held in PDA as per Cash Book as on 31 March of each financial year was to be reconciled with the balance shown in the records of the

Treasury. Discrepancy, if any, between the two sets of records is required to be settled for identifying the accounting errors.

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

Chart-3.1(A) Opening Balances as per Treasury records and Annual Accounts as on 31 March (₹ in crore)

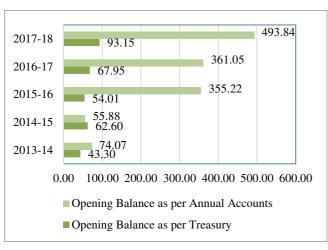
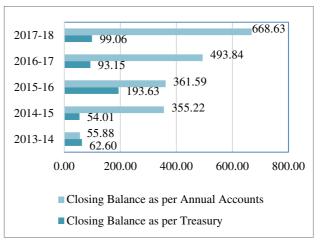


Chart-3.1(B) Closing Balances as per Treasury records and Annual Accounts as on 31 March (₹ in crore)



The above deficiency persisted despite being pointed out in previous Audit Reports and KAAC needs to take appropriate steps to carry out the required corrections.

During exit meeting (July 2023), the Council accepted the audit observation and stated that all efforts would be made to disclose correct opening and closing balances from the Annual Accounts for the year 2018-19 onwards.

#### 3.3.1 Non-accounting in PDA

Rule 14(i) of the Karbi Anglong District Fund Rules, 1952 provides that all moneys pertaining to the Council shall be held in treasury and Rule 16(ii) provides that all monetary transactions shall be entered in Cash Book as soon as they occur.

Accordingly, money received by KAAC from Administrative Departments of the State Government is required to be kept at Treasury and disbursements made out of it for implementation of schemes/programmes/policies *etc.*, from time to time are to be reflected in the Cash Book.

During 2017-18 KAAC received ₹ 76.32 crore from several departments of the State Government for implementation of various development project/schemes. In contravention of Rule 14(i) *ibid*, the funds were, however directly credited into current/savings accounts of different banks instead of depositing them into the PDA. Details of date-wise credit of the funds into the Bank Account are given in *Appendix-V*.

Further, it was also seen that out of the deposited funds of ₹ 76.32 crore, an amount of ₹ 60.92 crore was utilised from these Bank Accounts but was not accounted for in the Annual Accounts.

Thus, deposit of fund in bank accounts was in violation of the Fund Rules while non-accounting of the funds received and disbursed from bank accounts in the Annual Accounts was irregular. This has resulted in understatement of receipt, expenditure and the closing balance to that extent.

During exit meeting (July 2023), the Council accepted the audit observation and stated that all efforts would be made to disclose all financial transactions in the Annual Accounts from 2018-19 onwards.

#### 3.4 Conclusion

The audit of accounts of KAAC for 2017-18 disclosed that:

- i. Form of Accounts followed by KAAC for preparing its Annual Accounts was not in conformity with the Form of Accounts prescribed by C&AG for District Councils in 1977.
- ii. The figures of the Annual Accounts were not supported by ledgers/consolidated abstracts compiled from initial books of accounts (Cash Book/Revenue Collection Register *etc.*).
- iii. Receipts of fund from the State Government (State budget) with corresponding disbursements were not disclosed Minor head wise in the Annual Accounts leading to lack of transparency.
- iv. Salary funds of ₹ 3.51 crore was diverted towards non-salary expenditure.
- v. Head-wise details of unspent balances of funds received for entrusted functions were not worked out both at the beginning and closing of the year. Thus, there was no assurance that the expenditure incurred out of unspent balance of previous years was actually incurred for the purpose for which it was sanctioned.
- vi. Bookkeeping (accounting) was weak and required further strengthening. Many cases of discrepancies and lack of reconciliation with collateral records and under/over statement of receipt/expenditure in Annual Accounts were noticed.

#### 3.5 Recommendations

- Council may prepare its Annual Accounts consistent with the Form of Accounts prescribed by C&AG incorporating all transactions appropriately under District Fund and Deposit Fund.
- Annual Accounts may show the details of funds received from State Government within the District Fund as against the current practice of showing the same within Deposit Fund. The Funds received from State Government should also be

- disclosed minor head wise in Statement-5 and Statement-6 for greater accountability and transparency.
- ➤ Council should maintain opening and closing balance not only fund wise but also head of account wise to ensure control over budgetary allocation and expenditure, and to avoid diversion of funds.
- > Council may devise a system of periodical reconciliation with Treasury Officer to identify mistakes within the accounting period for completeness of Accounts and proper accounting of transactions.

# Chapter-IV Compliance Audit Observations



#### **Chapter-IV**

#### **Compliance Audit Observations**

#### 4.1 Revenue receipts

#### 4.1.1 Non-realisation of settled value from the bidders

During 2017-18, KAAC issued (December 2016) Notice Inviting Tender (NIT) for sale/ settlement of Entry Tax Gates (ETGs), Markets, Ghats and Fisheries of the district which *inter alia* provided the condition that the selected bidders should deposit the settled amount in one instalment within seven days from the date of issue of settlement order failing which the settlement order shall be cancelled and the security amount shall be treated as forfeited.

Audit noticed from the records of the Officer on Special Duty (OSD), Branch Secretariat, Taxation Department, Hamren that the KAAC settled 64 ETGs/ markets/ ghats/ fisheries at ₹ 1.34 crore for the year 2017-18. In two cases, the lessees paid parts of the settled value while in five cases, entire settled amounts were not paid by lessees. In violation of the condition of NIT, KAAC realised ₹ 1.28 crore against the settlement value of ₹ 1.34 crore leaving a recoverable balance amount of ₹ 0.06 crore during 2017-18. The details are shown in *Appendix-VI*.

No action was initiated to realise the balance settled value of ₹ 0.06 crore which remained outstanding till the date of audit (February 2020).

In reply, the Principal Secretary, KAAC, Diphu stated (October 2020) that the outstanding settlement value would be recovered from the concerned lessees under intimation to Audit. The assurance given by the Principal Secretary appears to be an afterthought as no action has been taken to recover the outstanding dues since the last five years.

During exit meeting (August 2023), the Council stated that the defaulting lessees were not permitted to participate in future bids but remained silent on the steps initiated to recover the outstanding settled values.

#### 4.1.2 Shortfall in realisation of land revenue

Land Revenue is an inherent subject of the Karbi Anglong Autonomous Council (KAAC) as per Sixth Schedule. In KAAC, there are four Revenue Circles<sup>6</sup> headed by Assistant Revenue Officer (ARO) for collection of land revenue. As per prevailing system of the Council, land revenue is collected through *Mouzaders*<sup>7</sup> under the

<sup>6 (</sup>i) Diphu Circle (with 3 mouzas), (ii) Donkamokam Circle (with 9 mouzas), (iii) Phuloni Circle (with 10 mouzas) and (iv) Silonijan Circle (with 4 mouzas)

Mouzadar is a term referring to a person who collects Land Revenue Tax.

Circles against the demand raised by the Revenue Circles and is deposited directly into the Council's PDA (Treasury) through Treasury challans.

Scrutiny of records of Mouzas maintained by the Assistant Revenue Officers (AROs) (except ARO, Diphu records for which were not produced to audit) revealed that during 2017-18, as against total demand of  $\mathfrak{T}$  3.64 crore (including arrear demand), the Revenue Department realised  $\mathfrak{T}$  0.19 crore only, leaving an outstanding recoverable amount of  $\mathfrak{T}$  3.45 crore. The shortfall in revenue collection ranged from 92 *per cent* to 96 *per cent* as compared to the demand raised during the year as detailed in Table-4.1.

Table-4.1: Demand raised, revenue realised and shortfall in realisation of revenue

(₹ in lakh)

Name of Circle	Total demand raised including arrear	Total realisation including arrear	Total short fall in realisation including arrear	% of shortfall in collection of Land Revenue
Phuloni	147.58	11.42	136.16	92
Silonijan	47.89	1.87	46.02	96
Donka	168.16	6.01	162.15	96
Total	363.63	19.30	344.33	

Audit further noticed that five mouzas<sup>8</sup> falling under Phuloni and Silonijan revenue circles did not realise any revenue during 2017-18 though demand for ₹ 59.72 lakh including arrears was raised (*Appendix-VII*). Reasons for non-realisation of land revenue was not found in record.

During exit meeting (August 2023), while accepting the audit observations the Council stated that efforts had been initiated to collect the unrealised Land revenue from the Pattadars.

#### 4.1.3 Temporary misappropriation of land revenue

Rule 18 of the District Fund Rules, 1952 (DFR) of KAAC provides that all moneys received by KAAC shall be remitted into the treasury promptly and shall on no account be appropriated towards expenditure and Rule 17 of the said Rules further provides that all receipts due to KAAC collected by any employee authorised to collect such receipts, should be deposited with the cashier, who shall enter them in the Cash Book of KAAC.

Scrutiny of records of the Assistant Revenue Officers (ARO), of Donkamokam and Silonijan Revenue Circles revealed that ₹ 3.95 lakh<sup>9</sup> collected by the Mouzadars of three mouzas during 2017-18 was retained by the three Mouzaders till the date of

9

Name of Circle	Name of Mouza	Land revenue retained in hand (in ₹)
Donkamokam	West Ronghang	2,74,708.31
	East Ronghang	85,590.40
Silonijan	Duar Bagori	35,039.00
	Total	3,95,337.71

Duarbamini, Duarsalona, Langlokso, East Rengma and Naga rengma

audit (February 2020) without depositing the same into the Council's PDA. This amounted to temporary misappropriation of land revenue of ₹3.95 lakh by the Mouzadars.

During the exit meeting (August 2023) the Council stated that the concerned mouzadars had been directed to deposit the un-deposited land revenue amount at the earliest. However, Council did not take any action against the Mouzadars as the amount of ₹ 3.95 lakh was not deposited by the concerned Mouzadars to the Councils Account though assured by the Principal Secretary in October 2020.

#### 4.1.4 Irregular utilisation of departmental receipts

Rule 18 of the District Fund Rules, 1952 (DFR) of KAAC provides that all moneys received by KAAC shall be remitted into the treasury promptly and shall on no account be appropriated towards expenditure and Rule 17 of the said Rules further provides that all receipts due to KAAC collected by any employee authorised to collect such receipts, should be deposited with the cashier, who shall enter them in the Cash Book of KAAC.

Scrutiny of records of Transport Department, KAAC showed that during 2017-18, out of total revenue receipt of ₹ 156.90 lakh (including ₹ 8.74 lakh being un-deposited balance of previous year), the Transport Department of KAAC deposited only ₹ 44.18 lakh into the PDA and the remaining amount of ₹ 106.13 lakh was spent towards revenue expenditure Petroleum Oil and Lubricant (POL), repairing and maintenance of vehicle) without depositing the same into PDA in violation of Fund Rules. The balance of ₹ 6.60 lakh was yet to be deposited into PDA.

During exit meeting (August 2023) the Council accepted the audit observation and stated that such practice was discontinued from 2020-21 by separate budget provision.

The fact remains that non-deposit of revenue collected into PDA and utilising it for its revenue expenditure is irregular.

#### 4.2 Revenue Expenditure

#### 4.2.1 Irregularities in procurement of teaching and non-teaching materials

Government of Assam (GoA), Finance Department's Office Memorandum (August 2010) stipulates that open tenders/competitive bidding are to be invited by Government departments for purchase of any item or stores involving public funds of ₹ 50,000 and above. The OM also envisages that the practice of issuing supply orders based on a single quotation offered by agencies violates the statutory provisions contained in section 7(2) of the Assam Fiscal Responsibility and Budget Management Act, 2005.

Scrutiny of records of District Primary Education Officer (DPEO), Diphu revealed that the DPEO procured teaching and non-teaching materials worth ₹ 28.16 crore from selected suppliers, based on the recommendations received from the Chief Executive Member (CEM) of KAAC without inviting tender and without any requirement received from Schools. The details of procurement of materials are indicated in Table-4.2.

Table-4.2: Materials procured during 2017-18

Items	Unit	Quantity	Rate (₹)	Amount (₹)
Black Board	No.	20,608	932	1,92,06,656
Carom Board	No.	7,661	1,024	78,44,864
Foot Ball	No.	23,967	1,038	2,48,77,746
Globe	No.	14,162	520	73,64,240
Map	No.	21,841	202	44,11,882
Pictorial Chart	No.	56,456	50	28,22,800
Steel Rack	No.	10,370	5,557	5,76,26,090
Water Filter	No.	9,677	1,550	1,49,99,350
Steel Desk and Benches	Pairs	17,512	5,714	10,00,63,568
Wooden Desk & Bench	Pairs	1,339	3,210	42,98,190
Wooden Table & Chair	Pairs	11,324	3,360	3,80,48,640
Total		1,94,917		28,15,64,026

Source: Departmental records

Audit further noticed that out of the total procurement, materials valued ₹ 1.64 crore were neither taken into Stock Register nor were the delivery challans available for audit scrutiny. In another case, though materials valued ₹ 7.00 crore were entered in the Stock Register but delivery challans were not available. The details are shown in Table-4.3.

Table-4.3: Entries in stock register without delivery challans

T	<b>T</b> I '4	No challan found & not entered in Stock Register			Entered in Stock Register but challans not available		
Items	Unit	Quantity	Rate (₹)	Value (₹)	Quantity	Rate (₹)	Value (₹)
Black Board	No.				1,365	932	12,72,180
Carom Board	No.				7,661	1,024	78,44,864
Foot Ball	No.	481	1,038	4,99,278	4,315	1,038	44,78,970
Globe	No.	7,692	520	39,99,840	1,086	520	5,64,720
Map	No.				15,901	202	32,12,002
Pictorial Chart	No.				50,456	50	25,22,800
Steel Rack	No.	1,519	5,557	84,41,083	1,798	5,557	99,91,486
Water Filter	No.				9,677	1,550	1,49,99,350
Steel Desk and Benches	Pairs	612	5,714	34,96,968	3,253	5,714	1,85,87,642
Wooden Table & Chair	Pairs				1,932	3,360	64,91,520
Total		10,304		1,64,37,169	97,444		6,99,65,534

Thus, in absence of challans, the actual supply of materials valued  $\stackrel{?}{\underset{?}{?}}$  8.64 crore ( $\stackrel{?}{\underset{?}{?}}$  1.64 crore +  $\stackrel{?}{\underset{?}{?}}$  7.00 crore) could not be vouchsafed in audit.

Audit further, noticed that as per Stock Register maintained by the DPEO, the materials were directly received by the BPEOs for distribution among the schools through Teacher Gathering Centres (TGCs). But, record of distribution to schools could not be made available to Audit for verification except stock register maintained by BPEOs showing materials issued to TGCs. Moreover, school-wise quantities of materials to be distributed were not disclosed in purchase files/supply order nor any such order/ instruction was issued to the BPEOs.

In absence of records and documents relating to actual requirement, distribution of materials, acknowledgement of receipt by the end users and procurement of the materials without following the applicable financial rules, Audit could not vouchsafe the expenditure of ₹ 28.16 crore incurred towards the purchase of teaching and non-teaching materials.

During exit meeting (August 2023) while accepting the audit observations the Council stated that the Teaching and Non-Teaching Materials were purchased as per KAAC approved rate and entered in the Stock Register. It was also added that presently Block Officers have been instructed to obtain indents from Schools prior to procurement.

#### 4.2.2 Loss due to preparation of inflated estimate

Karbi Anglong Autonomous Council accorded (11 October 2017) administrative approval of ₹ 30.00 lakh for 'construction of parking shed with interlocking block floor at KAAC Secretariat office for an area of 1050 m². The estimate for the work was prepared by the EE (Works) of KAAC with estimated value of ₹ 26 lakh. Technical sanction was accorded (08 January 2018) by the Superintending Engineer, Works of KAAC and NIT was accordingly invited (12 October 2017). Tendered value of ₹ 26.08 lakh was accepted and work order was issued (06 December 2017) with stipulated date of completion of within 120 days from the date of issue of the order. The work was completed in March 2018 after incurring an expenditure of ₹ 22.22 lakh.

Scrutiny of records revealed that the estimate was prepared as per APWD SOR 2013-14. Audit, however, noticed that in the estimate, higher rates in respect of two items were allowed as detailed in Table-4.4.

Table-4.4: Excess rate allowed over SOR

Sl. No.	Description of works	Unit	Rate as per SOR 2013-14	Rate allowed as per estimate	Excess rate allowed
1	Item No. 2/4.2 (A) By Mix in Place Method Construction of Granular Sub-Base by providing coarse graded material, spreading in uniform layers.  (I) For Grading I Material	$M^3$	1,167.00	1,519.00	352.00
2	Item No. 6/6.7 Providing and laying interlocking concrete block pavement having thickness 80 mm as per technical specification clause 1504	$M^2$	812.00	999.72	187.72

Audit observed that due to preparation of inflated estimate, the EE (Works) provided opportunity to the contractor to quote higher rate as per the estimate against the two items of work in question, which led to excess expenditure of ₹ 3.93 lakh as detailed in Table-4.5.

**Table-4.5: Excess expenditure** 

(in ₹)

Sl. No.	Description of works	Unit	Rate allowed	Excess paid (per unit)	Quantity executed as per Bill	Excess Amount paid (col 5 x col. 6)
1	2	3	4	5	6	7
1	Item No. 2/4.2 (A) By Mix in Place Method Construction of Granular Sub-Base by providing coarse graded material, spreading in uniform layers		1,519.00	352.00	556.54	1,95,902
2	Item No. 6/6.7 Providing and laying interlocking concrete block pavement having thickness 80 mm as per technical specification clause 1504		999.72	187.72	1,050.00	1,97,106
				Excess ex	xpenditure	3,93,008

Reason for allowing higher rate in the above two items of works was not found available on records.

During exit meeting (August 2023) it was stated that the rate of GSB item was based on rate analysis.

The reply is not acceptable as analysis of rate is not permissible when the rate is available in SOR. Moreover, a statement showing how the rate has been arrived at was also not found appended with the estimate as required under Rule 248 of Assam Financial Rule.

#### 4.3 **Doubtful expenditure**

Test-check (August-September 2018) of records of the District Fishery Development Officer (DFDO), Diphu revealed that DFDO had issued a supply order (23 September 2016) to the lowest tenderer for supply of materials valuing ₹ 50.00 lakh<sup>10</sup> for the newly constructed office building (Meen Bhawan) at Diphu. The payment was made to the supplier (vide Cheque No. 3915/0391403 dated 21.10.2016) as per sanction of KAAC.

Scrutiny of bill and delivery challan showed that all the materials were supplied by the supplier and received by the Assistant Fishery Officer (AFO), who was in-charge of store. The AFO also recorded the certificate in the body of the challan that the materials were received in full & in good condition and entered in the Stock Register. No Stock & Issue register could, however, be produced to audit.

Due to non-production of Stock & Issue register, Audit conducted a joint physical verification with the AFO in all the floors of Meen Bhawan and materials worth ₹ 26.44 lakh only were found fitted/ available in the newly constructed building indicating that the supplier did not supply all the indented items. The list of materials ordered, supplied and not supplied is shown in Appendix-VIII.

Thus, Audit observed that against supply order of ₹ 50.00 lakh, materials valued at ₹ 20.73 lakh (excluding some items which are perishable/ distributed to officers as shown in the Appendix) were not supplied by the supplier, but payment was made in full. The excess payment of ₹ 20.73 lakh made to the supplier needs to be recovered after proper investigation.

During exit meeting (August 2023) the Council accepted the audit observation on short supply and would be taken up with the contractor.

#### 4.4 **Doubtful payment**

As per the standing instruction of the Government of Assam, in case of procurement of materials above ₹ 50,000, tender should be invited for selection of suppliers and fixation of present market rate.

Test-check (August-September 2018) of records of the District Fishery Development Officer (DFDO), Diphu, however, revealed that during 2017-18 the DFDO procured various inputs viz., lime (49,000 kg), drag nets (75 Nos.) and nursery nets (256 Nos.) worth ₹ 59.95 lakh as per approved rate of NABARD/KAAC without inviting tender as shown in *Appendix-IX*.

Materials such as Air Conditioners, Aqua Guard, Xerox Machines, Chairs, Tables, CCTV Camera, etc., worth ₹ 45.05 lakh and Curtains, Door Mats etc., worth ₹ 4.95 lakh.

During joint physical verification (August 2018) of the store, it was noticed that actual rate (MRP) of lime supplied by the supplier was  $\stackrel{?}{\underset{?}{?}}$  24.44 per kg but payment was made @  $\stackrel{?}{\underset{?}{?}}$  33.00 per kg resulting in excess payment of  $\stackrel{?}{\underset{?}{?}}$  8.56 per kg of lime amounting to  $\stackrel{?}{\underset{?}{?}}$  4.19 lakh ( $\stackrel{?}{\underset{?}{?}}$  8.56 x 49,000).

Further, as per approved rate of 2004, the size and specification of each drag net was 100x20 ft *i.e.*, 2000 sq ft and each nursery net was 100x15 ft *i.e.*, 1500 sq. ft.

During joint physical verification, it was noticed that the supplier had supplied drag net of 67x12 ft size (*i.e.*, 804 sq ft.) instead of 2000 sq. ft and nursery net of size  $65 \times 12$  ft (*i.e.*, 780 sq ft) instead of 1500 sq ft. This had resulted in excess payment of  $\stackrel{?}{}$  22.57 lakh ( $\stackrel{?}{}$  7.40 lakh  $plus \stackrel{?}{}$  15.17 lakh) towards procurement of nets as detailed in Table-4.6.

Table-4.6: Excess payment towards procurement of nets

(in ₹)

Drag Net	
Value of 2000 sq. ft drag nets	16,500
Value of 1 sq ft drag net	8.25
Value of 804 sq ft drag net as	6,633
supplied by the supplier	
Total quantity supplied (In Nos.)	75
Actual value of 75 Nos. (6633 x 75)	4,97,475
Payment made	12,37,500
Excess payment made	7,40,025

Nursery Net					
Value of 1500 sq. ft nursery nets	12,200				
Value of 1 sq ft nursery net	8.13				
Value of 780 sq ft nursery net as supplied by the supplier	6,341				
Total quantity supplied (In Nos.)	256				
Actual value of 316 Nos. (6341 x 256)	16,23,296				
Payment made	31,40,000				
Excess payment made	15,16,704				

Thus, there was total excess payment of  $\stackrel{?}{\underset{?}{?}}$  26.76 lakh ( $\stackrel{?}{\underset{?}{?}}$  4.19 lakh  $plus \stackrel{?}{\underset{?}{?}}$  22.57 lakh). Moreover, details of distribution the above materials could not be verified due to non-production of beneficiaries list and copy of receipts of the beneficiaries and Stock & Issue Register, etc. As such, the actual procurement and distribution of the materials was also doubtful.

During exit meeting (August 2023) the Council stated that the contractor agreed to supply additional lime and drag net.

The reply is not acceptable as the reasons for payment in excess of MRP and for receipt of materials not as per specification of the supply order was not specifically furnished.

#### 4.5 Avoidable expenditure on procurement of medicines

Director of Health Services (DHS), Assam from time to time circulated to all Districts and other Health authorities the approved prices of Drugs and Pharmaceuticals and revised rates thereof approved by Purchase Committee under DHS, Assam. Such list of approved manufacturers and approved rates (inclusive of all taxes) of drugs and pharmaceuticals were last circulated during 2015-16 and was in use till 2017-18.

In August 2014, the Council approved the rates of Drugs and Pharmaceuticals. The validity of these rates was extended (09.07.2018) by the Secretary, Department of Health & Family Welfare, KAAC up to January 2019.

Test-check (February 2018 and February 2019) of records of Jt. DHS, Diphu revealed that the rates approved by the Council were much higher than the approved rates of the DHS, Assam ranging from 35 *per cent* to 2,278 *per cent* over the rate approved by the DHS Assam as shown in *Appendix-X*.

Jt. DHS, Diphu spent ₹ 89.22 lakh during 2017-18 for procurement of medicines at rates approved by the Council's during August 2014. Had Jt. DHS, Diphu procured the medicines at the DHS, Assam approved rate, the Council could have saved ₹ 77.13 lakh as detailed in *Appendix-XI*.

During exit meeting (August 2023) the Council stated that DHS rate would be obtained and Council's approval sought for.

#### 4.6 Blockage of funds

Rule 31 of Karbi Anglong District Fund Rules, 1952 provides that no money should be withdrawn from the Fund unless it is required for immediate disbursement. It is not permissible to draw advances from the Fund either for the prosecution of works, the completion of which is likely to take a considerable time, or to prevent the lapse of budget allotments.

Test-check (August-September 2018) of records revealed that on receipt of administrative approval and financial sanction of ₹ 27.00 lakh from the KAAC for construction of Superintendent, H&T Building at Bokajan, the Jt. Director, Handloom & Textiles (H&T), Diphu issued (March 2018) a work order to the selected contractor (Sri Madhuram Lekthe) for construction of the building for which land required for the purpose was yet to be allotted by the concerned authority.

However, in anticipation of the expenditure, the Jt. Director (H&T), Diphu withdrew (24 March 2018) the entire amount of ₹ 27.00 lakh through proforma bill from the treasury and kept ₹ 26.46 lakh in hand in the form of Banker's Cheque. The balance amount of ₹ 0.54 lakh was deposited into treasury under the head of account "8443 - Civil Deposit & Deposit of Autonomous Council & Regional Fund of Karbi Anglong Autonomous Council" towards Professional Tax.

Thus, withdrawal of funds to the tune of ₹ 27.00 lakh without ensuring availability of the required land resulted in blockage of ₹ 26.46 lakh<sup>11</sup> in violation of the Rules. Thus, the funds if not to be utilised for immediate disbursement should be deposited back to the Government Account.

During exit meeting (August 2023) the Council did not clarify the reasons for withdrawal of money from PDA when the required land was not available for initiating construction work.

#### 4.7 Conclusion

The audit of accounts of KAAC for 2017-18 disclosed that:

- i. KAAC failed to realise outstanding land revenue of ₹ 3.45 crore due to weak land revenue administration of the Council.
- ii. ₹ 3.95 lakh was temporarily misappropriated by the Mouzadars.
- iii. Departmental receipts of ₹ 106.13 lakh was irregularly utilised towards revenue expenditure.
- iv. The District Primary Education Officer procured materials worth ₹28.16 crore without maintaining records relating to requirement and distribution of materials which included procurement of desk-bench valued ₹10.44 crore without requirement.
- v. ₹20.73 lakh was paid to a supplier without receiving the ordered materials.
- vi. The Jt. DHS, Diphu incurred avoidable expenditure of ₹ 77.13 lakh due to procurement of medicine at higher rates.

#### 4.8 Recommendations

- Council should take measures to strengthen the revenue earning departments, so as to mitigate the instances of loss of revenue.
- Council should evolve a system of checks so that revenues collected by various departments are deposited to PDA within a time frame.
- Council may issue clear instructions prescribing the role and responsibilities of the Executives to avoid extra, irregular and unauthorised expenditure.

<sup>&</sup>lt;sup>11</sup> After deduction of 2% P Tax (₹ 54,000)

➤ Council should ensure adherence to provisions of its Fund Rules in all cases of the financial transactions to ensure financial discipline.

(JOHN K. SELLATE)

Principal Accountant General (Audit), Assam

Countersigned

(GIRISH CHANDRA MURMU)
Comptroller and Auditor General of India

New Delhi The 09 January 2024

Guwahati

The 28 December 2023





# Appendix-I (Reference: Paragraph 2.2.1) Receipts and expenditure of KAAC for the year 2017-18 as per Annual Accounts and the resultant surplus/deficit under revenue, capital and deposit fund

(₹ in lakh)

			(₹ in lakh)	
Rece		Particulars Particulars	Expend	
2016-17	2017-18		2016-17	2017-18
		Part-I: District Fund		
		Revenue Receipts and Expenditure		
440.74	344.17	Taxes on Income	0.00	0.00
0.00	0.00	District Council	137.50	133.84
0.00	0.00	Executive Member	108.92	440.79
0.00	0.00	Administrative of Justice	23.70	33.06
1,147.12	158.10	Land Revenue	2,081.71	1,106.58
5.42	38.94	Stamps and Registration Fees	0.20	0.00
0.00	0.02	Taxes on Vehicle	0.00	0.00
40.33	2.97	Interest Receipts/Payments	0.00	0.00
0.00	0.00	Secretariat Central Services	914.47	982.72
0.47	0.30	Stationery & Printing	367.92	710.29
5.55	0.50	Public Works	1,592.88	2,327.04
0.00	0.00	Pension & Other Retirement Benefits	504.90	677.32
41.80	34.20	Administration of Justice	0.00	0.00
0.00	0.17	Education/Sports & Youth Welfare	13,442.54	17,500.88
0.00	0.00	Art & Culture	58.00	133.34
0.00	0.00	Public Health Sanitation and Water	20.00	133.31
2.92	19.78	Supply	0.00	0.19
0.00	0.00	Urban Development	8.00	108.10
0.00	0.00	Information & Publicity	0.00	15.00
0.00	0.00	Social Security & Welfare	0.00	0.00
0.00	0.00	Relief on account of Natural Calamities	10.95	9.17
571.48	912.82	Other General Economic Services	125.65	149.41
0.00	0.00	Agriculture	0.00	0.00
0.00	0.00	Minor Irrigation	0.00	14.18
0.08	1.48	Fisheries	0.00	0.00
1,128.82	1,216.22	Forest	1,620.61	1,799.99
51.98	19.00	Mines and Minerals	0.00	0.00
0.91	8.27	Roads and Bridges	48.87	57.47
48.93	50.80	Roads and Transport Services	626.92	679.31
0.00	0.00	Loan & Advances to KAAC Employees	0.00	0.00
0.00	0.00	Contributory PF/LIC	96.06	64.56
13,208.62	17,485.60	Grants-in-Aid from State Government	0.00	0.00
46.607.47		Total: Revenue Receipts and	<b>24 7</b> 60 00	0<04004
16,695.17	20,293.34	Expenditure (A)	21,769.80	26,943.24
5074.63	6,649.90	Revenue Deficit/Surplus	0.00	0.00
0.00	0.00	Capital Receipts and Expenditure	260.00	201.21
0.00	0.00	Capital account	360.00	381.21
0.00	0.00	Total: Capital Receipts and	260.00	201.21
	0.00	Expenditure (B)	360.00	381.21
0.00	0.00	Debt	0.00	0.00
0.00		Loan & Repayment of loans received		
0.00	0.00	from Govt.	0.00	0.00
0.00	0.00	Loan & Repayment of loans received from		
3.00		other sources	0.00	0.00
55.52	55.52	Recoveries/Disbursement of Loan &	_	
23.32		Advances	0.00	0.00
55.52	55.52	Total: Loans received/disbursed/		0.55
		repaid/recovered (C)	0.00	0.00
16,750.69	20,348.86	Total Receipt & Expenditure under	22,129.80	27,324.45

		Part-I: District Fund (A+B+C)				
	PART-II: Deposit Fund					
1,02,739.71	1,54,491.78	Receipts and Disbursements under				
		entrusted functions from the State	84,081.82	1,30,036.63		
		Government (D)				
0.00	0.00	Deficit/Surplus on Deposit Fund	18,657.89	24,455.15		
1,02,739.71	1,54,491.78	Total Receipt & Expenditure under	84,081.82	1,30,036.63		
		Part-II: Deposit Fund	,	, ,		
4 40 400 40	4 = 4 0 40 64	Total Receipts and Expenditure under	10001100	4 == 4 < 4 00		
1,19,490.40	1,74,840.64	Part I & II	1,06,211.62	1,57,361.08		
		(A+B+C+D)				
		Opening balance /Closing balance (D)				
178.04	303.07	Cash	303.06	805.74		
35,926.78	49,080.54	Treasury & Bank Balances	49,080.54	66,057.43		
1,55,595.22	2,24,224.25	Grand Total (A+B+C+D)	1,55,595.22	2,24,224.25		

Source: Annual Accounts

# Appendix-II (Reference: Paragraph 2.3.1) Collection of revenue vis-à-vis provisions made in the budget (2017-18)

(₹ in lakh)

Sl. No.	Head of Account	Budget (Revised)	Actual receipt	(-) Shortfall/ (+) Excess	Percentage of shortfall/
	004	· ´	-	` '	excess
1.	001 – Taxes on Income	812.00	344.17	(-) 467.83	58
2.	002 – Land Revenue	331.00	158.10	(-) 172.90	52
3.	003 – Stamps and Registration Fees	120.00	38.94	(-) 81.06	68
4.	004 – Taxes on Vehicle	3,100.00	0.02	(-) 3,099.98	100
5.	005 – Interest Receipts	15.00	2.97	(-) 12.03	80
6.	006 – Stationery & Printing	10.00	0.30	(-) 9.70	97
7.	007 – Public Works	65.00	0.50	(-) 64.50	99
8.	008 – Administration of Justice	13.00	34.20	(+) 21.20	163
9.	009 – Education	0.00	0.17	(+) 0.17	
10.	010 – Public Health Sanitation and Water Supply	10.00	19.78	(+) 9.78	98
11.	011 – Other General Economic Services	845.00	912.82	(+) 67.82	8
12.	012 – Fisheries	1.50	1.48	(-) 0.02	1
13.	013 – Forest	1,296.00	1,216.22	(-) 79.78	6
14.	014 – Mines and Minerals	180.00	19.00	(-) 161.00	89
15.	015 – Roads and Bridges	3.00	8.27	(+) 5.27	176
16.	016 – Roads and Transport Services	125.00	50.80	(-) 74.20	59
T	Total shortfall (11 Heads of		1,832.50	(-) 4,223.00	70
	Accounts)				
Total	excess (5 Heads of Accounts)	871.00	975.24	(+) 104.24	12
	Grand Total (excess)	6,926.50	2,807.74	(-) 4,118.76	59

## Appendix-III (Reference: Paragraph 2.3.2) Revenue expenditure vis-à-vis estimated budgetary provision (2017-18)

(₹ in lakh)

					(₹ in lakh)
Sl. No.	Head of Account	Budget (Revised)	Actual expenditure	(-) Shortfall/ (+) Excess	Percentage of shortfall/ excess
1.	District Council	214.00	133.84	(-) 80.16	37
2.	Executive Member	675.60	440.79	(-) 234.81	35
3.	Administrative of Justice	35.90	33.06	(-) 2.84	8
4.	Land Revenue	1,491.80	1,106.58	(-) 385.22	26
5.	Stamp & Registration	1.00	0.00	(-) 1.00	100
6.	Interest Payment	0.00	0.00	0.00	
7.	Secretariat Central Services	1,171.50	982.72	(-) 188.78	16
8.	Stationary and Printing	644.10	710.29	(+) 66.19	10
9.	Public Works	2,392.00	2,327.04	(-) 64.96	3
10.	Pension & Other Retirement Benefits	630.00	677.32	(+) 47.32	8
11.	Education/Sports & Youth Welfare	13,778.00	17,500.88	(+) 3,722.88	27
12.	Art & Culture	163.50	133.34	(-) 30.16	18
13.	Public Health Sanitation and Water Supply	40.00	0.19	(-) 39.81	100
14.	Urban Development	200.00	108.10	(-) 91.90	46
15.	Information & Publicity	30.00	15.00	(-) 15.00	50
16.	Social Security & Welfare	20.00	0.00	(-) 20.00	100
	Relief on account of Natural	20.00	0.00	(-) 20.00	100
17.	Calamities	100.00	9.17	(-) 90.83	91
18.	Other General Economic Services	203.50	149.41	(-) 54.09	27
19.	Agriculture	0.00	0.00	0.00	
20.	Minor Irrigation	10.00	14.18	(+) 4.18	42
21.	Fisheries	0.00	0.00	0.00	
22.	Forest	2,306.10	1,799.99	(-) 506.11	22
23.	Roads & Bridges	50.00	57.47	(+) 7.47	15
24.	Roads & Transport Services	532.00	679.31	(+) 147.31	28
25.	Loan & Advances to KAAC Employees	43.80	0.00	(-) 43.80	100
26.	Contributory PF/LIC	325.00	64.56	(-) 260.44	80
	Capital Outlay on Road Transport			()	
27.	Services	360.00	381.21	(+) 21.21	6
Total	shortfall (17 Heads of Accounts)	9,413.70	7,303.79	(-) 2,109.91	(-) 22
	al excess (7 Heads of Accounts)	16,004.10	20,020.66	(+) 4,016.56	(+) 25
	Grand Total (excess)	25,417.80	27,324.45	(+) 1,906.65	(+) 8

Appendix-IV
(Reference: Paragraph 3.2.1.2)
Revenue Receipt pertaining to the accounting year 2016-17 booked in 2017-18

Sl. No.	Date of entry in cash Book	Challan No & date	Amount (In ₹)	Cash Book page No.
1.	01-04-2017	5362 dt.30/03/2017	1,15,863	001
2.	01-04-2017	4719 dt.28/03/2017	5,53,314	001
3.	01-04-2017	5364 dt.30/03/2017	60,250	001
4.	01-04-2017	5755 dt.31/03/2017	54,286	004
5.	17-04-2017	5707 dt.31/03/2017	6,072	010
6.	17-04-2017	5701 dt.31/03/2017	1,89,340	010
7.	17-04-2017	5705 dt.31/03/2017	20,94,100	010
8.	17-04-2017	5700 dt.31/03/2017	20,00,000	010
9.	17-04-2017	5704 dt.31/03/2017	2,97,500	010
10.	17-04-2017	0479 dt. 13/02/2017	63,108	010
11.	19-04-2017	077dt.26/12/16	2,380	014
12.	19-04-2017	0992 dt 08/03/2017	16,856	014
13.	19-04-2017	0993 dt 08/03/2017	16,850	014
14.	19-04-2017	0995 dt 08/03/2017	16,866	014
15.	19-04-2017	0994 dt 08/03/2017	16,860	014
16.	03-05-2017	0255 dt.02/03/2017	4,10,241	025
17.	03-05-2017	05861 dt.30/03/2017	5,054	025
18.	03-05-2017	05660 dt.30/03/2017	27,114	025
19.	03-05-2017	05643 dt.30/03/2017	6,02,323	025
20.	03-05-2017	05702 dt.31/03/2017	40,000	025
21.	03-05-2017	04612 dt.28/03/2017	73,600	025
22.	03-05-2017	02291 dt.18/03/2017	17,140	025
23.	03-05-2017	02294 dt.18/03/2017	25,000	025
24.	03-05-2017	02248 dt.18/03/2017	70,000	025
25.	03-05-2017	04903 dt.29/03/2017	62,940	025
26.	03-05-2017	05057 dt.29/03/2017	7,38,900	025
27.	03-05-2017	05229 dt.29/03/2017	25,84,045	025
28.	03-05-2017	05309 dt.30/03/2017	10,124	025
29.	03-05-2017	04602 dt.28/03/2017	10,600	025
30.	03-05-2017	04211 dt.29/03/2017	12,140	025
31.	03-05-2017	04941 dt.29/03/2017	5,000	025
32.	03-05-2017	05597 dt.30/03/2017	23,764	025
33.	03-05-2017	02265 dt.18/03/2017	8,000	025
34.	03-05-2017	04328 dt.27/03/2017	29,000	025
35.	03-05-2017	04460 dt.27/03/2017	38,400	025
36.	03-05-2017	05695 dt.31/03/2017	30,000	025
37.	03-05-2017	05548 dt.30/03/2017	41,000	025
38.	03-05-2017	02270 dt.18/03/2017	10,000	025
39.	03-05-2017	04956 dt.29/03/2017	3,000	025

Sl. No.	Date of entry in cash Book	Challan No & date	Amount (In ₹)	Cash Book page No.
40.	03-05-2017	02830 dt.21/03/2017	60,108	025
41.	03-05-2017	02262 dt.18/03/2017	18,396	025
42.	03-05-2017	01991 dt.27/03/2017	3,59,969	025
43.	03-05-2017	02887 dt.21/03/2017	32,000	025
44.	03-05-2017	02903 dt.21/03/2017	42,000	025
45.	03-05-2017	02917 dt.21/03/2017	36,877	025
46.	15-05-2017	01596 dt.15/03/2017	9,550	033
47.	15-05-2017	01875 dt.16/03/2017	77,980	033
48.	15-05-2017	02189 dt.18/03/2017	65,616	033
49.	15-05-2017	05537 dt.30/03/2017	1,03,124	033
50.	15-05-2017	01053 dt.03/03/2017	1,39,840	033
51.	15-05-2017	01556 dt.15/03/2017	1,76,167	033
52.	15-05-2017	05386 dt.30/03/2017	88,885	033
53.	01-06-2017	00326 dt.03/03/2017	2,080	033
	Total		1,15,93,622	

### Appendix-V (Reference: Paragraph 3.3.1)

#### Details of funds credited directly in Bank Accounts without routing through PDA during 2017-18

Date of Receipt	Amount (In ₹)	Received from	Account Number/Bank
29-04-2017	37,08,496	Social Welfare Deptt., GoA	
20-07-2017	35,000	Social Welfare Deptt., GoA	xxxx0017, ICICI Bank, Diphu
20-07-2017	3,33,76,050	Social Welfare Deptt., GoA	XXXXVVI7, ICICI Balik, Dipliu
28-11-2017	48,800	Social Welfare Deptt., GoA	
16-12-2017	1,00,00,000	RMSA	xxxx0084, HDFC Bank, Diphu
22-12-2017	29,67,000	RMSA	XXXX0064, HDFC Balik, Dipliu
27-02-2018	6,34,12,500	Agriculture Deptt., GoA	xxxx2776, IDBI Diphu
03-03-2018	2,43,50,000	Finance Deptt., GoA	
23-03-2018	2,43,50,000	NA	
23-03-2018	17,06,62,500	Finance Deptt., GoA	xxxx9430, SBI Diphu
27-03-2018	12,82,85,000	Finance Deptt., GoA	XXXX9430, SBI Dipilu
31-03-2018	1,25,52,000	NA	
31-03-2018	9,24,96,000	Finance Deptt., GoA	
31-03-2018	12,06,36,000	Hill Areas Deptt., GoA	
31-03-2018	1,79,20,000	Hill Areas Deptt., GoA	xxxx8349, HDFC Bank, Diphu
31-03-2018	35,00,000	Hill Areas Deptt., GoA	
31-03-2018	5,49,40,000	Social Welfare Deptt., GoA	xxxx0017, ICICI Bank, Diphu
Total	76,32,39,346		

# Appendix-VI (Reference: Paragraph 4.1.1) Statement showing settled value, revenue realised and outstanding amount in connection with settlement of ETG, markets, ghats, fisheries, etc., during 2017-18

Sl. No.	Name of mahal/ coupes/quarry/ <i>etc</i> .	Name of lessees	Settled value	Settle/lease value realised	Outstanding amount to be
			(In ₹)	(In ₹)	realised (In ₹)
1	Raniama Entry Tax Gate	Sri Babu Rongphar	46,80,500	46,80,500	-
2	Doyangmukh Entry Tax Gate	Sri Gandhiram Bey	35,12,510	35,12,510	ı
3	Tumpreng Entry Tax Gate	Sri Sarsing Terang	5,89,745	5,89,745	1
4	Ouguri Entry Tax Gate	Sri Lokhikanta Bordoloi	4,50,109	4,50,109	-
5	Ranhabai Entry Tax Gate	Smt. Kabon Terangpi	3,55,251	3,55,251	-
6	Borgaon Entry Tax Gate	Sri Sarjonka Teron	58,001	58,001	-
7	Nam Taradubi Entry Tax Gate	Sri Kamal Bordoloi	71,000	71,000	1
8	Sabuda Entry Tax Gate	Sri Broson Rongphar	20,000	20,000	-
9	Upper Lotumari Entry Tax Gate	Sri Moniram Senar	15,600	15,600	-
10	Habepur Entry Tax Gate	Sri Nitya Nanda Kemprai	10,500	10,500	-
	Total of ETG	ī	97,63,216	97,63,216	-
11	Amtereng Weekly Market	Sri Baliram Teron	1,02,090	1,02,090	-
12	Baithalangso Weekly Market	Sri Moniram Senar	3,05,500	-	3,05,500
13	Baithalangso Daily Market	Smt. Rita Rongpharpi	85,710	0	85,710-
14	Borthol Weekly Market	Sri Khonindro Bey	45,100	40,000	5,100
15	Borkok Weekly Market	Sri Harusing Kro	20,150	20,150	-
16	Bhoksong Weekly Market	Sri Ronjit Amsong	1,50,550	1,50,550	1
17	Doyangmukh Weekly Market	Sri Longki Phura	1,80,030	1,80,030	-
18	Hongkram Weekly Market	Sri Aldrin Teron	2,40,099	50,000	1,90,099
19	Hongkram Daily Market	Smt. Junaki Ronghangpi	17,500	17,500	1
20	Habang Weekly Market	Sri Broson Rongphar	5,000	5,000	-
21	Jengkha Weekly Market	Sri Dhonsing Enghee	3,36,100	3,36,100	-
22	Jengkha Daily Market	Sri Dhonsing Rongphar	10,100	10,100	ı
23	Jirimpachali Weekly Market	Sri Sunil Chauhan	1,41,500	1,41,500	-
24	Kolongka Proper Weekly Market	Sri Jiten Rongphar	45,000	45,000	-
25	Khenoni Chriali Weekly Market	Sri Lallan Chauhan	1,01,001	1,01,001	-
26	Khernoi Ghat Weekly Market	Sri Rupsing Rongpi	2,32,151	2,32,151	-
27	Mailoo Weekly Market	Sri Ramakanta Hagjer	2,61,501	2,61,501	-
28	Mailoo Daily Market	Sri Ramakanta Hagjer	1,009	1,009	-
29	Mokoilum Weekly Market	Sri Raju Engleng	13,101	13,101	=
30	Satgaon Weekly Market	Smt. Sabitri Teronpi	1,22,501	1,22,501	-
31	Satgaon daily Market	Sri Letterson Sangma	1,78,000	1,78,000	-
32	Umtilli Weekly Market	Sri Broson Rongphar	6,100	6,100	-
33	Umlapher Weekly Market	Sri Khorsing Bey	41,100	41,100	-
34	Umat Weekly Market	Sri Broson Rongphar	9,000	9,000	-
35	Tengkralangso Weekly Market	Sri Sarthe Tisso	10,100	10,100	-
36	Taradubi Weekly Market	Sri Ukil Pator	15,501	15,501	-
37	Birsingki Weekly Market	Sri Arun Bongrung	1,01,000	1,01,000	-
38	Jirikinding Weekly Market	Ssri Raju Engleng	92,700	92,700	-
39	Jirikinding Daily Market	Sri Lachit Terang	35,001	35,001	-

Sl. No.	Name of mahal/ coupes/quarry/ <i>etc</i> .	Name of lessees	Settled value (In ₹)	Settle/lease value realised (In ₹)	Outstanding amount to be realised (In ₹)
40	Umswai Weekly Market	Sri Clement Lamphui	47,100	47,100	-
41	Sildubi Weekly Market	Sri Suklesawr Ronghang	99,500	99,500	-
42	Langtuk Apam Weekly Market	Sri Bisnu Teron	11,100	11,100	1
43	Tumpreng Weekly Market	Sri Dhruba Bora	2,41,370	2,41,370	ı
44	Tumpreng Daily Market	Sri Dhruba Bora	14,600	14,600	ı
45	Serdihunlangso Weekly Market	Sri Mongal Sing Hanse	22,500	22,500	-
46	Dongkamukh Weekly Market	Sri Robison Pator	4,891	4,891	ı
47	Tarve ABI Weekly Market	Smt. Lirbon Teronpi	621	-	621
48	Long Eh Lobui Weekly Market	Sri Broson Rongphar	30,000	30,000	-
49	Lumta Weekly Market	Sri Sonjit Engti	5,000	5,000	-
50	Langhemphi Weekly Market	Sri Joysing Kro	7,001	7,001	ı
51	Kheroni Char Ali Weekly Market	Sri Lallan Chauhan	10,151	10,150	1
	Total of Mark	et	33,98,029	28,10,999	5,87,030
52	Hongkram Ghat	Sri Tenzing Terang	3,500	0	3,500-
53	Hatimara Ghat	Sri Sarsing Terang	4,100	4,110	-
54	Lalmati Ghat	Sri Numal Timung	40,205	40,205	-
55	Sildubi Ghat	Sri Bimal Ch. Timung	1,99,000	1,99,000	-
56	Kalangmukh Raikata Ghat	Sri Dhansing Dera	13,050	13,050	
	Total of Ghat		2,59,855	2,56,355	3,500
57	Borpani River Fishery	Sri Holiram Kro	18,000		18,000
58	Khanda Beel	Sri Suklesawr Ronghang	8,100	8,100	-
	Total of Beel/Fisl	nery	26,100	8,100	18,000
	Grand Total of 20	17-18	1,34,47,200	1,28,38,670	6,08,530

### Appendix-VII (Reference: Paragraph 4.1.2)

### Statement showing demand of LR (both arrear and current) raised but not collected by Mauzas during the year 2017-18

(In ₹)

Name of	Name of Mouza		Land		
Circle		Arrear	Current	Total	Revenue
					Realised
Phuloni	Duarbamini	20,01,932.00	3,72,956.00	23,74,888.00	0.00
	Duarsalona	8,88,434.00	1,77,257.00	10,65,691.00	0.00
	Langlokso	2,86,055.00	54,733.00	3,40,788.00	0.00
Silonijan	EastRengma	16,88,204.00	4,36,371.00	21,24,575.00	0.00
	Naga rengma	53,445.00	13,115.00	66,560.00	0.00
	Total		10,54,432.00	59,72,502.00	0.00

Appendix-VIII
(Reference: Paragraph 4.3)
List of materials procured for Meen Bhavan, Diphu

Sl. No.	Name of items	Rate (in ₹)	Quantity ordered (No.)	Value of total materials (in ₹)	Actually supplied (No.)	Value of materials actually supplied (in ₹)	Less supplied (No.)	Value of less supplied items (in ₹)
1	Officer Table (big Size)	80,000.00	4	3,20,000.00	4	3,20,000.00	Nil	0.00
2	Officer Side Table	20,000.00	4	80,000.00	3	60,000.00	1	20,000.00
3	Revolving chair	15,000.00	4	60,000.00	3	45,000.00	1	15,000.00
4	Secretariat Table (Double)	12,000.00	20	2,40,000.00	11	1,32,000.00	9	1,08,000.00
5	Secretariat Table (single)	8,000.00	20	1,60,000.00	8	64,000.00	12	96,000.00
6	Godrej (Double)	25,000.00	10	2,50,000.00	5	1,25,000.00	5	1,25,000.00
7	Godrej (Single)	15,000.00	30	4,50,000.00	24	3,60,000.00	6	90,000.00
8	Chair (B/Q)	9,500.00	40	3,80,000.00	30	2,85,000.00	10	95,000.00
9	Steel Chairs	7,500.00	30	2,25,000.00	24	1,80,000.00	6	45,000.00
10	A/C	65,000.00	10	6,50,000.00	3	1,95,000.00	7	4,55,000.00
11	Aqua Guard (Hot, Cool & Normal)	1,65,000.00	2	3,30,000.00	Nil	0.00	2	3,30,000.00
12	Computer Set	30,000.00	5	1,50,000.00	4	1,20,000.00	1	30,000.00
13	Xerox Machine (cannon)	1,30,000.00	4	5,20,000.00	2	2,60,000.00	2	2,60,000.00
14	Bed (single)	7,000.00	2	14,000.00	Nil	0.00	2	14,000.00
15	Colour TV (32")	90,000.00	2	1,80,000.00	1	90,000.00	1	90,000.00
16	Camera (Digital	10,000.00	11	1,10,000.00	Nil	0.00	11	1,10,000.00
17	Computer Printer HP Deskjet	8,000.00	5	40,000.00	2	16,000.00	3	24,000.00
18	Inverter	45,000.00	5	2,25,000.00	4	1,80,000.00	1	45,000.00
19	CCTV Camera 1 (one) Set	1,21,000.00	1	1,21,000.00	Nil	0.00	1	1,21,000.00
		•	Total	45,05,000.00		24,32,000.00		20,73,000.00
20	Door Curtain	1,200.00	50	60,000.00	32	38,400.00	18	21,600.00
21	Window Curtain	800.00	100	80,000.00	75	60,000.00	25	20,000.00
22	Half Window curtain	400.00	100	40,000.00	Nil	0.00	100	40,000.00
23	Brackets	200.00	500	1,00,000.00	156	31,200.00	344	68,800.00
24	Pipe	450.00	100	45,000.00	78	35,100.00	22	9,900.00
25	Door Mat (Big Size)	1,200.00	25	30,000.00	2	2,400.00	23	27,600.00
26	Door Mat (Small size)	800.00	25	20,000.00	Nil	0.00	25	20,000.00
27	Dust Bin	600.00	50	30,000.00	5	3,000.00	45	27,000.00
28	Uniform	1,800.00	30	54,000.00	14	25,200.00	16	28,800.00
29	Rain Coat	1,200.00	30	36,000.00	14	16,800.00	16	19,200.00
			Total	4,95,000.00		2,12,100.00		2,82,900.00
	Grand Total			50,00,000.00		26,44,100.00		23,55,900.00

## Appendix-IX (Reference: Paragraph 4.4) Details of excess payment made during procurement of various inputs

Sl. No.	KAAC Sanction No. & date	Supply order No. & date	Name of supplier	Items supplied	Quantity	Rate (In ₹)	Total amount (In ₹)	Date of payment	Cheque No.
1	KAAC/Fisheries-2/FS/ 2017-18/5, dated 11/05/17	AFH-22 ©/supply/SOPD/2017-18/ 58, dated 3/05/17	Smt Chamakala Devi	Lime	24,000 kg	33	7,92,000	20/07/17	4169/0416891 4169/0416892
2	-Do-	AFH-22 ©/supply/SOPD/2017-	Smt Sikha	Drag net	75 Nos.	16,500	12,37,500		
		18/27, dt. 19/04/17	Phangchopi	Nursery net	200 Nos.	12,200	24,40,000		
3	-Do-	AFH-22 ©/supply/SOPD/2017- 18/27, dt. 19/04/17	Smt. Purnima Teronpi	Lime	25,000 kg	33	8,25,000		
5	AFH-22©/ceiling component/2017-18/23, dt. 27/03/18	AFH-22 (B) Order/2017-18/401, 30/01/18	M/s Roy Electricals	Nursery nets	8 Nos.	12,500	1,00,000	28/03/18	4583/0458223 4583/0458223
6	-Do-	AFH-22 (B) Order/2017-18/424, 14/02/18	Pangjang Rongphar	Nursery nets	32 Nos.	12,500	4,00,000		
7	-Do-	AFH-22 (B) Order/2017-18/396, 20/01/18	Sri Chadra Bahadur Thapa	Nursery net	16 Nos.	12,500	2,00,000		
			-	Lime	49,000 kg	33	16,17,000		
		75 Nos.	16,500	12,37,500					
			Nursery	200 Nos. 56 Nos	12,200	24,40,000			
		12,500	7,00,000						
		Gra	nd Total	59,94,500					

# Appendix-X (Reference: Paragraph 4.5) Excess expenditure on procurement of medicines

Sl.	Name of the drug	Approved	Approved	Unit	Excess rate	Percentage
No.		rate of KAAC	rate of DHS		in KAAC	of excess
		(In ₹)	(In ₹)		(In ₹)	
1	Pentoprazole Inj	146	6.14	Per vial	139.86	2278
2	Amekacin Inj 500mg	181	7.74	Per vial	173.26	2239
3	Tab Amoxycillin	326	21.95	Per 6 tabs	304.05	1385
	250mg+Clavunalic Acid					
4	Tab Amoxycillin 250mg +	54.33	3.66	Per tab	50.67	1384
	Clavum Acid					
5	Inj Cetriaxone Sodium 1gm	182	14.52	Per vial	167.48	1153
6	Tab. Azythromycine 250mg	192	15.65	Per 6 tabs	176.35	1127
7	Inj Cefotaxime Sodium 1gm	167	14	Per vial	153	1093
8	Tab. Azythromycine 500mg	176	15.66	Per 3 tabs	160.34	1024
9	Tab Azythromycine 500mg	176	15.66	Per 3 tabs	160.34	1024
10	Enzyme Syrup	185	21.12	Per bottle	163.88	776
11	Enzyme Syrup	185	21.12	Per bottle	163.88	776
12	Cap Omeprazole 20mg	1.4	0.37	Per cap	1.03	278
13	Tab Cefixime 200mg	246	86.72	Per 10 tabs	159.28	184
14	Cap Cephalexin 250mg	2,888	1350	Per 1000 caps	1538	114
15	Tab Ofloxacine 400mg	2,841	1494	Per 1000 tabs	1347	90
16	Inf. Metronidazole 500mg IV	12	8.9	Per bottle	3.1	35

Appendix-XI
(Reference: Paragraph 4.5)
Statement showing excess expenditure incurred on procurement of medicines by Jt. Director of Health Services, Diphu

Sl.	Name of the	Particulars supplied	Quantity	Unit	Approved rate	To	tal Bill amo	unt	DHS appro	ved rate	Excess	Date of
No.	Firm/		supplied		of KAAC/	Base rate	VAT	Amount	Rate	Total	amount	payment
	Supplier				Supply rate	(In ₹)	(In ₹)	paid	including all	amount	paid (In ₹)	
1	3.67. 3.6. 11	A 1 : 1:500	5,000	D : 1	(In ₹)	0.05.000	54.200	(In ₹)	taxes (In ₹)	(In ₹)	0.20.600	
1	M/s Medicos,	Amekacin Inj 500mg	5,000	Per vial	181.00	9,05,000	54,300	9,59,300	7.74	38,700	9,20,600	
	Diphu	Pentoprazole Inj	4,000	Per vial	146.00	5,84,000	35,040	6,19,040	6.14	24,560	5,94,480	25.08.2017
		Tab Cefixime 200mg	15,000	Per 10 tabs	246.00	3,69,000	22,140	3,91,140	86.72	1,30,080	2,61,060	
2	M/s Medicos, Diphu	Tab Ofloxacine 400mg	1,50,000	Per 1000 tabs	2841.00	4,26,150	25,569	4,51,719	1,494.00	2,24,100	2,27,619	
		Cap Omeprazole 20mg	2,00,000	Per 10 caps	14.00	2,80,000	16,800	2,96,800	3.70	74,000	2,22,800	25.08.2017
		Cap Cephalexin 250mg	1,50,000	Per 1000 caps	2888.00	4,33,200	25,992	4,59,192	1,350.00	2,02,500	2,56,692	
3	M/s One Stop Pharma, Ghy	Tab Amoxycillin 250mg+Clavunalic Acid	9,996	Per 6 tabs	326.00	5,43,116	32,587	5,75,703	21.95	36,569	5,39,134	25.08.2017
		Inj Cetriaxone Sodium 1gm	2,000	Per vial	182.00	3,64,000	21,840	3,85,840	14.52	29,040	3,56,800	23.08.2017
4	M/s Medicos, Diphu	Tab. Azythromycine 250mg	35,000	Per 10 tabs	320.00	11,20,000	67,200	11,87,200	26.09	91,315	10,95,885	16.03.2018
		Tab. Azythromycine 500mg	10,000	Per 10 tabs	586.66	5,86,667	35,200	6,21,867	52.20	52,200	5,69,667	10.03.2016
5	M/s New Jamuna	Tab Amoxycillin 250mg + Clavum Acid	15,000	Per 6 tabs	325.98	8,14,950	48,897	8,63,847	21.95	54,875	8,08,972	
	Pharma- cheuticals, Guwahati	Enzyme Syrup	5,500	Per bottle	185.00	10,17,500	61,050	10,78,550	21.12	1,16,160	9,62,390	31.03.2018
6	M/s One Stop Pharma, Ghy	Tab Azythromycine 500mg	1,998	Per 10 tabs	586.66	1,17,216	7,033	1,24,249	52.20	10,430	1,13,819	
		Inf. Metronidazole 500mg IV	5,000	Per bottle	12.00	60,000	3,600	63,600	8.90	44,500	19,100	31.03.2018
		Enzyme Syrup	2,500	Per bottle	185.00	4,62,500	27,750	4,90,250	21.12	52,800	4,37,450	
		Inj Cefotaxime Sodium 1gm	2,000	Per vial	167.00	3,34,000	20,040	3,54,040	14.00	28,000	3,26,040	
		Tota	I			84,17,299	5,05,038	89,22,337		12,09,828	77,12,508	

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