



सत्यमेव जयते

**EPITOME OF
CAG's REPORTS ON
THE GOVERNMENT OF ASSAM
FOR THE YEAR ENDED 31 MARCH 2017**



Accountant General (Audit), Assam

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PREFACE

This epitome presents, at a glance, the contents of the Audit Reports (State Finances; Social, General and Economic (Non-PSUs) Sectors; Revenue Sector, Public Sector Undertakings and Local Bodies) of the Comptroller and Auditor General (C&AG) of India relating to the Government of Assam for the year ended 31 March 2017. These Reports contain major audit findings relating to transactions of the Government of Assam, Local Bodies, Assam, Government companies and statutory corporations. Other audit observations, which are not contained in these Audit Reports, are pursued for their settlement with the Controlling Officers and Heads of Offices.

In accordance with Article 151 of the Constitution, the C&AG of India forwards his Audit Reports on the accounts as well as on the points noticed during the audit of financial transactions of the State Government to the Governor, who causes them to be laid on the table of the *Vidhan Sabha*. Similarly, Report of the C&AG of India on Local Bodies is submitted to the Governor for laying before the *Vidhan Sabha*.

The drafts of the paragraphs/performance audits (PAs) included in the Audit Reports are always forwarded to the Principal Secretary, Commissioner & Secretary and Secretary of the concerned department for comments so that the views of the Government are incorporated in the Audit Reports before their presentation to the *Vidhan Sabha*. The Finance Department has prescribed that the draft paragraphs should be disposed of as expeditiously as possible and the comments of the Department concerned intimated to Audit within a period

not exceeding six weeks. In a large number of cases, however, the Departments did not abide by the provision about furnishing the comments on the draft paragraphs and PA Reports within the stipulated time.

The Reports of the Comptroller and Auditor General of India on the transactions of the State Government presented to the *Vidhan Sabha* stand referred to the Public Accounts Committee (PAC) in respect of State Finances, Social, General and Economic (Non-PSUs) Sectors and Revenue Sectors and the Committee on Public Undertakings (COPU) in respect of the Commercial activities and the Committee on Local Fund Accounts (COLFA) in respect of the Local Bodies activities. The Government Departments are to submit *suo motu* Action Taken Notes on all Audit Paragraphs and PA Reports to the Committees, duly vetted by Audit. The Committees select some of the paragraphs for detailed examination after which a report containing their observations and recommendations is presented to the *Vidhan Sabha*.

This epitome contains only a summarised version of the more important issues included in the Audit Reports. While it has been our endeavour to keep the contents of this document as close to the original Reports as possible, the original Reports ought to be referred to for detailed facts and figures. The names and telephone numbers of the Officers who can be contacted for any clarification in respect of Audit Reports are on the inner page of the backside cover of this publication.

All the Reports are also available at our website www.cag.gov.in and www.agasm.cag.gov.in

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**AUDIT REPORT ON
STATE FINANCES
FOR THE YEAR ENDED 31 MARCH 2017
(Report No. 2 of 2018)**

**AUDIT REPORT ON STATE FINANCES
FOR THE YEAR ENDED 31 MARCH 2017
(Report No. 2 of the year 2018)**

This Report is structured in three Chapters. **Chapter I** is based on the audit of Finance Accounts and makes an assessment of the Government's fiscal position as on 31 March 2017. It provides an insight into trends in growth of Revenue Receipt, committed expenditure, borrowing pattern besides a brief account of Public Private Partnership (PPP) Projects conceived in the State. **Chapter-II** is based on audit of Appropriation Accounts and it gives the grant-by-grant description of appropriations and the manner in which the allocated resources were managed by the service delivery departments. **Chapter-III** is an inventory of Government's compliance with various reporting requirements and financial rules. This chapter also provides details on non-submission of annual accounts and also delays in placement of Separate Audit Reports in the Legislature by the Autonomous Bodies. Besides, the cases of money kept out of Government account are also detailed in this chapter.

Highlights

● Chapter – I: Finances of the State Government

- During 2016-17, Fiscal Deficit as a percentage of GSDP was contained at 2.38 *per cent* i.e., within three *per cent* prescribed under Assam Fiscal Responsibility and Budget Management Act. The outstanding debt of the State stood at 18.54 *per cent* at the end of 2016-17 which was also well within the norms (28.50 *per cent*), prescribed under the Act. However, the State could not maintain Revenue Surplus during the year and had a Revenue Deficit of ₹ 143 crore. 14th FC however, recommended the State to maintain Revenue Surplus.
- During the current year, the State's Revenue Receipts recorded the growth of 15.93 *per cent*, which was more than that of GSDP (13.80 *per cent*).
- About 33 *per cent* of the Revenue Receipts during 2016-17 came from State's own resources while Central Tax Transfers and Grants-in-Aid together contributed 67 *per cent*. This was indicative of the fact that the Government of Assam's fiscal position is largely influenced by the Tax Transfers and Grants-in-Aid from GOI.
- During 2016-17, Revenue Receipts increased by ₹ 6,763 crore (16 *per cent*) from ₹ 42,457 crore in 2015-16 to ₹ 49,220 crore in 2016-17. The Revenue Receipts at ₹ 49,220 crore was, however, lower by ₹ 16,960 crore than the assessment made in Medium

Term Fiscal Plan (MTFP) (₹ 66,180 crore). Revenue Expenditure increased significantly by ₹ 12,352 crore (33 *per cent*) from ₹ 37,011 crore in 2015-16 to ₹ 49,363 crore in 2016-17.

- Capital Expenditure of the State increased significantly by 104 *per cent* (₹ 2,811 crore) from ₹ 2,691 crore in 2015-16 to ₹ 5,502 crore in 2016-17. However, its ratio to total expenditure stood at 9.94 *per cent* which was lower than combined average (13.60 *per cent*) of Special Category States.
- Decrease in receipts of Public Debt by ₹ 1,596 crore (29 *per cent*) and increase in repayment of Public Debt by ₹ 74 crore (four *per cent*) during the year over the previous year showed improvement in the State's debt management.
- The maturity profile of outstanding stock of public debt as on 31 March 2017 indicates that out of the outstanding public debt of ₹ 28,059.88 crore, 57.66 *per cent* (₹ 16,178.51 crore) is payable within the next seven years.
- The average return on State Government's investment in Statutory Corporations, Rural Banks, Joint Stock Companies, Co-operatives and Government Companies varied between 0.53 and 4.96 *per cent* in the last five years. However, the State Government's average interest outgo was in the range of 6.40 to 6.57 *per cent* during the corresponding period.

- Cash Balances of the State Government at the end of the current year decreased by ₹ 1,304 crore from ₹ 10,056 crore in 2015-16 to ₹ 8,752 crore in 2016-17. The interest receipts against investment on cash balance was 8.84 *per cent* during 2016-17 which was higher than the interest paid at the rate of 6.57 *per cent* on its borrowings during the year.

● Chapter – II: Financial Management and Budgetary Control

- During the year 2016-17, Government of Assam (GoA) incurred expenditure of ₹ 58,178.31 crore against the total grants and appropriations of ₹ 83,069.15 crore resulting in overall savings of ₹ 24,890.84 crore. The overall savings of ₹ 24,890.84 crore stood at 30 *per cent* of total grants and appropriations. This shows poor financial management by the State.
- The total amount of Detailed Countersigned Contingent (DCC) bills received was only ₹ 105.88 crore against the amount of Abstract Contingent (AC) bills of ₹ 673.01 crore. This led to the outstanding balance on account of non-submission of DCC bills of ₹ 567.13 crore as on 31 March 2017. Non-adjustment of advances for long periods is fraught with the risk of misappropriation and therefore, requires close monitoring by the respective DDOs.

- Out of 54 COs, only eight carried out full reconciliation of departmental receipts figures and 24 carried out full reconciliation of departmental expenditure figures with those reflected in the books of Office of the Accountant General (Accounts & Entitlement), Assam. Reconciliation and verification of figures is an important tool of financial management. Failure to exercise/adhere to the codal provisions and executive instructions not only facilitates misclassifications of the expenditure but also defeats the very objectives of budgetary process.

● Chapter – III: Financial Reporting

- 11,641 Utilisation Certificates (UCs) in respect of grants aggregating ₹ 24,907.26 crore paid to 53 departments of the State Government during the period from 2001-02 to 2016-17 were in arrears indicating poor monitoring system.
- The Accountant General (Audit) had not received 491 annual accounts of 90 PSUs, Government Bodies and Authorities (due up to 2016-17) as of June 2017 causing difficulties in taking up of audit.

Chapter I - Finances of the State Government

Finance Accounts

Finance Accounts of the State Government present details of all the transactions pertaining to both receipts and expenditure under appropriate classifications, apart from the summary of all the transactions in the Government Account. These also reflect (a) Summary of debt position, (b) Loans and Advances by Government, (c) Grants given by Government and (d) Summary of balances.

Summary of Current Year's Fiscal Operations

(₹ in crore)

Receipts			Disbursements				
2015-16	--	2016-17	2015-16	--	2016-17		
					Non-Plan	Plan	Total
1	2	3	4	5	6	7	8
Section-A: Revenue							
42,457.70	Revenue Receipts	49,219.81	37,011.41	Revenue Expenditure	35,929.09	13,433.63	49,362.72
10,106.50	Tax Revenue	12,079.56	12,656.03	General Services	15,561.75	1,561.44	17,123.19
2,741.57	Non-Tax Revenue	4,353.13	17,740.36	Social Services	14,254.36	8,418.78	22,673.14
16,784.88	Share of Union Taxes/Duties	20,188.64	6,239.86	Economic Services	6,000.41	2,913.62	8,914.03
12,824.75	Grants from Government of India	12,598.48	375.16	Grants-in-Aid/Contributions	112.57	539.79	652.36
Section-B: Capital							
Nil	Miscellaneous Capital Receipts	Nil	2,690.91	Capital Outlay	231.83	5270.25	5,502.08
510.09	Recoveries of Loans and Advances	18.60	260.09	Loans and Advances disbursed	271.06	228.32	499.38
5,497.99	Public Debt Receipts	3,901.71	1,968.90	Repayment of Public Debt	*	*	2,042.63
Nil	Contingency Fund	Nil	Nil	Contingency Fund	Nil	Nil	Nil
15,702.12	Public Account Receipts	19,977.59	15,647.26	Public Account disbursement	*	*	17,015.81
Nil	Closing overdraft from Reserve Bank of India	Nil	Nil	Opening overdraft from Reserve Bank of India	Nil	Nil	Nil
3,467.13	Opening Balance	10,056.46	10,056.46	Closing Balance	*	*	8,751.55
67,635.03	Total	83,174.17	67,635.03	Total	NA	NA	83,174.17

Following are the significant changes during 2016-17 over the previous year

Revenue receipts

Revenue Receipts grew nearly by ₹ 6,763 crore (16 *per cent*) over the previous year. The increase was contributed by Tax Revenue by ₹ 1,974 crore (29 *per cent*), Non-Tax Revenue by ₹ 1,612 crore (24 *per cent*) and State's share Union Taxes and Duties by ₹ 3,404 crore (50 *per cent*). The increase was however, marginally offset by decrease in Grants-in-Aid from Government of India (GoI) by ₹ 227 crore (three *per cent*). The Revenue Receipts at ₹ 49,220 crore was, however, lower by ₹ 16,960 crore than the assessment made in Medium Term Fiscal Plan (MTFP) (₹ 66,180 crore).

Revenue expenditure

Revenue Expenditure increased significantly by ₹ 12,352 crore (33 *per cent*) over the previous year. While 68 *per cent* (₹ 8,353 crore) of the increase was under Non-Plan heads, the remaining 32 *per cent* (₹ 3,999 crore) was under Plan heads. The major sectors that registered significant increases include Secretariat-General Services (₹ 1,948 crore), Police (₹ 435 crore) and Interest payment (₹ 346 crore) under General Services, Relief on Account of Natural Calamities (₹ 1,301 crore), Urban Development

(₹ 652 crore), Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities (₹ 556 crore), Water Supply and Sanitation (₹ 323 crore) and Technical Education (₹ 103 crore) under Social Services and Food Storage and Warehousing (₹ 353 crore), Power (₹ 415 crore) and Roads and Bridges (₹ 868 crore) under Economic Services.

Total expenditure

The total expenditure of the State increased by 90 *per cent* from ₹ 29,137 crore in 2012-13 to ₹ 55,364 crore in 2016-17. The increase of ₹ 15,402 crore (38.54 *per cent*) in total expenditure in 2016-17 was due to increase of ₹ 12,352 crore in Revenue Expenditure, ₹ 2,811 crore in Capital Expenditure and ₹ 239 crore in disbursement of Loans and Advances.

Investments and Returns

As of 31 March 2017, Government had invested ₹ 2,509.95 crore in Statutory Corporations, Rural Banks, Joint Stock Companies, Co-operatives and Government Companies. The average return on this investment was 4.96 *per cent* only while the Government paid an average interest rate of 6.57 *per cent* on its borrowings during 2016-17.

Loans and advances by the Government

The total amount of outstanding Loans and Advances as on 31 March 2017 was ₹ 5,174 crore. The amount of loans disbursed during the year increased by 91.92 *per cent* from ₹ 260 crore in 2015-16 to ₹ 499 crore in 2016-17. Out of the total amount of loans advanced during the year, ₹ 35.36 crore went to Social Services, ₹ 457.20 crore to Economic Services and ₹ 6.82 crore to Government servants. Under Social Services, majority of the loan went to Urban Development (98.08 *per cent*) and under Economic Services, the major portion of loans went to loans for Power Projects (89 *per cent*) followed by loans to consumer industries (nine *per cent*).

Recovery of Loans and Advances decreased by ₹ 491 crore from ₹ 510 crore in 2015-16 to ₹ 19 crore in 2016-17. However, interest receipt against the Loans and Advances increased by ₹ three crore during the year. During 2016-17, fresh Loans and Advances (₹ 492.56 crore) were made in seven cases¹ against whom repayments of earlier loans

1	₹ in crore)
1. Loans to Consumer Industries	: 208.67
2. Assam Power Distribution and Power Generation Company Ltd.	: 3,161.58
3. Loans for General Financial and Trading Institutions	: 53.16
4. Loans for Urban Development	: 55.46
5. Loans for Welfare of SC, ST, OBC and Minorities	: 9.55
6. Loans for Village and Small Industries	33.32
7. Loans for Housing	5.72
	3,527.46

(₹ 3,527.46 crore) were in arrears. Out of those seven cases, loans in respect of Village and Small Industries (₹ 33.32 crore) were in arrears since 1976-77.

Cash Balances and Investment of Cash Balances

Cash Balances of the State Government at the end of the current year decreased by ₹ 1,304 crore from ₹ 10,056 crore in 2015-16 to ₹ 8,752 crore in 2016-17.

The State Government from the investments made in GOI Treasury Bills, had earned an interest of ₹ 458 crore during 2016-17. Further, the Government invested ₹ 3,739 crore in Sinking Fund and Development and Welfare Fund as of 31 March 2017. The interest receipts against investment on cash balance was 8.84 *per cent* during 2016-17 while Government paid interest at the rate of 6.57 *per cent* only on its borrowings during the year.

Fiscal liabilities

The overall fiscal liabilities of the State increased at an average annual rate of 9.03 *per cent* during the period 2012-17. During the current year, the fiscal liabilities of the State Government increased by ₹ 5,345 crore (12.60 *per cent*) from ₹ 42,409 crore in 2015-16 to ₹ 47,754 crore in 2016-17.

The increase in fiscal liabilities was mainly due to increase in the internal debt (₹ 1,938 crore) and Public Account liabilities (₹ 3,485 crore), which was however, offset by decrease in Loans and Advances from GOI (₹ 78 crore). The ratio of fiscal liabilities to GSDP had improved marginally as it decreased from 18.74 *per cent* in 2015-16 to 18.54 *per cent* in 2016-17 which was well within the norms (26.93 *per cent*), prescribed by the 14th FC.

Trends in deficits

During this five-year period, the State exhibited Revenue Surplus only in 2012-13, 2013-14 and 2015-16. During the current year the State had Revenue Deficit of ₹ 143 crore.

Fiscal Deficit represents the gap between the non-debt receipts and total expenditure. The State exhibited Fiscal Surplus for the first time in 2015-16 during the five-year period of 2012-17. In absolute term, the Fiscal Surplus of ₹ 3,005 crore in 2015-16 turned into Fiscal Deficit of ₹ 6,125 crore in 2016-17.

During 2012-17, the State exhibited Primary Surplus in two years i.e., 2012-13 and 2015-16 only. During the current year, the State was not able to manage Primary Surplus and showed Primary Deficit of ₹ 3,161 crore.

Time Series Data on State Government Finances

(₹ in crore)

	2012-13	2013-14	2014-15	2015-16	2016-17
Part A: Receipts					
1. Revenue Receipts	30691 (69)	32213 (67)	38181 (63)	42457(66)	49220(67)
(i) <i>Tax Revenue</i>	8250 (27)	8995 (28)	9450 (25)	10106(24)	12080(24)
<i>Taxes on Agricultural Income</i>	82 (1)	90 (1)	51	32	23
<i>Taxes on Sales, Trade etc.</i>	6223 (75)	6848 (76)	7351 (78)	7494(74)	8752(72)
<i>Taxes and duties on Electricity</i>	42 (1)	41	44	48	49
<i>State Excise</i>	568 (7)	610 (7)	665 (7)	808(8)	964(8)
<i>Taxes on vehicles</i>	328 (4)	351 (4)	365 (4)	443(4)	522(4)
<i>Stamps and Registration fees</i>	252 (3)	252(3)	189 (2)	225(2)	227(2)
<i>Land Revenue</i>	146 (2)	156 (2)	142 (2)	229(2)	210(2)
<i>Other Taxes</i>	609 (7)	647 (7)	643 (7)	827(8)	1333(11)
(ii) <i>Non Tax Revenue</i>	2474 (8)	2705 (8)	2413 (6)	2741(6)	4353(9)
(iii) <i>State's share in Union taxes and duties</i>	10601 (35)	11575 (36)	12283 (32)	16785(40)	20189(41)
(iv) <i>Grants in aid from Government of India</i>	9366 (30)	8938 (28)	14035 (37)	12825(30)	12598(26)
2. <i>Miscellaneous Capital Receipts</i>	--	--	--	--	--
3. <i>Recovery of Loans and Advances</i>	7	6	10	510	19
4. Total Revenue and Non debt capital receipts (1+2+3)	30698	32219	38191	42967	49239
5. Public Debt Receipts	1388 (3)	1196 (2)	4582 (8)	5498(9)	3902(5)
<i>Internal Debt (excluding Ways and Means Advance and Overdraft)</i>	1349	1147	4532	5448	3845
<i>Net transactions under Ways and Means Advance and Overdraft</i>	Nil	Nil	Nil	Nil	Nil
<i>Loans and Advances from Government of India</i>	39	49	50	50	57
6. Total receipts in the Consolidated Fund (4+5)	32086	33415	42773	48465	53141
7. <i>Contingency Fund Receipts</i>	--	--	--	--	--
8. Public Account Receipts	12138 (28)	14948 (31)	17790 (29)	15702(24)	19978(27)
9. Total receipts of the State (6+7+8)	44224	48363	60563	64167	73119
Part B: Expenditure/Disbursement					
10. Revenue Expenditure	29137 (65)	31990 (64)	39078 (63)	37011(93)	49363(89)
<i>Plan</i>	6495 (22)	7028 (22)	9391 (24)	9435(25)	13434(27)
<i>Non Plan</i>	22642 (78)	24962 (78)	29687 (76)	27576(75)	35929(73)
<i>General Services (including interest payments)</i>	10570	10928	12922	12656	17123
<i>Social Services</i>	12618	14850	18088	17740	22673
<i>Economic Services</i>	5209	5836	7075	6240	8914
<i>Grants-in-aid and contributions</i>	740	376	993	375	653
11. Capital Expenditure	2617 (6)	3189 (6)	3912 (6)	2691(7)	5502(10)
<i>Plan</i>	2545 (97)	3088 (97)	3827(98)	2704(100.48)	5270(96)

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	2012-13	2013-14	2014-15	2015-16	2016-17
<i>Non Plan</i>	72 (3)	101 (3)	85(2)	-13 [#] (-0.48)	232(4)
General Services	102	126	134	76	200
Social Services	176	194	569	596	1542
Economic Services	2339	2869	3209	2019	3760
12. Disbursement of Loans and Advances	461 (1)	822 (2)	631 (1)	260(1)	499(1)
13. Total (10+11+12)	32215	36001	43621	39962	55364
14. Repayment of Public Debt	1533 (3)	1177 (2)	1627 (3)	1969(3)	2043
Internal Debt (excluding Ways and Means Advances and Overdraft)	1407	1015	1225	1835	1907
Net transactions under Ways and Means Advances and Overdraft	Nil	Nil	Nil	Nil	Nil
Loans and Advances from Government of India	126	162	402	134	136
15. Appropriation to Contingency Fund	Nil	Nil	Nil	Nil	Nil
16. Total disbursement out of Consolidated Fund (13+14+15)	33748	37178	45248	41931	57407
17. Contingency Fund disbursements	--	--	--	--	--
18. Public Account disbursements	11228 (25)	13277 (26)	16376 (27)	15647(27)	17016
19. Total disbursement by the state (16+17+18)	44976	50455	61624	57578	74423
<i>Part C: Deficits</i>					
20. Revenue Deficit (-)/ Surplus (+) (1-10)	(+) 1554	(+) 223	(-) 897	(+) 5446	(-) 143
21. Fiscal Deficit (-)/Surplus (+) (4-13)	(-) 1517	(-) 3782	(-) 5430	(+) 3005	(-) 6125
22. Primary Deficit (-)/Surplus (+) (21+23)	(+) 598	(-) 1584	(-) 3096	(+) 5623	(-) 3161
<i>Part D: Other data</i>					
23. Interest Payments (included in revenue expenditure)	2115	2198	2334	2618	2964
24. Financial Assistance to local bodies etc.	3425	4213	2716	1664	6686
25. Ways and Means Advances/ Overdraft availed (days)					
i) Ways and Means Advances availed (days)	Nil	Nil	1563.20 (31)	Nil	Nil
ii) Overdraft availed (days)	Nil	Nil	Nil	Nil	Nil
26. Interest on Ways and Means Advances/overdraft	Nil	Nil	4.52	Nil	Nil
27. Gross State Domestic Product (GSDP) †	156864	177745	195723	226276 (P)	257510 (Q)
28. Outstanding fiscal liabilities (year end) including interest	35012	36574	40846	45027	50718
29. Outstanding guarantees (year end)	114	90	143	143	130
30. Maximum amount guaranteed (year end)	597	582	582	482	482
31. Number of incomplete projects	69	109	62	127	181
	2012-13	2013-14	2014-15	2015-16	2016-17

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32. Capital blocked in incomplete projects (₹ in crore)	316	385	409	304	402
<i>Part E: Fiscal Health Indicators</i>					
I. Resource Mobilisation (in per cent)					
Own tax Revenue/GSDP	5.26	5.06	4.83	4.47	4.69
Own Non-Tax Revenue/GSDP	1.58	1.52	1.23	1.21	1.69
Central Transfers/GSDP	12.73	11.54	13.45	13.09	12.73
II. Expenditure Management (in per cent)					
Total Expenditure/GSDP	20.54	20.25	22.29	17.66	21.50
Total Expenditure/Revenue Receipts	104.97	111.76	114.25	94.12	112.48
Revenue Expenditure/Total Expenditure	90.45	88.86	89.59	92.62	89.16
Expenditure on Social Services/Total Expenditure	39.71	41.79	42.77	45.88	43.74
Expenditure on Economic Services/Total Expenditure	23.43	24.18	23.58	20.67	22.89
Capital Expenditure/Total Expenditure	8.12	8.86	8.97	6.73	9.94
Capital Expenditure on Social and Economic Services/Total Expenditure	7.81	8.51	8.66	6.54	9.57
III. Management of Fiscal Imbalances (in per cent)					
Revenue Deficit (surplus)/GSDP	(+) 0.99	(+) 0.13	(-) 0.46	(+) 2.41	(-) 0.06
Fiscal Deficit (surplus)/GSDP	(-) 0.97	(-) 2.13	(-) 2.72	(+) 1.33	(-) 2.38
Primary Deficit (surplus)/GSDP	(+) 0.38	(-) 0.89	(-) 1.58	(+) 2.49	(-) 1.23
Revenue Deficit/Fiscal Deficit	*	*	16.52	*	2.33
Primary Revenue Balance/GSDP	2.34	1.37	0.74	3.79	1.10
IV. Management of Fiscal Liabilities (in per cent)					
Fiscal Liabilities/GSDP	20.97	19.34	19.68	18.74	18.54
Fiscal Liabilities/RR	107.19	106.71	100.86	99.89	97.02
Primary Deficit <i>vis-à-vis</i> quantum spread	**	(-) 0.55	(-) 0.91	**	(-) 0.92
Public Debt Redemption (Principal +Interest)/Total Debt Receipts	227.16	238.55	72.94	71.70	110.74
V. Other Fiscal Health Indicators					
Return on Investment (in per cent)	0.53	0.53	0.68	2.91	4.96
Balance from Current Revenue (₹ in crore)	(+) 239	(-) 863	(-) 3913	(+) 5,543	(+) 3,022
Financial Assets/Liabilities	1.24	1.23	1.18	1.30	1.26

Note: Figures in brackets represent percentages (rounded) to total of each sub heading

Negative figure is due to recoveries of overpayments

* There was Revenue surplus

** There was Primary surplus

† GSDP figures at current prices (Base year 2011-12) were obtained from Directorate of Economics and Statistics.

Chapter II - Financial Management and Budgetary Control

Appropriation Accounts

The Appropriation Accounts are accounts of the expenditure, Voted and Charged, of the Government for each financial year compared with the amounts of the Voted grants and Charged Appropriations for different purposes as specified in the schedules appended to the Appropriation Acts passed by the Legislature. These Accounts list the original budget estimates, supplementary grants, surrenders and re-appropriations distinctly and indicate actual capital and revenue expenditure on various specified services *vis-à-vis* those authorised by the Appropriation Act in respect of both Charged and Voted items of budget. The Appropriation Accounts is thus, a control document facilitating management of finances and monitoring of budgetary provisions and are therefore, complementary to Finance Accounts.

Summarised position of Actual Expenditure *vis-à-vis* Original/Supplementary provisions during 2016-17

(₹ in crore)

Voted/ Charged	Nature of Expenditure	Original Grant/ Appropriation	Supplementary Grant/ Appropriation	Total	Actual expenditure	Saving (-)/ Excess (+)	Amount surrendered	Amount surrendered on 31 March 2017	Percentage of savings surrendered by 31 March (col. 8/col 7)
1	2	3	4	5	6	7	8	9	10
Voted	I Revenue	58,972.32	3,325.82	62,298.14	46,925.87	(-) 15,372.27	3,853.90	3,845.85	25.07
	II Capital	10,394.40	1,482.85	11,877.25	5,502.08	(-) 6,375.17	86.29	75.97	1.35
	III Loans & Advances	570.78	4.32	575.10	499.38	(-) 75.72	Nil	Nil	NA
Total Voted		69,937.50	4,812.99	74,750.49	52,927.33	(-)21,823.16	3,940.19	3,921.82	18.06
Charged	IV Revenue	3,486.71	2.80	3,489.51	3,208.35	(-) 281.16	1.73	1.73	0.62
	V Capital	Nil	Nil	Nil	NA	NA	NA	NA	NA
	VI Public Debt Repayment	4,829.15	Nil	4,829.15	2,042.63	(-) 2,786.52	Nil	Nil	NA
Total Charged		8,315.86	2.80	8,318.66	5,250.98	(-) 3,067.68	1.73	1.73	0.06
Appropriation to Contingency Fund (if any)		Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total		78,253.36	4,815.79	83,069.15	58,178.31	(-) 24,890.84	3,941.92	3,923.55	15.84

NA: Not Applicable

Appropriation vis-à-vis Allocative properties

The audit of Appropriation Accounts revealed that in 68 cases relating to 56 grants and one appropriation, savings exceeded ₹ 10 crore in each case and also by more than 20 per cent of total provision. Against the total savings of ₹ 26,239.50 crore, savings of ₹ 25,275.85 crore (96.33 per cent) occurred in 50 cases relating to 40 grants and one appropriation where savings were ₹ 50 crore and above in each case.

Unnecessary supplementary provision

Supplementary provision aggregating ₹ 2,632.86 crore was obtained in 63 cases amounting to ₹ 10 lakh or more in each case during the year. This proved unnecessary as the expenditure under the respective heads was even less than the original budget provision.

Re-appropriation of funds

Injudicious re-appropriation proved excessive and resulted in savings of ₹ 10 lakh and above in four sub-heads/sub sub-heads. Out of this the saving in two sub-heads was more than ₹ one crore.

Moreover, in 42 cases the re-appropriation also proved unnecessary as the re-appropriated amount ultimately resulted in savings of ₹ 10 lakh and above in each case. Of these, the savings were even more than ₹ one crore in 31 sub-heads.

Thus, substantial savings of more than ₹ one crore registered in 33 cases, where the re-appropriation was made, indicated that the funds could not be spent as estimated and planned under the respective heads.

Substantial surrenders

Out of total surrenders of ₹ 3,923.55 crore as of 31st March 2017, surrenders exceeded ₹ 10 crore and above in respect

of seven cases on account of either non-implementation or slow implementation of schemes/programmes. Out of the total provision amounting to ₹ 4,876.65 crore made in those seven cases, ₹ 1,764.18 crore (36.18 *per cent*) was surrendered at the close of the financial year.

Anticipated savings not surrendered

At the close of the year 2016-17 there were however, 58 grants/appropriations in which substantial savings of ₹ five crore and above occurred. But the concerned departments did not surrender the amount. The amount involved in those cases was ₹ 20,290.41 crore (77 *per cent* of the total savings).

Rush of expenditure

Audit observed that in case of 21 Major Heads under 20 grants, the concerned departments incurred total expenditure of ₹ 5,999.14 crore (expenditure exceeding ₹ 10 crore and also more than 50 *per cent* of the total expenditure in each case). Out of this, ₹ 3,904.94 crore (65.09 *per cent*) was incurred in March 2017 alone.

Un-reconciled Expenditure

During 2016-17, out of 54 COs, only eight carried out full reconciliation of departmental receipts figures whereas 24 COs carried out full reconciliation of departmental

expenditure figures with those reflected in the books of Office of the Accountant General (Accounts and Entitlements), Assam.

Non-submission of DCC Bills

The total amount of DCC bills received was only ₹ 105.88 crore against the amount of AC bills of ₹ 673.01 crore resulting in an outstanding balance of DCC bills of ₹ 567.13 crore as on 31 March 2017.

Personal Deposit Accounts

During 2016-17, there were 26 PDA involving ₹ 60.12 lakh existing as on 31 March 2017.

This practice of retaining funds in the Personal Deposit Accounts after the close of the financial year is fraught with the risk of misuse of funds and therefore, needs to be avoided.

Chapter III - Financial Reporting

This Chapter provides an overview and status of the State Government on the compliance of various financial rules, procedures and directives during the current year.

Delay in furnishing Utilisation Certificates (UCs)

State Government's compliance with various rules, procedures and directives was unsatisfactory as 11,641 Utilisation Certificates (UCs) in respect of grants aggregating ₹ 24,907.26 crore paid to 53 departments of the State Government during the period from 2001-02 to 2016-17 were in arrears. Non-submission of Utilization certificates is fraught with the risk of misappropriation.

Non-submission of accounts

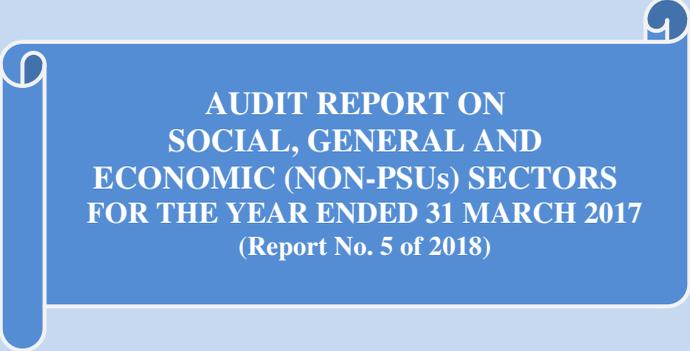
Delays figured in submission of annual accounts by some of the Autonomous Bodies/Councils as 29 accounts were in arrears for periods ranging from one to 151 months.

491 annual accounts of 90 PSUs, Government Bodies and Authorities were also in arrears.

Delay in finalization of accounts carries the risk of financial irregularities going undetected apart from violation of the provisions of the respective legislations under which the Bodies were constituted.

Money kept out of Government account

As on 31 March 2017, seven DDOs kept ₹ 34.76 crore in current accounts and another 11 DDOs parked ₹ 82.20 crore unspent balances in different bank instruments as well as in Civil Deposit in violation of Financial Rule.

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**AUDIT REPORT ON
SOCIAL, GENERAL AND
ECONOMIC (NON-PSUs) SECTORS
FOR THE YEAR ENDED 31 MARCH 2017
(Report No. 5 of 2018)**

**AUDIT REPORT ON SOCIAL, GENERAL AND
ECONOMIC (NON-PSUs) SECTORS
FOR THE YEAR ENDED 31 MARCH 2017
(Report No. 5 of the year 2018)**

CHAPTER I: SOCIAL SECTOR

**Performance Audit on “Implementation of
National Rural Drinking Water Programme”**

Government of India (GoI) launched the National Rural Drinking Water Programme (NRDWP) in April 2009 as a Centrally Sponsored Scheme. Its objective was to provide adequate and safe water for drinking, cooking and other basic domestic needs on a sustainable basis to the rural population.

A PA of NRDWP covering the period 2012-13 to 2016-17 was conducted to assess the impact of its implementation in the State. The Government of Assam (GoA) incurred an expenditure of ₹ 2,356.03 crore on NRDWP during 2012-17 on implementation of 21,106 water supply schemes. As of 31 March 2017, only 17 *per cent* of rural habitations could attain ‘fully covered’ status (*availability of 55 litres per capita per day water*) under the scheme. The ‘quality affected’ 12.5 *per cent* habitations that existed in the State as on 31 March 2017 were higher than the national average of 4.3 *per cent* quality affected (QA) habitations. The key findings of the PA were as under:

Highlights:

- State level Annual Action Plans were prepared without any documented input from the village/district levels as Village Water Security Plan and District Water Security Plans were not prepared.
- As against the target of 35 *per cent* of rural households to have piped water supply connection, a meagre 1.88 *per cent* rural households could be provided with water connection as on 31 March 2017.
- There were 11,048 quality affected (QA) habitations on 01 April 2017 as against 15,979 QA habitations on 01 April 2012. This was due to short achievement of target fixed for coverage combined with emergence of 3,357 new QA habitations during the period. There was also shortfall in the coverage of the quality testing of the targeted sources/delivery points, and initiation of remedial action in respect of all contamination cases detected.
- The State did not have a sustainability plan for a balanced use of ground and surface water. 73.7 *per cent* of the completed Piped Water Supply (PWS) schemes remained dependent on ground water.
- Water contaminated with Arsenic/Fluoride was being supplied from 18 completed Piped Water Supply schemes (PWSSs) in two PHE Divisions (Golaghat and Hojai) without any testing. In another PWSS (Lawpani PWS under Nagaon Division), water was being supplied despite presence of contamination as per test reports.

- NRDWP funds were utilized in violation of the programme guidelines. There were instances of unauthorized expenditure, diversion of funds, unfruitful expenditure, excess expenditure, undue financial benefit *etc.*, noticed.
- None of the 32 Mega Piped Water Supply Schemes taken up in nine selected divisions during February 2011 to February 2014 were completed.
- The data discrepancies in the Integrated Management Information System (IMIS) undermined the reliability of the system. Regular monitoring and evaluation of implementation of the NRDWP as envisaged in the guidelines was not done.

Audit of 'Pension Management System of the Directorate of Pension'

The Directorate of Pension (DoP), under the Pension and Public Grievance Department (PPG), Government of Assam (GoA), was computerised (March 2009) through a comprehensive system *viz.*, 'Director of Pension Information System (DPIS)'. The objective of the computerization was to ensure speedy finalisation of pension cases of the employees of the Provincialised schools and the Panchayati Raj Institutions (PRIs).

Audit of Pension Management System of the DoP was carried out covering all the pension modules that were

implemented during 2009-17. The audit revealed deficiencies in system design, input controls, data backup and security controls. Audit also noticed persisting delays in disposal of pension cases and inability of the system to perform age analysis of these cases.

COMPLIANCE AUDIT

Incentive to Scheduled Caste students (Scholarship schemes)

The Ministry of Social Justice and Empowerment (MoSJ&E), GoI has taken up several scholarship schemes to provide incentives to Scheduled Caste (SC) students to enable them to complete their education and to minimize incidence of drop out.

Compliance Audit for the period 2012-17 on implementation of the scheme showed that it suffered from lack of updated database leading to instances of incorrect, inadequate and incomplete distribution of scholarship including cases of misappropriation of scholarship fund.

Welfare of Plain Tribes and Backward Classes Department

- *Extra expenditure*

Director of Welfare of Plain Tribes and Backward Classes, Assam incurred an excess expenditure of ₹ 0.75 crore on procurement of dyed cotton yarn during 2015-16 due to fixation of higher rate by the Departmental Purchase Committee (DPC).

Cultural Affairs Department

- ***Loss to Government***

Award of work by the Director, Cultural Affairs, Assam to a firm without ensuring availability of funds and inability to make payment in time resulted in a loss of ₹ 3.98 crore to the Government by way of making payment of interest as per court order.

Higher Education Department

- ***Loss of interest***

Injudicious decision of the Gauhati University authority to invest (in fixed term deposit) ₹ 27.70 crore in the banks paying lower rate of interest resulted in loss of ₹ 62.07 lakh.

Hill Areas Department

- ***Extra expenditure***

Joint Director of Health Services, Karbi Anglong incurred extra expenditure of ₹ 0.82 crore in procuring medicines at higher rates than the Maximum Retail Price (MRP).

- ***Suspected misappropriation***

Cash amount of ₹ 5.19 lakh withdrawn from bank by the Chairman, Town Committee, Maibong was not accounted for in the Cash Book. Absence of records in support of utilization of the amount pointed towards suspected misappropriation of the amount.

- ***Unauthorised expenditure***

Karbi Anglong Autonomous Council diverted ₹ two crore out of available funds under Rashtriya Krishi Vikas Yojana towards an inadmissible project in violation of the provision of Scheme Guidelines.

Social Welfare Department

- ***Irregular and excess expenditure***

District Social Welfare Officers, Kamrup (M) and Goalpara irregularly procured 4,274 sewing machines under Indira Gandhi Matritva Sahyog Yojana for ₹ 3.84 crore. Besides, procurement of the same at a rate higher than the MRP led to an excess expenditure of ₹ 1.13 crore.

Welfare of Minorities and Development Department

- ***Doubtful expenditure***

Expenditure of ₹ 1.13 crore incurred by the Director, Char Areas Development (CAD), Assam for the procurement and distribution of vehicles to 21 beneficiaries was doubtful for want of records of actual deliveries.

- ***Irregular and avoidable expenditure***

Director, CAD, Assam, besides making irregular procurement of huller mills for ₹ 3.07 crore, incurred avoidable extra expenditure of ₹ 2.20 crore due to allowing exorbitantly higher rates than the market rates.

CHAPTER II: ECONOMIC SECTOR

PERFORMANCE AUDIT

Flood Control in Assam

The rivers, Brahmaputra and Barak along with their tributaries traverse the State of Assam. As identified by Rastriya Barh Ayog, 31.50 lakh hectares (ha) (40 per cent out of the total 78.44 lakh ha land area) of the State is flood prone area which is four times (approximately) of the national mark². Almost every year, the State is ravaged by devastating floods causing huge loss of life and property. The GoI implemented Flood Management Programme (FMP) and Flood forecasting scheme during XI (2007-12) and XII (2012-17) five year plans.

A Performance Audit (PA) on assessing the impact of the implementation of the selected projects under FMP, as well as other programmes of flood control undertaken by Water Resources Department (WRD), Government of Assam was conducted covering the period 2007-2017. The key findings of the PA were as under:

Highlights:

- Non-adoption of the basin-wise Comprehensive Master Plan (as suggested under National Water Policy, 2002) and Model Bill of Flood Plain Zoning (FPZ), 1975 for flood control measures pointed towards weak planning

² 10.2 per cent flood prone area of the total area of the country.

process of the Department. Further, hydrological and morphological studies were not adequate for making a long term plan for flood control and anti-erosion activities in the State. Audit also observed that an anti-erosion work executed at ₹ 5.88 crore failed to prevent erosion due to lack of adequate studies.

- There were short releases of Central Assistance of ₹ 1,479.24 crore (50 *per cent*) and State's share of ₹ 164.84 crore (20 *per cent*) against the allocations made under the programme during 2007-17.
- Expenditure of ₹ 41.39 crore incurred against two selected projects under FMP proved wasteful due to stoppage of work by the National Green Tribunal for not obtaining prior clearance from the GoI under Forest Conservation (FC) Act., 1980 in one project. In other project, it was caused due to washing away of Reinforced Cement Concrete (RCC) porcupine screens due to ineffective launching.
- Non-acquisition of land prior to execution of works in respect of three projects in violation of FMP guidelines had not only rendered the partial construction of embankment under the threat of inundation, but also rendered the entire expenditure of ₹ 39.59 crore incurred, unfruitful.

COMPLIANCE AUDIT

Agriculture Department

- *Excess expenditure*

Executive Engineer (Agriculture) of five divisions incurred excess expenditure of ₹ 4.17 crore on procurement and distribution of diesel pump sets and execution of civil works of shallow tube well under the World Bank aided Project.

Irrigation Department

- *Excess Payment*

Executive Engineer, Karbi Anglong Irrigation Division, Diphu made excess payment of ₹ 4.03 crore to the contractors due to non-deduction of Value Added Tax (VAT) at applicable rates.

Public Works (Roads) Department

- *Avoidable extra expenditure*

Executive Engineer, PWD, Guwahati Road Division incurred an avoidable extra expenditure of ₹ 82.67 lakh on Road-cum-Built Up Girder (BUG) Bridge No. 1/1 over River Digaru at Old AT Road due to injudicious analysis of providing and launching Steel Truss of Structural Steel BUG Super structure.

- ***Cost overrun***

The Project Director (ASRP) delayed handing over of the site for construction of road under Assam State Roads Project which resulted in cost overrun of ₹ 15.13 crore. The Department also did not recover the additional cost of ₹ 3.95 crore from the defaulting contractor as was required under the provisions of the contract agreement.

- ***Excess expenditure***

Injudicious inclusion of inadmissible 10 *per cent* premium for remote areas in the estimates and subsequent awarding of the work at rates inclusive of premium, had resulted in excess expenditure of ₹ 2.21 crore.

- ***Extra expenditure***

Executive Engineer (EE), PWD (Roads), Mangaldoi State Road Division incurred an extra expenditure of ₹ 75.62 lakh towards carriage of road metals from the quarry by providing extra carriage in the estimates.

Water Resources Department

- ***Avoidable expenditure***

Executive Engineer, Tezpur Water Resources Division incurred an avoidable expenditure of ₹ 3.88 crore due to non-adoption of lowest rate by the Departmental Tender Committee for the supply of geo bags besides making extra payment of ₹ 23.21 lakh towards local carriage of gabion boxes.

CHAPTER III: GENERAL SECTOR

PERFORMANCE AUDIT

Working of Fire and Emergency Services

The Fire and Emergency Services (F&ES), Assam has been identified as a multi hazard first responder and entrusted with the task of safeguarding life and property of the people from fire, floods, storms, earthquakes etc.

A Performance Audit (PA) on 'Working of Fire and Emergency Services' for the period 2012-13 to 2016-17 showed that the department could not attain the desired level of preparedness required to minimise the impact in the eventuality of any disaster taking place in future. This was due to lack of adequate planning, infrastructure, database and awareness. The key findings of the PA were as under:

Highlights:

- The Government short released ₹ 102.08 crore leaving impact in creation of required infrastructure, including the fire-fighting equipment. Imprudent financial management was evident as the Government released the fund at the fag-end of financial years during 2012-17.
- Test check of 3,326 Fire Reports (pertaining to the period 2012-17) out of 5,681 fire accidents occurred in the jurisdiction of 26 selected Fire Stations (FSs) showed that the disaster prevention management of the F&ES was poor. There was delay in response noticed in

61 *per cent* test checked cases (2,028 numbers) of fires by the F&ES.

- Disaster prevention mechanism lacked measures for the conduct of regular physical inspection of hazardous buildings. The F&ES issued 3,787 fire safety suggestions. Against this, 2,975 No Objection Certificates (NOC) were issued to only those who voluntarily approached the Department during 2012-17. The F&ES, however, failed to issue 812 NOCs due to lack of follow up action on their part. Similarly, it could renew only 2,420 out of 4,076 NOCs which were required to be renewed on yearly basis (as on 31 March 2017). The NOCs in respect of balance 1,656 cases of could not be renewed by the F&ES despite expiry of their validity period.
- The State had a whopping shortage of 93 *per cent* Fire and Emergency Stations (F&ESs) and 48 *per cent* pumping units as compared to the prescribed norms. The F&ES also had a shortage of 84 *per cent* of rescue vans and 77 *per cent* of static water tanks than the norms.
- The F&ES did not conduct physical fitness test required to be conducted every six months under the norms in respect of 290 firemen, who had crossed the upper age limit of 45 years during 2012-17.
- Action Taken Note on the various deficiencies in functioning of F&ES pointed out vide Report of the C&AG of India for the year ended March 2007, was yet to be furnished by the Government.

COMPLIANCE AUDIT

Border Area Development Programme (BADP)

The Department of Border Management, Ministry of Home Affairs (MHA), GoI, is implementing the Border Area Development Programme (BADP)³ from the seventh Five Year Plan (1988-1992). In Assam, implementation of BADP started since 1993-94.

BADP is a major intervention strategy of the Central Government to meet the special development needs of the people living in remote and inaccessible areas situated near the international border and to saturate the border areas with the required essential infrastructure through convergence of central/state/local schemes and participatory approach.

Implementation of the scheme in the state suffered due to short release of funds amounting to ₹ 191.19 crore by the GoI during 2012-15. This was due to non-submission of utilisation certificates (UCs) by the State and delay in approval of the schemes by the State Level Screening Committee.

General Administration Department

- *Excess payment*

The Deputy Commissioner, Jorhat failed to deduct 10 per cent contractor's profit at the time of payment for works executed through Construction Committees which

³ A Centrally funded scheme upto 2015-16 and a Centrally Sponsored Scheme with sharing pattern of 90:10 between GoI and GoA from 2016-17.

resulted in excess payment of ₹ 0.70 crore.

- ***Suspected misappropriation***

The Deputy Commissioner, Jorhat failed to furnish the records of utilization of ₹ 13.56 lakh which pointed towards suspected misappropriation. Further, the Additional DC irregularly issued UC against the amount.

Printing and Stationery Department

- ***Infructuous expenditure***

Director, Printing & Stationery, Assam incurred infructuous expenditure of ₹ 1.21 crore towards purchase of machineries for modernization of Government Press, which remained uninstalled and unutilized.

Revenue and Disaster Management Department

- ***Excess payment***

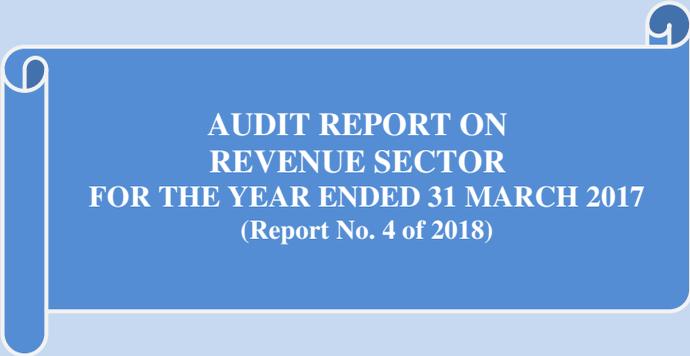
Assam State Disaster Management Authority made excess payment of ₹ 2.95 crore to All India Disaster Mitigation Institute due to misinterpretation of the terms and conditions of the agreement.

- ***Irregular and unauthorized expenditure***

Expenditure of ₹ 1.54 crore incurred by Deputy Commissioner, Kamrup (Rural) for the execution of four works of permanent nature from State Disaster Response Fund (SDRF) was irregular and unauthorized.

- ***Loss of interest***

State Government delayed transfer of SDRF to Public Account in violation of the SDRF Guidelines that resulted in potential loss of interest of ₹ 51.24 crore.

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**AUDIT REPORT ON
REVENUE SECTOR
FOR THE YEAR ENDED 31 MARCH 2017
(Report No. 4 of 2018)**

**AUDIT REPORT ON REVENUE SECTOR
FOR THE YEAR ENDED 31 MARCH 2017
(Report No. 4 of 2018)**

This Report contains 35 paragraphs relating to non/short levy of taxes/duties/royalty, interest and penalty *etc.*, loss of revenue, irregular exemption and other irregularities.

It also contains a Performance Audit on 'Working of Geology and Mining Department, Assam'.

The departments accepted cases involving revenue of ₹ 1,413.77 crore and recovered revenue of ₹ 2.02 crore. In addition, financial irregularities of ₹ 0.19 crore was accepted by the Transport Department.

Some of the major findings are mentioned below:

Highlights

- Adequate exploration and mineral investigation was not carried out by the Department to assess the quality and quantity of mineral reserves in the State.
- Production of petroleum commenced prior to grant of Petroleum Mining Lease (PML) as the Department neither followed nor monitored any timeline for application and grant of PML.

- Department did not cross check returns for production with annual accounts/other reports resulting in acceptance of lower quantity of production of crude oil and natural gas reported by Oil India Limited and Oil and Natural Gas Corporation Limited which lead to short payment of royalty of ₹ 351.79 crore.
- A dealer declared a portion of the taxable turnover as exempted sales resulting in non-levy of tax of ₹ 28.46 lakh on which interest of ₹ 14.70 lakh was additionally leviable.
- Excess allowance of godown wastage over the permissible limit led to non-realisation of revenue of ₹ 1.98 crore.
- Failure in raising demands of Motor Vehicle tax amounting to ₹ 53.23 lakh and fine of ₹ 13.02 lakh from 239 commercial vehicle owners.
- Loss of government revenue amounting to ₹ 56.96 lakh due to non-collection of 'other charges'.

PERFORMANCE AUDIT

Working of Geology and Mining Department, Assam

Mineral exploration and development is closely linked with the development of economy and upliftment of the local population. As the exploitation of minerals adversely affects the environment, a balance is to be maintained between its development and conservation.

The Geology and Mining Department of Government of Assam is responsible for the investigation/exploration of the State's minerals and groundwater resources. It also administers exploitation and development of these naturally endowed assets. Coal, crude oil, natural gas, limestone, *etc.*, are the chief mineral resources of the State.

The management of mineral resources is the responsibility of both the Central and the State Governments.

To ensure the conservation, systematic development and regulation of mining activities in the country, Government of India (GoI) enacted the Oilfield (Regulation and Development) Act, 1948; the Petroleum and Natural Gas Rules, 1959; the Mines and Minerals (Development and Regulation) Act, 1957; the Mineral Concession Rules, 1960; the Mineral Conservation and Development Rules, 1988; the Mines Act, 1952; and, the Colliery Control Rules, 2004. The Government of Assam (GoA) has adopted these Acts and Rules.

Highlights:

- Adequate exploration and mineral investigation was not carried out by the Department to assess the quality and quantity of mineral reserves in the State
- Production of petroleum commenced prior to grant of Petroleum Mining Lease (PML) as the Department neither followed nor monitored any timeline for application and grant of PML.

- There was short payment of stamp duty of ₹ 158.99 crore for 16 mining leases. Further, there was loss of revenue of ₹ 14.99 lakh due to non-registration of 32 lease deeds.
- The Department did not detect the short/non-payment of licence fee for 13 Petroleum Exploration Licences (PELs) amounting to ₹ 5.97 crore and did not levy interest of ₹ 38.06 lakh in respect of 16 licensees for delayed payment of licence fee.
- Short deposit of statutory fees in respect of 17 PMLs amounting to ₹ 1.15 crore was not realised.
- Department did not cross check returns for production with annual accounts/other reports resulting in acceptance of lower quantity of production of crude oil and natural gas reported by Oil India Limited and Oil and Natural Gas Corporation Limited which lead to short payment of royalty of ₹ 351.79 crore.
- Surface rent of ₹ 20.34 crore in respect of 39 PMLs was not realised.
- The Department did not levy dead rent amounting to ₹ 14.24 crore in respect of non-operation of mining leases.

Chapter I – General

- The total receipts of the State for the year 2016-17 were ₹ 49,219.81 crore against ₹ 42,457.68 crore in the previous year. Of this, 33 *per cent* was raised by the

State Government through tax revenue (₹ 12,079.56 crore) and non-tax revenue (₹ 4,353.13 crore). The balance 67 *per cent* was received from the Government of India in the form of State's share of net proceeds of divisible Union taxes (₹ 20,188.64 crore) and grants-in-aid (₹ 12,598.48 crore).

- During the year 2016-17, only one Audit Committee meeting in respect of State Excise Department was held in which 27 paragraphs were settled.
- Test check of records of 92 offices conducted during the year 2016-17 revealed under assessment/short levy/loss of revenue having financial implication of ₹ 404.68 crore.

Chapter II – Finance (Taxation) Department

- A dealer declared a portion of the taxable turnover as exempted sales resulting in non-levy of tax of ₹ 28.46 lakh on which interest of ₹ 14.70 lakh was additionally leviable.
- Failure of the Assessing Officer (AO) to assess the dealers at correct rate of tax resulted in short levy of tax of ₹ 59.52 lakh including interest of ₹ 30.98 lakh.
- Failure of the AO to take into account all available information at the time of assessment resulted in non-detection of escapement of turnover with evasion of tax of ₹ 28.41 lakh.

- Assessment done at incorrect rate of tax resulted in short determination of remission amount by ₹ 6.46 crore to an industrial unit.
- Excess allowance of remission of tax of ₹ 12.99 lakh to an industrial unit and unrealised interest of ₹ 3.90 lakh.
- Grant of concessional rate of tax against fraudulent 'C' forms resulted in short levy of tax of ₹ 1.03 crore and on which interest of ₹ 85.13 lakh was leviable.
- Three dealers were incorrectly allowed concessional rate of tax against invalid 'C' forms furnished by the purchasing dealers which resulted in short levy of tax of ₹ 96.28 lakh and on which interest of ₹ 46.21 lakh was leviable.
- Incorrect grant of concession in respect of two dealers against invalid and obsolete 'C' forms led to revenue of ₹ 24.68 lakh not being realised.
- Failure of the AO to timely issue arrear certificates for ₹ 2.16 crore inspite of issuance of demand notices allowed the dealers to take the benefit of the Assam Taxation (Liquidation of Arrear Dues) (Amendment) Act, 2016, which resulted in non-realisation of government revenue to the tune of ₹ 67.18 lakh.
- Failure of the AO to co-relate records led to non-detection of concealment of taxable import resulted in short levy of Entry Tax of ₹ 32.55 lakh.

- Non-registration of a dealer under the Assam Entry Tax Act resulted in loss of revenue of ₹ 8.60 lakh.

Chapter III – Excise Department

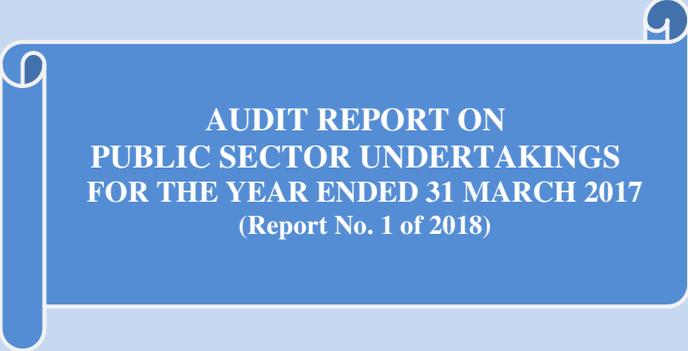
- Excess allowance of godown wastage over the permissible limit led to non-realisation of revenue of ₹ 1.98 crore.
- Non-initiation of action by the Superintendent of Excise (SE) against a contractor resulted in potential loss of revenue of ₹ 91.58 lakh.
- Failure of the SE to realise establishment charges of ₹ 63.55 lakh from three licensees.
- Non-realisation of annual renewal licence fees amounting to ₹ 56.50 lakh from seven licensees.
- Loss of revenue of ₹ 33.53 lakh due to failure of officers to realise the duty coupled with wrong interpretation of Executive Instruction.
- Short realisation of licence fees of ₹ 25.35 lakh from six licensees.
- ₹ 5.50 lakh short realised as brewery and bottling licence fees.
- Non-accountal of consignment in stock register leading to possibility of evasion of government revenue of ₹ 5.35 lakh.

Chapter IV – Transport Department

- Failure in raising demands of Motor Vehicle tax amounting to ₹ 53.23 lakh and fine of ₹ 13.02 lakh from 239 commercial vehicle owners.
- Non-assignment of local/new registration marks to vehicles entering Assam from other states resulted in non-realisation of ₹ 60.36 lakh from 49 vehicle owners.
- Non-realisation of fitness fees of ₹ 39.41 lakh from 1,714 vehicle owners.
- Undue financial benefit of ₹ 18.63 lakh to 27 employees due to non-realisation of house rent and payment of House Rent Allowance despite occupying government quarters.

Chapter V – Environment and Forests Department

- Loss of government revenue amounting to ₹ 56.96 lakh due to non-collection of 'other charges'.
- Collection of royalty at pre-revised rate resulted in short realisation of ₹ 11.20 lakh.
- Non-realisation of reserve price of ₹ 37.11 lakh on the unauthorised extraction of minor minerals.

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**AUDIT REPORT ON
PUBLIC SECTOR UNDERTAKINGS
FOR THE YEAR ENDED 31 MARCH 2017**
(Report No. 1 of 2018)

**AUDIT REPORT ON PUBLIC SECTOR
UNDERTAKINGS
FOR THE YEAR ENDED 31 MARCH 2017
(Report No. 1 of 2018)**

The Report of the Comptroller and Auditor General of India on Public Sector Undertakings (Report No. 1 of 2018) deals with the results of audit of Government Companies and Statutory Corporations for the year ended 31 March 2017, and was prepared for submission to the Governor of the State under Article 151 (2) of the Constitution of India as amended from time to time.

The Report contains an overview on the functioning of State Public Sector Undertakings (SPSUs), one performance audit and nine audit paragraphs emerging from the compliance audit of SPSUs.

Chapter I : Functioning of State Public Sector Undertakings

Audit of Government companies is governed by Section 143 of the Companies Act, 2013. The financial statements of Government companies are audited by Statutory Auditors appointed by CAG. These financial statements are also subject to supplementary audit conducted by officers of the CAG. Audit of Statutory corporations is governed by their respective legislations. As on 31 March 2017, the State of Assam had 49 SPSUs (33 working and 16 non-working SPSUs), which

employed 37,558 employees. The 33 working SPSUs included 30 Companies and three Statutory Corporations. The working SPSUs registered a turnover of ₹ 5,608.72 crore for 2016-17 as per their latest finalised accounts as on 30 September 2017. This turnover was equal to 2.18 *per cent* of State Gross Domestic Product. The working SPSUs incurred an overall loss of ₹ 279.72 crore for 2016-17 as per their latest finalised accounts as on 30 September 2017. The Return on Equity (RoE) in respect of 18 out of 33 working SPSUs was 7.32 *per cent* as per their latest finalised accounts as on 30 September 2017. The accumulated losses of remaining 15 working SPSUs had completely eroded their share capital. Hence, RoE of these 15 SPSUs was not workable. Accumulation of huge losses by these SPSUs had eroded public wealth, which is a cause of serious concern.

Investment in SPSUs

The investment (capital and long-term loans) in 49 SPSUs was ₹ 5,436.30 crore as on 31 March 2017. It increased by 55.06 *per cent* from ₹ 3,505.97 crore in 2012-13. The thrust of investment in SPSUs was mainly in the power sector SPSUs. The investment in power sector SPSUs increased by 114 *per cent* from ₹ 1,896.99 crore (2012-13) to ₹ 4,055.83 crore (2016-17). The State Government provided an aggregate amount of ₹ 1,253.39 crore towards equity (₹ 0.07 crore), loans (₹ 411.57 crore) and grants/subsidies (₹ 841.75 crore) to 13 SPSUs during 2016-17.

Arrears in accounts and winding up

As on September 2017, out of 33 working SPSUs, 28 working SPSUs had arrears of 179 accounts. The extent of arrears ranged up to 24 years, which was significant. Further, out of 16 non-working SPSUs, 14 SPSUs had arrears of accounts ranging upto 34 years. The State Government needs to expedite the liquidation process to wind up 16 non-working SPSUs, as they do not serve any purpose.

Explanatory notes not received

As per the instructions (May 1994) of the GoA, the administrative departments concerned were required to prepare explanatory notes on the performance audits and audit paragraphs included in the Audit Reports. The administrative departments were required to submit the said explanatory notes to the Assam Legislative Assembly with a copy to the Accountant General within 20 days from the date of receipt of the Audit Reports.

The administrative departments concerned did not submit any explanatory notes on 26 Audit Reports (1990-91 to 2015-16) containing 54 performance audits and 303 audit paragraphs submitted to the State Legislature as on 30 September 2017.

Compliance to Reports of Committee on Public Undertakings (COPU)

Action Taken Notes (ATN) on 112 recommendations pertaining to 15 Reports of the COPU presented (October 2002 to December 2011) to the State Legislature had not been received (September 2017). These reports of COPU contained recommendations in respect of nine performance audits and 50 paragraphs pertaining to seven departments, which appeared in the Audit Reports of the CAG of India for the years 1994-95 to 2006-07.

Chapter II: Performance Audit relating to Government Company

Performance Audit

‘Implementation of Restructured-Accelerated Power Development and Reforms Programme component in Assam under Integrated Power Development Scheme’ by Assam Power Distribution Company Limited

Introduction

The Government of India (GoI) launched (December 2008) the Re-structured Accelerated Power Development and Reforms Programme (R-APDRP scheme/Scheme). GoI further launched (December 2014) the Integrated Power Development Scheme (IPDS), which subsumed the existing R-APDRP scheme. The Assam Power Distribution Company Limited (Company) took up (November 2009) the Scheme in

Assam with a completion schedule of five years (November 2014). The basic objective of the Scheme was to reduce Aggregate Technical and Commercial (AT&C) losses in the power distribution sector of the Country. The present Audit Report covered the performance of the Company in conceptualisation, implementation and achievement of the objectives of the R-APDRP scheme during the period from April 2009 to March 2017.

Planning

The Company did not prepare any comprehensive plan for implementation of Scheme works in the State. This led to lack of proper foresight at the planning stage and mid-course corrections in design, work specifications, change in project sites on account of defective Detailed Project Reports.

Funding

The Company included additional 15 *per cent* on the cost estimates prepared as per the Schedule of Rate (SoR) without the approval of GoI. This addition was made on the plea to keep a cushion for absorbing the cost escalation. The project cost was, thus, overestimated by ₹ 77.87 crore due to preparation of inflated cost estimates.

The Company included additional supervision charges component (15 *per cent*) while preparing the cost estimates for Part-B project works. This irregularly inflated project cost by ₹ 11.75 crore in violation of the Scheme guidelines.

Project Implementation (Part-A projects)

The Company had taken an unreasonably high period of two years in selection of IT Implementing Agency (ITIA) after appointment of IT consultant. The Company had, further, taken a period of 14 months in handing over the Data Centre (DC) building to ITIA. As a result, the ITIA could complete the works (March 2016) after 39 months of scheduled date (January 2013).

To perform energy audit and accounting of project areas, it was essential that the project areas had up-to-date Geographic Information System (GIS) mapping of asset and consumer information in GIS repository. The Company had never updated the system for changes in assets and consumer base in the projects areas. The GIS maps of assets and consumers information prepared for the project areas become outdated.

The Company could achieve 100 *per cent* online communication in 6 out of 67 project areas. The non-availability of online data was mainly attributable to defective meters and modems, defective Data Concentrating Units, failure/non-availability of General Packet Radio Service (GPRS) connectivity *etc.* The accuracy and credibility of the AT&C loss data in different project areas, thus, remained questionable.

Project Implementation (SCADA)

The Supervisory Control and Data Acquisition (SCADA) project, which was originally scheduled for completion by March 2014, could not be completed so far (September 2017). The Company could install only 29 Remote Terminal Units (RTUs) out of total 36 RTUs planned for installation in equal number of 33/11 KV substations. Further, the Company could make only 13 RTUs operational through SCADA control system out of said 29 RTUs.

The Company could not develop the Distribution Management System (DMS) and therefore generated various Management Information System (MIS) reports based on the alarm data of the SCADA application. The reports so generated were erroneous due to discrepancies and inconsistencies in the alarm data. The Company, thus, could not achieve the basic Scheme objective to have on-line control and monitoring over the distribution network without human intervention.

Project Implementation (Part-B projects)

The Company could not complete Part-B works in any of the 67 project areas within the original scheduled completion period (November 2014). As of September 2017, the Company could complete the scheme works in 47 out of total 67 project areas. The Part-B projects in remaining 20 project areas were ongoing.

The Company could not install 21,827 prepaid meters valuing ₹ 14.60 crore out of 24,212 meters as the meters procured did not have the features relating to recording of power factor reading and Maximum Demand. Further, the warranty period of 15,657 meters valuing ₹ 9.68 crore had expired before installation.

The Company could achieve the targeted level (15 per cent) of Aggregate Technical & Commercial losses (AT&C losses) only in 5 out of 47 completed project areas.

Monitoring

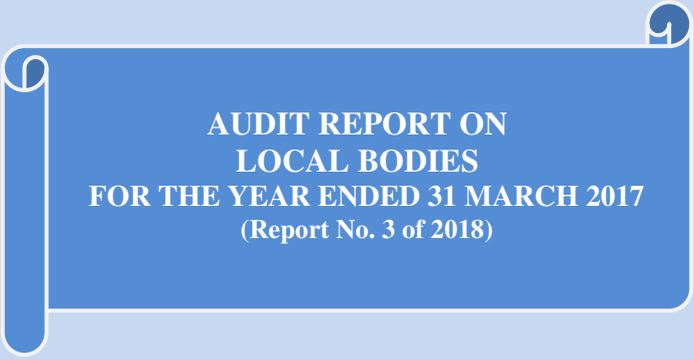
The State Level Distribution Reforms Committee formed (June 2009) to monitor the execution of the scheme met only thrice since its inception. There were delays in resolving issues relating to selection of project works sites, receipt of materials not conforming to specification and integration of SCADA equipment with SCADA system.

Chapter III: Compliance Audit Observations

Compliance Audit observations included in the Report highlights deficiencies in the management of SPSUs, which resulted in serious financial implications. Gist of some of the important audit observations is given below:

- **DNP Limited** had to sustain a net revenue loss of ₹ 6.73 crore due to non-revision of transportation tariff on account of variation in the fuel cost.
- In the case of theft of electricity, the quantum of electricity loss shall be assessed based on the assessed consumption of detected category as per the AERC Regulations and connected load of the consumer for a period of 12 months prior to the date of detection. The Company shall bill the consumer at the rate of two times of the existing tariff. However, **Assam Power Distribution Company Limited** billed two consumers based on 'average consumption' thereby incurring a loss of ₹ 2.17 crore.
- **Assam Small Industries Development Corporation Limited** extended undue benefit of ₹ 1.54 crore to the suppliers at the cost of State exchequer due to fixation of rates on the higher side.

- **Assam Power Generation Corporation Limited** had to forego the 'efficiency incentive' amounting to ₹ 1.17 crore due to incorrect classification of a hydroelectric project, which was eligible for higher incentive.

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**AUDIT REPORT ON
LOCAL BODIES
FOR THE YEAR ENDED 31 MARCH 2017
(Report No. 3 of 2018)**

**AUDIT REPORT ON LOCAL BODIES
FOR THE YEAR ENDED 31 MARCH 2017
(Report No. 3 of 2018)**

This report contains six chapters. The first and fourth chapters contain an overview of the Functioning, Accountability Mechanism and Financial Reporting issues of Panchayati Raj Institutions (PRIs) and Urban Local Bodies (ULBs) respectively. The second and third chapters contain a Performance Audit of “Implementation of recommendations of Fourth Assam State Finance Commission and Utilisation of the Grants by Panchayati Raj Institutions” and Compliance audit paragraphs of PRIs respectively. The fifth and sixth chapter contain a Performance Audit of “Utilisation of 13th and 14th Finance Commissions Grants by Urban Local Bodies” and Compliance audit paragraphs of ULBs respectively. A synopsis of the findings is presented in this overview.

Chapter I & IV

An Overview of the Functioning, Accountability Mechanism and Financial Reporting issues of the PRIs and ULBs in the State

Highlights

- Till August 2017, activity mapping of 23 out of the 29 subjects listed in XIth Schedule of the Constitution of India in respect of PRIs was done by the Government of Assam (GoA). GoA ordered for devolution of only seven out of 23 subjects issued to the PRIs. In respect of ULBs, only eight out of the 18 subjects listed in XIIth Schedule were implemented by the ULBs in Assam, as their traditional functions. Thus, the objective of empowering the PRIs and ULBs to function as effective institution of Local Self-Government (LSG) remained unachieved.
- The Director of Audit, Local Fund (DALF), Assam, established under the Assam Local Funds (Accounts & Audit) Act, 1930 is the Primary Auditor of all tiers of PRIs and ULBs in the State. There were arrears in the audit of Local Bodies, by the DALF, during the period 2012-17, ranging between 21 and 56 *per cent*.
- The Comptroller and Auditor General (CAG) of India conducts audit of Local Bodies under Section 14 (1), 15, 20 (1) of CAG's Duties, Powers and Conditions of service (DPC) Act, 1971. Local Bodies are required to comply

with the observations contained in the Inspection Reports (IRs) issued by the Accountant General. However, 8,269 paragraphs with monetary value of ₹ 2,987.24 crore were pending for settlement (March 2017) for want of replies from the concerned Local Bodies.

- The Committee on Local Fund Accounts (CoLFA) constituted by the State Legislature, discusses the Audit Report on LBs, which contain audit findings relating to the PRIs and ULBs. Till December 2017, Audit Report for the year ended March 2014 had been discussed by CoLFA. However, action taken report in this regard is awaited. Internal audit of PRIs and ULBs were never conducted.
- The Departments lacked control over its own revenue resources, as data regarding revenue mobilisation of the PRIs and ULBs were not available. Urban Development Department (UDD) and Panchayat and Rural Development Department (PRDD) failed to furnish information on the present status of preparation of accounts.
- Funds were released by the Government even though PRIs and ULBs had not submitted budget proposals.
- Although these shortcomings were regularly pointed out to the PRIs and ULBs, as well as to the State Government, there was a marked lack of remedial action in this regard indicating inadequacy of the internal control mechanism.

Chapter II

Performance Audit of “Implementation of recommendations of Fourth Assam State Finance Commission (4th AFSC) and utilisation of the Grants by Panchayati Raj Institutions”

Highlights

- Government of Assam (GoA) failed to comply with the recommendations and suggestions of the 4th AFSC for transfer of all the activities as listed in Schedule XI of the Constitution of India. This frustrated the objective of empowering the PRIs to function as effective institutions of Local Self-Government (LSG).
- Due to short release of ₹ 2,389.80 crore, PRIs could not take up the visible schemes like construction of roads, income generating assets, tourist lodges, markets and parks as well as complete construction of office and residential buildings for PRIs.
- Utilisation Certificates (UCs) for ₹ 533.24 crore were pending from 2011-17 in 20 Zilla Parishads (ZPs) which indicated lack of financial discipline by the ZPs besides lack of monitoring by PRDD. Non-submission of UCs deprived the ZPs of subsequent release of funds.
- Construction of eight multi-purpose halls by five ZPs remained incomplete though ₹ 6.10 crore was incurred. This deprived the rural population of their intended

benefit besides loss of revenue to the respective ZPs.

- ₹ 10.00 crore incurred towards construction of 348 staff quarters remained idle as these buildings remained unoccupied for more than three years in five ZPs.
- ₹ 1.25 crore was released in March 2012 for construction of ZP Building and multi-purpose hall at Amingaon under Kamrup ZP. The work, however, could not commence till May 2017 resulting in blockade of funds to the tune of ₹ 1.25 crore.

Chapter III

Compliance Audit Paragraphs of PRIs

Highlights

- Development Blocks/Anchalik Panchayats (APs) were to close their Bank accounts in respect of National Social Assistance Programme (NSAP) as ZPs were disbursing pension online (RTGS) directly to beneficiaries' account since financial year 2014-15. However, Nagaon ZP, Kamrup ZP and Karbi Anglong District Rural Development Authority (DRDA) retained ₹ 2.73 crore till May 2017 without disbursing pension to beneficiaries. Unauthorised retention of NSAP fund deprived the pensioners of their pension in time.

- The age of the primary bread-winner, at the time of death, is required to be verified in all cases before selecting the beneficiaries. DRDA, Karbi Anglong, Cachar ZP, Kamrup ZP and Nagaon ZP, disbursed family benefit of ₹ 9.92 crore under National Family Benefit Scheme (NFBS) to 5,729 beneficiaries without proper verification of age of the deceased bread-winner.
- Project Director (PD) DRDA, Karbi Anglong sanctioned NFBS assistance of ₹ 5.10 lakh without verifying relevant documents forwarded by Block Development Officer (BDO). Scrutiny of records of 51 deceased persons showed that death certificates of 20 deceased persons, issued by the same issuing authority were bearing same certificate number (0014385). It was also noticed that in one case, the issuing authority issued death certificate before the occurrence of death of the bread-winner.
- Only three out of five market sheds were constructed by the construction committee though full amount of ₹ 25 lakh was withdrawn for construction of market shed in Chariduar weekly bazar under Sonitpur ZP leading to suspected misappropriation of ₹ 16.25 lakh.
- The BDO of Sipajhar AP made payment of ₹ 28.11 lakh and ₹ 8.07 lakh on fictitious procurement and installation of 412 and 374 hand tube wells respectively.
- Nagaon ZP incurred a loss of revenue amounting to ₹ 1.01 crore due to settlement of markets/hats/beels at

lower bid value ignoring the highest bidder.

- Sonitpur ZP incurred loss of Government revenue of ₹ 43.85 lakh by not registering lease deeds of markets, fisheries *etc.*, resulting in undue financial benefit to lessees to that extent.
- Avoidable extra expenditure of ₹ 22.55 lakh was incurred by the Kamrup ZP due to non-deduction of 10 *per cent* contractor's profit in the estimate for the works executed departmentally.

Chapter V

Performance Audit of “Utilisation of 13th and 14th Finance Commission Grants by Urban Local Bodies”

Highlights

- Government of India (GoI) released Finance Commission (FC) grants of ₹217.18 crore to GoA during 2010-11 to 2016-17. GoA transferred only ₹ 203.41 crore out of ₹ 217.18 crore to ULBs. As such there was a short release of ₹ 13.77 crore. Further, 23 ULBs covered under this audit, failed to effectively utilise ₹ 25.07 crore released to them, mainly due to non-completion/non-commencement of works.
- GoI did not release General Performance Grants (GPGs) to

GoA for the period 2012-15 due to non-fulfilment of eligibility conditions by the ULBs. As a result, GoA suffered a loss of ₹ 77.50 crore.

- GoA did not get ₹ 21.17 crore as General Basic Grants (GBGs) due to non-submission of UCs. This deprived the urban population of civic amenities.
- The Director, Municipal Administration (DMA) instead of releasing the FC grants to the ULBs, released ₹ 13.27 crore to the Public Works Department (PWD), Assam for construction of Urban Management Institute at Guwahati, which also remained incomplete till March 2017.
- Nine out of 23 ULBs covered under this audit, did not have any dumping grounds. The collected solid wastes were dumped in nearby low lying areas posing threat to health and causing adverse impact on environment due to pollution.
- Nine ULBs in violation of FC guidelines incurred expenditure of ₹ 6.89 crore for payment of salary, retirement benefit, electricity bill and honorarium for chairperson and members *etc.*, out of 13th and 14th FC grants.
- Objective of creation of database and preparation of accounts remained unachieved even after incurring an expenditure of ₹ 1.61 crore in 22 test-checked ULBs. Further, due to non-preparation of the accounts, GoA was deprived of GPGs for the years 2012-15.

Chapter VI

Compliance Audit Paragraphs of ULBs

Highlights

- The cashier of the Guwahati Municipal Corporation (GMC) misappropriated ₹ 1.84 crore by not depositing the amount collected in cash from different branches of GMC in the bank accounts of GMC.
- GMC suffered loss of revenue of ₹ 16.08 lakh due to lack of monitoring of deposit of lease value by lessee of the Beltola Bi-weekly market besides suspected misappropriation of ₹ 6.49 lakh.
- Gossaigaon Town Committee irregularly granted mobilisation advance to the contractor beyond the prescribed limit and incurred loss of interest of ₹ 21.64 lakh also as no interest was levied on the advance released to the contractor.
- The Chairman, Dhekiajuli Municipal Board incurred avoidable expenditure of ₹ 11.45 lakh by not deducting 10 *per cent* contractor's profit from the works executed departmentally.

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