



ANNUAL TECHNICAL INSPECTION REPORT ON PANCHAYATI RAJ INSTITUTIONS AND URBAN LOCAL BODIES

for the year ended 31 March 2013

The Report has been laid on the table of the State Legislature Assembly on 04-08-2014



**OFFICE OF THE ACCOUNTANT GENERAL (AUDIT) ASSAM,
GUWAHATI**

**In terms of the Technical Guidance and Supervision by
the Comptroller and Auditor General of India**

GOVERNMENT OF ASSAM

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PREFACE

The Annual Technical Inspection Report (ATIR) has been prepared for submission to the Government of Assam (GoA) in accordance with the terms and conditions of the Technical Guidance and Supervision (TGS) on the audit of accounts of Panchayati Raj Institutions (PRIs) and Urban Local Bodies (ULBs) as entrusted by the GoA to the Comptroller and Auditor General (CAG) of India under Section 20 (1) of the CAG's (DPC) Act, 1971. This is the ninth Report prepared on PRIs and ULBs in Assam.

2. This report provides an overview of the functioning of PRIs and ULBs in the State and draws the attention, of the executive departments, towards major audit findings of audits conducted during 2012-13, for taking appropriate remedial action.

3. The Report contains five chapters. Chapter I and Chapter III contain overviews of PRIs and ULBs (Section A) and the comments on financial reporting (Section B). Chapter II and chapter IV contains findings emerging from transaction audits of PRIs and ULBs and Chapter V contains results of Performance Audit (PA).

4. The cases mentioned in this Report are consolidation of major audit findings arising out of audit of accounts of 61 PRIs (seven Zilla Parishads, 17 Anchalik Panchayats and 37 Gaon Panchayats) and 32 ULBs (Gauhati Municipal Corporation, 16 Municipal Boards and 15 Town Committees) which came to notice during the year 2012-13 as well as those which had come to notice in earlier years but could not be dealt with in previous Reports. Matters relating to the period subsequent to 2012-13 have also been included wherever necessary.

OVERVIEW

OVERVIEW

CHAPTER – I

Section -A

An overview of Panchayati Raj Institutions (PRIs)

There are 2407 PRIs in the State. The Principal Secretary, Panchayat and Rural Development Department (PRDD) is the administrative head of PRIs

(Paragraph 1.1)

District Planning Committees (DPC) have been formed in all districts of General Areas but they were yet to perform their mandated functions as envisaged in Article 243 ZD of the Constitution.

(Paragraph 1.8)

The State Government appointed nine Ombudsmen and two Deputy Ombudsmen in 11 out of 27 districts in the State under section 27 (1) of the MGNREG Act, 2005. However, there was no provision in the Assam Panchayat Act (AP Act).

(Paragraph 1.16.1)

Section-B

Financial Reporting of PRIs

Asset Registers were not maintained by 25 test checked PRIs and the State Government also did not call for any return on the nature of asset, year of creation and monetary value of the assets.

(Paragraph 1.19.2)

25 out of 61 test checked PRIs had not prepared Budget Estimates during 2008-09 to 2011-12 and seven PRIs incurred expenditure of ₹2.97 crore without preparation of budget.

(Paragraph 1.19.3)

CHAPTER II

Transaction Audit of PRIs

An amount of ₹18.15 lakh was fraudulently withdrawn from bank instead of ₹1.15 lakh by tampering the amount of three cheques meant for payment of Value Added Tax (VAT) and implementation of District Development Plan (DDP) scheme. Out of fraudulent withdrawal of ₹17.00 lakh (₹18.15 lakh - ₹1.15 lakh), ₹9.00 lakh was recovered and ₹8.00 lakh still remained unrecovered.

(Paragraph 2.1)

Execution of plantation works during the years 2009-10 to 2011-12 under Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) was doubtful as the Block Development Officer (BDO), Sissiborgaon Development Block (DB) failed to produce any records in support of actual execution of the works amounting to ₹99.24 lakh. Moreover, no evidence of plantation was found during joint physical verification conducted in three cases.

(Paragraph 2.3)

The Chief Executive Officer (CEO), Golaghat Zilla Parishad (ZP) unauthorisedly incurred an expenditure of ₹49.51 lakh out of ₹59.72 lakh retained from the District Development Plan (DDP) fund as contingency in violation of the DDP guidelines. The CEO also failed to produce records in support of expenditure of ₹11.85 lakh.

(Paragraph 2.5)

Irregular financial assistance of ₹2.15 crore was provided by the Block Development Officer (BDO), Golaghat North Development Block (DB) to 541 beneficiaries which did not belong to the BPL households depriving 541 genuine beneficiaries of the benefit of IAY scheme.

(Paragraph 2.6)

Construction of Bamboo Mat Industry at Mandia remained incomplete for five years after spending ₹95.77 lakh resulting in unproductive expenditure. The objective of the scheme remained unachieved as local people of the district were deprived of an opportunity of earning their livelihood.

(Paragraph 2.8)

Guide bunds constructed without appropriate technical estimates and approval were not capable of resisting water pressure during flood due to which these bunds were washed away resulting in doubtful expenditure of ₹76.61 lakh.

(Paragraph 2.9)

CHAPTER – III

Section -A

Overview of ULBs

There are 93 ULBs in the State as on 31 March 2013. Of the 93 ULBs, 75 are in General Areas and governed according to the provisions of the AM Act, 1956. The remaining 18 ULBs falling within the Sixth Schedule Areas are governed by the rules framed by the respective ADCs.

(Paragraph 3.1)

Due to short release of ₹997.73 crore the ULBs were unable to implement various welfare activities for the overall economic development.

(Paragraph 3.7)

The objective of creating the Municipal window in the State Budget was frustrated due to lack of effective action on the part of the Government to implement its own decisions on devolution of 3Fs to the ULBs.

(Paragraph 3.8)

Section -B

Financial Reporting of ULBs

The accounts of ULBs were maintained on cash basis instead of accrual based double entry system. The prescribed mandatory reforms were also not introduced by the ULBs.

(Paragraph 3.16)

CHAPTER IV

Transaction Audit of ULBs

The Ex-Chairman, Sapatgram Town Committee (STC) withdrew ₹2.47 crore from the banks without recording it in the Cash Book and without maintaining any records in support of any expenditure incurred out of withdrawn amount resulting in misappropriation of Government money. Even the present Chairman did not initiate any action to investigate the matter and recover the misappropriated Government money.

(Paragraph 4.1)

CHAPTER V

Performance Audit on working of the Guwahati Municipal Corporation (GMC)

The GMC neither prepared any long term perspective plan nor short term annual plans during its 39 years of existence. Schemes/works were executed as and when fund was made available to the Municipal authority

(Paragraph 5.2.1)

Only four traditional functions were transferred to the GMC against 18 functions listed in the 12th schedule of the Constitution of India. Major functions were either transferred partially or yet to be transferred to GMC as of March 2013 and these were carried out by the line Departments/parallel bodies in violation of the 74th CAA, 1992.

(Paragraph 5.2.3)

Annual budgets were approved after a period of six to eleven months from the commencement of financial year and 61.75 per cent (₹59.59 crore) to 90.48 per cent (₹104.34 crore) of the fund was unauthorisedly spent before the approval of final budget.

(Paragraph 5.3.3)

₹7.97 crore was spent without budget provision during 2007-08 & 2009-10.

(Paragraph 5.3.4.3)

Revenue collection of ₹10.21 crore was directly deposited into the bank accounts without routing through the main Cash Book.

(Paragraph 5.3.8)

Building Bye-laws were violated due to lack of supervision by the GMC authority.

(Paragraph 5.4.1.12)

Intended objectives of providing shelter to slum dwellers under JnNURM remained unachieved inspite of huge investment of ₹5.39 crore.

(Paragraph 5.5.2.1)

One per cent Labour Welfare Cess amounting to ₹4.15 crore collected by the GMC authority was not transferred to Labour Welfare Board till March 2013.

(Paragraph 5.6.3)

CHAPTER I

Section-A

An Overview of Panchayati Raj Institutions

CHAPTER - I

Section-A An Overview of Panchayati Raj Institutions (PRIs)

PANCHAYAT AND RURAL DEVELOPMENT DEPARTMENT

1.1 Introduction

The 73rd Constitutional Amendment Act, 1992 marked a new era in the federal democratic set up of the country as it conferred Constitutional status to the panchayats and recognised them as the third tier of Government.

In Assam, three tier panchayats at Village level, Block level and District level have been constituted.

The amendment provides for devolution of powers and responsibilities with respect to preparation of plans and programmes for economic development and social justice. It also provides for transferring of 29 subjects listed in Schedule XI of the Constitution of India for PRIs. As a follow up, the State was required to entrust PRIs with such powers, functions and responsibilities as to enable them to function as Local Self Government Institutions (LSGIs). The Constitutional Amendment established a system of uniform structure, conducting of regular election, regular flow of funds etc.

The legislative framework for conduct of business of the PRIs includes:

- Assam Panchayat (AP) Act, 1994,
- Assam Panchayat (Financial) {AP (F)} Rules, 2002,
- The Assam Panchayat (Administrative) {AP (A)} Rules, 2002 and
- Government instructions issued from time to time.

Article 243 of the Constitution of India provides that elections in panchayats shall be held once in every five years. Elections to the PRIs in the State were last conducted during January – February 2013.

The Governor of Assam in pursuance of the provisions of Articles 243(I) and 243(Y) of the Constitution of India, read with Section 2 (1) of the Assam Finance Commission (Miscellaneous Provision) Act, 1995 had so far constituted five State Finance Commissions (SFCs) covering the period 1996-2020 of which four SFCs had submitted their reports to the State Governments. The target date of submission of Fifth SFC report is 30 April 2014.

There are 2407 PRIs in the State as on 31 March 2013. All the 2407 PRIs are in General Areas. The Panchayati Raj system does not exist in the Sixth Schedule Areas where Local governance is vested with the Autonomous District Councils (ADCs).

1.2 State Profile

Assam is the biggest North Eastern State having 27 Districts divided into 56 Sub-divisions and 184 Revenue Circles for convenience of administration and revenue collection. With a geographical area of 78,438 sq.kms. Assam has 219 Blocks, 26395 Villages and 214 Towns (the Census of India, 2011). The demographic and development profile of the State is given in **Table 1.1**.

Table 1.1: Important statistics of the State

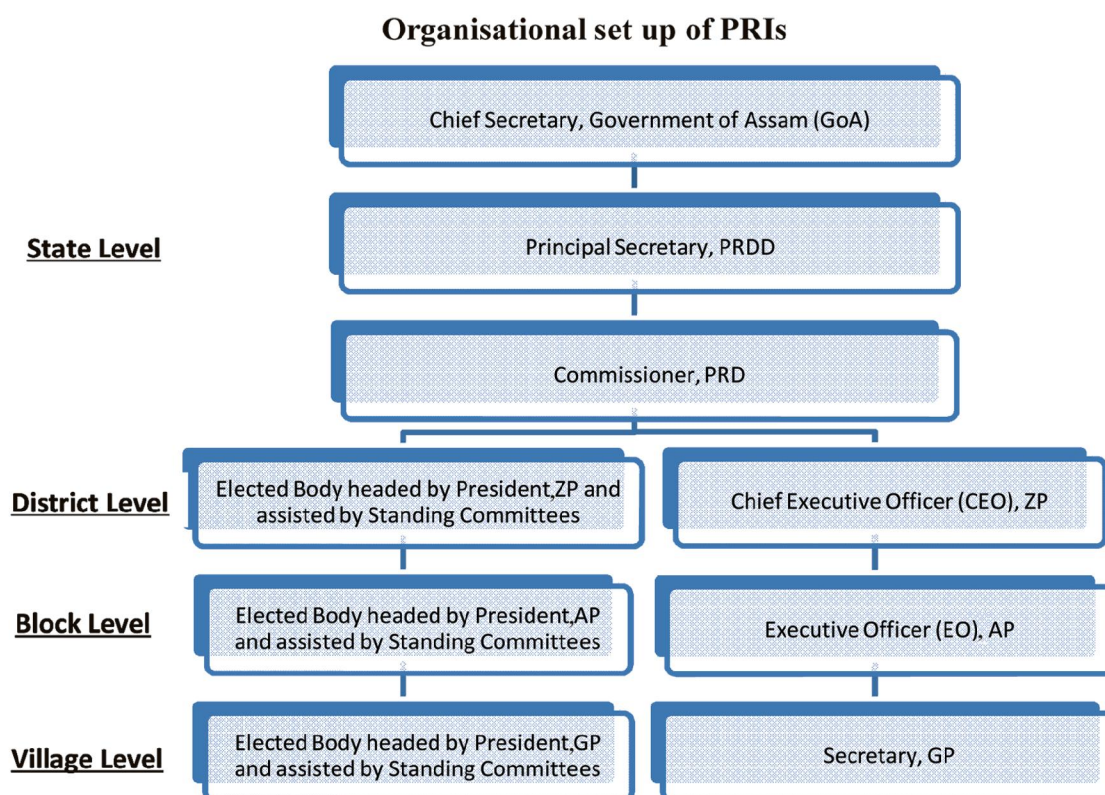
Sl. No.	Indicator	Unit	Value
1	Population	Crore	3.12
2	Population density	Persons / Sq.km.	397
3	Urban population	Per cent	14
4	Rural population	Per cent	86
5	Gender ratio	Female per 1000 male	954
6	Population below poverty line	Per cent	37.9
7	Literacy	Per cent	73.18

Source: Economic Survey, Assam 2012-13.

1.3 Organisational Setup in State Government and PRIs

The Principal Secretary, Panchayat and Rural Development Department (PRDD) is the administrative head of PRIs and is assisted by the Commissioner, Panchayat and Rural Development (PRD) in allocation of fund, overall control and supervision of functions and implementation of different schemes at the State level.

Following organogram depicts the organisational set up of PRIs:



1.4 Size of PRIs

The position of PRIs in Assam in terms of number, average area and average population is given in **Table 1.2**.

Table 1.2: Position of PRIs

Level of LB	No.	Average Area per PRI (Sq Km)	Average population
		<i>As per 2011 census</i>	
Zilla Parishad (ZP)	20	2032.93	1188256
Anchalik Panchayat (AP)	185	219.78	128460
Gaon Panchayat (GP)	2202	18.46	10793

Source: Assam State Finance Commission's report submitted for 14th CFC

1.5 Functioning of PRIs

The Administrative set up of panchayats in the State consists of a three tier system, GP at the village level, AP at the intermediate level co-terminus with Blocks and ZP at the District level. The Constitution enjoins the State Government to make appropriate legislation regarding devolution of powers and functions to the panchayats in such a way as to enable them to function as LSGI.

Subject to the provisions of the Act, a Panchayat may make by-laws to carry out its business. The PRIs in general may not be solely responsible for the stalemate in internal revenue mobilisation. The Constitutional Amendment empowered them with powers and authority in this regard and gave them access to such sources as the State Legislature may, by law, confer on them. Accordingly, the AP (F) Rules was framed in 2002 and amended in 2004 and empowers all the three tiers to levy and collect taxes. Through the AP (F) Rules, GPs got the power to levy tax *viz* tax on houses and structures and tax on trades etc., as a result of which framing of bye-laws indicating all details relating to tax base, rates of taxes, exemption limit, manners and time of collection and so on were required by the PRIs. However, the relevant bye-laws are yet to be framed (March 2013).

The post of Chief Accounts Officer (CAO) and Chief Planning Officer (CPO) had been created in each ZP to provide advise on financial matters including the preparation of Annual Accounts and Budget and also advise the ZP on plan formulation. However, no appointment had so far been made (March 2013) by the State Government. In the absence of suitable administrative machinery in the PRIs, a substantial portion of the budgetary outlays under Plan and Non-plan in the revenue accounts earmarked for panchayats against transferred subjects were being spent through the respective line departments.

Unless the required legal framework along with appropriate administrative machinery is put in place, it would be futile to expect PRIs to become pro-active in augmenting internal revenue generation.

1.6 Standing Committees

Sections 22, 52 and 81 of AP Act 1994 stipulate that PRIs shall constitute Standing Committees to perform the assigned functions. Details of constitution of the Standing Committees of PRIs are given in **Table 1.3**.

Table 1.3: Constitution of Standing Committees

Level of PRIs	Chief Political Executive	Standing Committees	Political executives
(1)	(2)	(3)	(4)
GP	President	i) Development Committee ii) Social Justice Committee iii) Social Welfare Committee	President is the chairman of each of the three committees
AP	President	i) General Standing Committee ii) Finance, Audit and Planning Committee	President is the chairman of each committee
		iii) Social Justice Committee	Vice President is the chairman
ZP	President	i) General Standing Committee ii) Finance, Audit and Planning Committee	President is the chairman of each committee
		iii) Social Justice Committee iv) Planning and Development Committee	Chairman is elected amongst the elected members of each committee

Source: AP Act, 1994

Roles and responsibilities of the standing committees are given in **Appendix-I**.

It was revealed from the Audit of 61 PRIs during 2012-2013 that the roles and responsibilities of the standing committees as envisaged in the AP Act, 1994 was totally ignored by 28¹ PRIs. Information on the remaining PRIs was not available.

1.7 Staffing pattern of PRIs

On the matter of staffing pattern fixed by AP (A) Rules 2002, the Third Assam State Finance Commission (TASFC) while observing the acute shortage of staff at all level of PRIs recommended a revised staffing pattern of 30, 20 and 8 for each ZP, AP and GP respectively from 2008-09. It was observed that the revised staffing pattern recommended by TASFC was not implemented by PRDD.

PRDD could not fill up the vacant posts of PRIs inspite of approval given by the Finance Department. Regarding new staffing patterns, PRDD stated (June 2012) that proposed staffing pattern is under consideration for approval of the Government.

PRIs were understaffed and therefore unable to implement/administer the various schemes effectively and efficiently. The TASFC noted (vide para 4.53) that, the present scenario of Panchayat administration in Assam was marked by a deficiency syndrome in manpower deployment and that PRIs at all levels were starved of adequate number of functionaries in respect of competent staff trained in the nitty-gritty of functional and fiscal decentralisation.

¹ Golaghat North AP, Golaghat ZP, Karimganj ZP, Badarpur AP, South Karimganj AP, Amguri AP, Baghan GP, Barua-ali GP, Chhotoguma GP, Chungajan GP, Demow GP, Fekamari AP, Dhubri ZP, Faridkuna Duhalia GP, Amguri GP, Jherjheri GP, Jurbari Dafolala GP, Kaliganj GP, Lowairpoa AP, Patharkandi AP, Pub Misamora GP, South Golaghat AP, Dindinga GP, Kamandanga GP, Tamarhat GP, Sivasagar ZP, Demow AP and Athabari GP.

However, this matter was referred to the Fourth Assam State Finance Commission (FASFC) which has studied the staffing pattern of PRIs and recommended staffing pattern for PRIs in its supplementary Report submitted to GoA in April 2012. Action Taken Memorandum on the recommendation of the Supplementary Report was yet to be published (March 2013). Unless PRIs were properly manned, they would be unable to handle huge funds received from various sources and their accounting in a proper way.

1.8 District Planning Committee (DPC)

As per Article 243ZD of the Constitution of India, the State Government is required to constitute a DPC to consolidate the plans prepared by the panchayats in the District and to undertake integrated development of the District. Accordingly, Section 3 of AP Act, 1994 and AP (F) Rules 2002 framed there under provide that the State Government shall constitute DPC in every District for tenure of one year.

The DPC consists of:

- the members of the House of People who represent the whole or part of the District;
- the members of Assam Legislative Assembly whose major part of the constituencies fall within the District;
- the President of the ZP and
- such number of persons not less than four fifth of the total number of members as may be specified by the Government from amongst the members of the ZP in districts on rotation annually and in proportion to the ratio between the population of the rural areas of the district.

Deputy Commissioner is a permanent invitee to the DPC of the District. The President of the ZP is the Chairman and CEO of ZP is Ex-officio Secretary of the DPC.

1.8.1 Role of DPC

As per AP Act, 1994, DPC is to consolidate the plans prepared by the panchayats in the District and prepare a draft Development Plan for the District as a whole having regard to:

- the matter of common interest of panchayats in the District including sectoral planning, sharing of water and other physical and natural resources, the integrated development of infrastructures and environmental conservation;
- the extent and type of available resources whether financial or otherwise and
- consult such institutions and organisations as the Governor may, by order, specify.

GoA, PRDD in June 2010 framed guidelines for preparation of a draft District Development Plan for PRIs detailing the method of preparation of draft plan at different stages of PRIs and consolidation of a draft Development Plan of the District. Though the guidelines provided a scope for a review of implementation and monitoring of the plan by the DPC, it did not prescribe a mechanism for reporting of progress of implementation of District Plan to the State Government.

The DPCs did not call for submission of their annual plan from the PRIs and other stake holders with a view to prepare the Annual District Plan as a whole. Thus, the DPCs failed to perform its primary objective of preparation of District Plan as envisaged in the AP Act, 1994.

1.9 SFC Grants

Article 243W of the Constitution had made it mandatory for the State Government to constitute a SFC within a year from the enactment of the Constitutional Amendment Act and to make recommendation on taxes, duties, fees and tolls to be assigned and appropriated by the PRIs.

Accordingly, in respect of sharing of the net proceeds of State Taxes with panchayats a global approach of sharing the net proceeds of all State Taxes excluding Non-Tax revenue and share of Central Taxes is adopted. The rural-urban bifurcation of the divisible pool was determined on the basis of population (80 *per cent*) and density of population (20 *per cent*) based on 2001 census and duties collected by the State Government during 2011-12 with Panchayat at all levels.

Consequent upon merger of District Rural Development Agencies (DRDAs) with ZPs and Blocks with APs, the Commission recommended additional devolution during 2008-11 to PRIs to enable them to meet the salary burden of DRDA and Block staffs. In addition to devolution, the TASFC also recommended *Grant-in-Aid* (GIA) to PRIs for specific purposes involving liquidation of arrears and also creation of capacity in terms of human resources and physical infrastructure.

Details of quantum of devolution recommended by ASFC and fund released by the GoA to PRIs are indicated in **Table 1.4** and **Table 1.5**.

Table 1.4: Devolution of Fund to PRIs

(₹ in crore)

Year	Net collection of the State Government	Amount to be devolved	Additional devolution	Total	Actual released under SFC	Short released
(1)	(2)	(3)	(5)	(6)	(7)	(9)
2008-09	4150.21	641.86	79.55	721.41	48.60	672.81
2009-10	4986.72	679.07	85.92	764.99	67.62	697.37
2010-11	5929.84	716.69	92.79	809.48	119.43	690.05
2011-12	7638.23	222.94	-	222.94	191.62	31.32
2012-13	8250.21	243.22	-	243.22	104.42	138.80
Total	30955.21	2503.78	258.26	2762.04	531.69	2230.35

Source: The FASFC Report and information furnished by Director, Finance (Economic Affairs) Department, Assam and Finance Accounts

It can be seen from above that only ₹531.69 crore was released against ₹2762.04 crore recommended by the ASFC during 2008-09 to 2012-13.

Table 1.5: Allocation and release of GIA to PRIs

(₹ in crore)

Year	Recommended by ASFC	Grant-in-aid released	Short released
2008-09	177.89	-	177.89
2009-10	131.87	-	131.87
2010-11	141.87	-	141.87
2011-12	120.28	94.53	25.75
2012-13	399.00	-	399.00
Total	970.91	94.53	876.38

Source: The FASFC Report and information furnished by Director, Finance (Economic Affairs) Department, Assam.

As against ₹970.91 crore recommended by the ASFC for the years 2008-09 to 2012-13, only ₹94.53 crore was released in 2011-12 as GIA.

Thus, due to short release of funds the PRIs could not implement various welfare activities for the overall economic development.

1.10 Status of Decentralised Governance in respect of PRIs

In June 2007, GoA issued notification regarding 'Activity Mapping' for 23 subjects out of 29 as listed in Schedule XI of the Constitution of India for devolution of Funds, Functions and Functionaries (3Fs) to the PRIs. Following the 'Activity Mapping' which defined the functions and functionaries that are to be devolved to each tier of PRIs, Government orders were issued for devolution in respect of only seven out of 23 notified subjects till March 2013. Further, 'Activity Mapping' in respect of remaining six subjects was yet to be completed (March 2013). Of the activities listed in the document, very little was being done at the ground level.

For meaningful devolution, deployment of functionaries from the line departments to the PRIs at all levels was a pre-requisite condition. However, the approach adopted so far by the State Government was only partial. Apart from this, every year a substantial portion of budgetary outlays under Plan and Non-Plan revenue account was earmarked for PRIs against transferred subjects. Belying the expectation in the activity mapping, devolution of functions at different level of PRIs remained more or less only on paper. Similarly, little progress had been made in the matter of devolution of fund against transferred subjects as envisaged in the activity mapping. Till March 2013, only Central Finance Commission (CFC) and SFC Funds were passed on to the PRIs on a regular basis. Apart from this the PRIs got fund under District Development Plan (DDP). In addition, central funds channelised through Backward Regions Grant Fund (BRGF) were received by PRIs at all levels wherein the funds under other Centrally Sponsored schemes (CSS) viz. Indira Awas Yojana (IAY), Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) etc. were received by the APs and GPs from respective DRDAs of the District.

It is evident from the above that devolution of 3Fs to panchayats in respect of the transferred subjects is far below the desired level. Though, the GoA had created a Panchayat window in the State Budget and every year a substantial portion of budgetary outlays under Plan and Non-Plan in the revenue account is earmarked for panchayats against the transferred subjects, in the absence of suitable administrative machinery under the PRIs the earmarked amount is being spent by the line departments.

1.11 Financial profile of PRIs

1.11.1 Fund flow to PRIs

The main source of income of PRIs in the State is funds released by GoI under various Centrally Sponsored Plan Schemes, CFC grants, SFC grants and State Government grants under various schemes. In addition, PRIs were also mobilising revenue from own sources such as taxes, rents, license fee etc. Details of sources of fund, its custody and reporting for each tier are given in **Table 1.6** and flow of fund for CFC grants and CSS are given in **Table 1.7**.

Table 1.6: Fund flow mechanism in each tier of PRI

Nature of Fund	ZPs, APs, GPs	
	Source of fund	Custody of fund
Own receipts	Assesses and users	Bank
SFC	State Government	Bank
CFC	GoI	Bank
State Plan Schemes	State Government	Bank
CSS	GoI & State Government	Bank

Table 1.7: Fund flow arrangements of CFC grants and CSS to PRIs

Sl. No	Scheme	Fund flow
(1)	(2)	(3)
1	MGNREGS	Central share is released directly to the DRDAs. State share provided in the Budget is released to DRDAs through PRDD. DRDAs disburse the fund (Central and State share) to APs, which in turn, disburse the share of GPs under their jurisdiction.
2	IAY	Central share is released directly to DRDAs. State share provided in the Budget is released to DRDAs through PRDD. DRDA disburses the fund (Central and State share) to APs under its jurisdiction.
3	Swarna-Jayanti Gram Swarozgar Yojana (SGSY)	Central share is released directly to the DRDAs. State share provided in the Budget is released to DRDAs through PRDD. DRDAs disburses the fund (Central and State share) to APs under its jurisdiction.
4	CFC	GoI transfers the fund to the State, which is released through budget allocation to the ZPs. The ZP after drawal of the fund through treasury, disburses the share to APs and GPs under its jurisdiction.
5	BRGF	GoI transfers the fund to the State which is released through budget allocation to the ZPs, which after drawal of fund through treasury, disburse the share to APs & GPs under their jurisdiction.

Source: Scheme guidelines

1.11.2 Public investment in Social Sector and Rural Development

Details of public investment in Social Sector and Rural Development through major CSS during 2008-09 to 2012-13 are shown in **Table 1.8**.

Table 1.8: Statement showing investment through major CSS

(₹ in crore)

Sl. No.	Scheme	Year	Fund Released to PRIs	UC Submitted
(1)	(2)	(3)	(4)	(5)
1.	MGNREGS	2008-09	1040.14	Yes
		2009-10	867.12	Yes
		2010-11	690.80	Yes
		2011-12	481.71	Yes
		2012-13	588.46	Partial
2.	IAY	2008-09	816.38	Yes
		2009-10	747.55	Yes
		2010-11	825.63	Yes
		2011-12	867.28	Yes
		2012-13	71.27*	Yes
3.	Integrated Wasteland Development Project (IWDP)	2008-09	41.75	Yes
		2009-10	25.71	Yes
		2010-11	15.27	Yes
		2011-12	8.93	Yes
		2012-13	NA	NA
4.	BRGF	2008-09	Nil	Nil
		2009-10	86.58	Yes
		2010-11	65.29	Yes
		2011-12	140.54	Yes
		2012-13	92.92	No

5.	National Social Assistance Programme (NSAP)	2008-09	173.19	Yes
		2009-10	172.65	Yes
		2010-11	117.18	Yes
		2011-12	168.76	Yes
		2012-13	156.13	No
6.	Swarn-Jayanti Gram Swarajgar Yojana (SGSY) (Merged with NRLM w.e.f 01 April 2012)	2008-09	240.45	Yes
		2009-10	202.10	Yes
		2010-11	224.72	Yes
		2011-12	132.33	Yes
		2012-13	0.79	Yes
7.	National Rural Livelihood Mission (NRLM)	2012-13	16.36	No

Source: Information furnished by Commissioner, PRD, Assam; * State Share only.

There was an increase in receipt of funds under MGNREGS compared to previous year wherein there was decline in receipt of fund under NSAP and BRGF.

1.11.3 Resources: Trends and composition

The trend of resources of PRIs for the period 2008-09 to 2012-13 is shown in **Table 1.9**.

Table 1.9: Time series data on PRIs resources

(₹ in crore)					
Source	2008-09	2009-10	2010-11	2011-12	2012-13
Own Revenue	14.90	17.03	23.46	87.85	176.16
SFC transfers	48.60	295.68	119.36	227.96	104.42
CFC transfers	52.60	152.71	73.44	196.01	362.05
State Sponsored Schemes	207.82	123.69	341.86	520.73	89.09
Centrally Sponsored Schemes	1184.95	1712.18	1684.81	1323.36	1211.38
Total	1508.87	2301.29	2242.93	2355.91	1943.10

Source: 2008-09 and 2011-12: Commissioner PRD, Assam, 2009-10 and 2010-11. Appropriation & Finance Accounts, 2012-13 information furnished by GoA.

PRIs at all levels had mobilised internal resources from tax and non-tax sources. However, there was a decline in receipts under SFC and CSS in 2012-13 in comparison to the previous years. The decline in CSS was mainly due to deduction of Central Share for less utilisation of funds in previous years by PRIs.

1.11.4 Funds transferred to State Implementing Agencies outside State Budget

The Central Government has been transferring sizeable quantity of funds directly to the State implementing agencies for implementation of various schemes/programmes in Social Sectors for the social and economic development of the rural population. During 2012-13, significant amounts released for implementation of major programmes/schemes are detailed in **Table 1.10**.

Table 1.10: Funds transferred directly to State implementing agencies

(₹ in crore)			
Sl. No.	Programme/scheme	Fund transferred by the GoI during 2012-13	Implementing agencies
1	IWDP	1.11	DRDAs/ State Institute of Rural Development (SIRD)
2	MGNREGS	524.82	
3	IAY	649.47	
4	SGSY	7.16	
5	Rashtriya Gram Swaraj Yojana (RGSY) under capacity building	2.36	
7	BRGF under capacity building	11.00	
Total		1195.92	

Source: Commissioner PRD, Assam and SIRD, Assam.

Table shows that out of ₹1195.92 crore, sizeable quantity of funds were transferred under IAY scheme (54.92 *per cent*) and MGNREGS (44.38 *per cent*), during 2012-13.

1.12 Revenue resources and expenditure management of PRIs

Revenue resources of PRIs which are known as own fund, are earned from settlement of hat/ghat, fisheries etc. The main component of revenue expenditure of the PRIs is payment of salaries to their employees followed by remuneration and sitting allowances of the elected representatives. In the FASFC Report, it is mentioned that during 2008-09, expenditure on salary, remuneration etc, of PRIs amounted to ₹63.93 crore. In contrast their internal revenue mobilisation during the year was ₹14.90 crore only. In fact their revenue collection was only 23 *per cent* of their salary expenditure. However, in 2012-13, their salary and remuneration expenditure was ₹169.09 crore against revenue mobilisation of ₹176.16 crore. It is evident that major portion of the revenue of the PRIs is consumed in payment of salary in spite of the fact that full sanctioned strength is not in position. If the vacant position as per existing norm is filled up or the staffing norm proposed is revised, it will further distort the ratio of own income and salary expenditure.

It is apparent that even though actual receipt or generation of own fund has increased during the last five years major portion of the revenue is consumed on salary and remuneration. As such there is a little scope for meeting any other exigencies. Thus, PRIs at all levels are required to be more proactive in augmenting and mobilizing internal revenues by working out periodical action plans after identifying the potential areas.

1.13 Thirteenth Finance Commission (13th FC) Grant

The weights adopted by the 13th FC Commission for inter distribution of funds among the States were 50 *per cent* population, 10 *per cent* area and 10 *per cent* distance from highest per capita income for PRIs, 15 *per cent* index of devolution, 10 *per cent* SC/ST population for PRIs and five *per cent* CFC grant utilisation index. Based on the above principles, the share of PRIs and ULBs for the periods 2010-15 in Assam including sixth Schedule areas amounted to ₹1892.90 crore. The amount so recommended has two components *viz*, General Basic grants and Performance Grants. According to the 13th FC for the periods 2010-15, States will be eligible to draw their Basic grants subject to submission of UCs in time and Performance grants from the second year of the award period subject to fulfillment of conditions as laid down in the 13th FC recommendations. The position of grants released during 2012-13 by the GoI and GoA to PRIs is shown in

Table 1.11

Table 1.11: Award of 13th FC to PRIs

₹ in crore)

Programme year	Installment No	Scheme components	Fund received/released		Penal interest for late release of fund
			Received from GoI	Released to PRIs	
2011-2012	1 st	General Performance Grant	NIL	NIL	0.13
	2 nd	General Basic Grant	92.95	92.95	1.21
		General Performance Grant	32.03	32.03	
		Special Area Basic Grant	3.40	3.40	
		General Performance Grant Forfeited by non performance State	21.98	21.98	0.03
2012-2013	1 st	General Basic Grant	99.54	99.54	0.11
		General Performance Grant	68.31	68.31	NIL
		Special Area Basic Grant	3.40	3.40	NIL
		Special Area Performance Grant	3.65	3.65	NIL
	2 nd	General Basic Grant	109.62	104.62	NIL
TOTAL			434.88	429.88	1.48

Source: Director, Finance (Economic Affairs) Department, Assam

It was observed that State Government released 13th FC grants to PRIs with a interest liability of ₹1.48 crore due to tardy transfer of fund. Further, it was also noticed that there was a short release of ₹5.00 crore out of General Basic Grant of 2012-13. Delay in release of funds hampered the timely implementation of the projects in the field because time factor played an important role in Assam in view of season specific limitations in execution of works.

1.14 Creation of Database

Based on the recommendations of 11th FC, CAG had prescribed database formats for capturing the finances of PRIs. The database formats were prescribed with a view to have a consolidated position of sector wise resource and application of funds by PRIs, details of works executed by PRIs and their physical progress, etc.

The 11th FC had earmarked funds for creation of database for PRIs in their awards covering the period 2000-05. The 12th FC had also recommended that States may assess the requirement of each PRI in this regard and earmark funds accordingly out of the total allocation of 12th FC grants. Despite the dedicated fund allocation, little improvement had been made in development of database though ₹55.61 crore incurred on creation of database during the years 2008-2013. The 13th FC in its report had also expressed similar dissatisfaction. Even after several persuasions by audit, a reliable data base on finances of PRIs was yet to develop. Moreover, computerisation of PRIs in Assam suffered due to non-electrification of GP offices.

The entire matter of implementation of the program of database on finances needed to be evaluated and effective steps were required to be taken to develop the database without further loss of time.

1.15 Accountability framework

1.15.1 Power of State Government over PRIs

The Constitution of India empowers States to legislate on panchayats. Further, in exercise of relevant Acts and Rules, the State Government exercises its powers in relation to PRIs. Details of the powers of the State Government over the PRIs in decentralised setup are detailed in **Appendix-II**.

The AP Act also gives the State Government the following powers for ensuring proper functioning of PRIs:

- Call for any Panchayat to furnish information or report, plan, estimate, statement, accounts or statistics;
- Inspect any office or any record or any document of PRIs;
- Inspect the works and development schemes implemented by PRIs and
- Take action for default of Panchayat President/Secretary.

Lapses/defects noticed in audit relating to formulation and implementation of schemes, matters relating to finance, etc., are mentioned in Chapter II of this Report.

1.16 Vigilance mechanism

1.16.1 Ombudsman

The Ombudsman conducts investigation and enquires into instances of maladministration, corruption, favoritism, nepotism, lack of integrity, excessive action, inaction, abuse of position etc, on the part of officials and elected representatives of PRIs. He can even register cases, *suo moto*, if the instances of the above kind come to his notice. State Government appointed 10 Ombudsmen and two Deputy Ombudsmen in 12 out of 27 districts in the State in November 2011 for a tenure of two years for conducting above investigation and enquires on the part of officials and elected representatives of LBs under section 27 (1) of the MGNREG Act, 2005. However, one Ombudsman (Nalbari district) was cancelled in January 2012. The process of selection of Ombudsmen and Deputy Ombudsmen in the remaining 16 districts is yet to be done (March 2013).

There was, however, no provision in the AP Act regarding setting up of Ombudsman for PRIs.

1.16.2 Social Audit

The primary objective of social audit is to bring the activities of PRIs under close surveillance of people to enable them to access the records and documents of PRIs. Such immediate access to information would facilitate transparency and accountability in day-to-day functioning of PRIs. The State Finance Department issued guidelines (May 2009) for social audit which, *inter alia*, included the following:

- Use of Gaon Sabhas as important vehicles for spread of awareness about social audit;
- Appointment of nodal officer at the level of Gaon Sabhas who would register complaints and fix the date for social auditing;
- Wide publication of the date of social audit through local newspapers, hand bills, leaflets and notice boards etc;
- Presentation by the GP Secretaries of the relevant data on revenue and expenditure of their organisations including bills, vouchers, muster rolls, measurement books, copies of sanction orders and other books of accounts and papers necessary for the purpose of social auditing.

Except for a provision made under the Assam Rural Employment Guarantee (AREG) Scheme under MGNREGA, the State Government was yet to amend the relevant Panchayat Act by including a statutory provision for social auditing.

The Commissioner, PRD stated (August 2012) that process for constitution of independent Directorate of Social Audit had been initiated. A Committee had been formed for selection of Directorate of Social Audit and Dimoria Development Block, Kamrup (Metro) had been selected as the pilot block for operationalising of the Social Audit. However, Directorate of Social Audit is yet to be formed (March 2013).

1.16.3 Lokayukta

The Assam Lokayukta and Upa-Lokayukta Act, 1985 (Assam Act XX of 1985) was introduced to improve the standard of Public Administration through investigation of complaint against ministers, legislators and public functionaries including those of PRIs. The institution was headed by Upa-Lokayukta from March 2001 as the post of Lokayukta had been lying vacant for the last 18 years (since March 1995).

The State Government had taken various initiatives by publishing advertisement in local newspaper in Assam and launched a website and approved setting up of cells in all Districts and Sub-divisional headquarters to receive complaints of this forum to increase the awareness among the people regarding Lokayukta and Upa-Lokayukta Act. The Upa-Lokayukta had received only 32 complaints during the year 2012-2013 but none of the cases were related to PRIs.

Thus, there was a need to increase awareness among the people about the existence and functioning of anti-corruption mechanism to make it more effective and useful to the public.

1.17 Audit Mandate

1.17.1 Primary Auditor of PRIs

Director of Audit, Local Fund (DALF), Assam established under Assam Local Funds (Accounts & Audit) Act, 1930 is the Primary Auditor of all tiers of PRIs in the State. The Local Fund Audit organisation in the State of Assam under DALF had 20 circle offices each of which was headed by an Assistant Director to perform audit functions at the District level. There are 131 audit parties comprising of one Audit Officer and one or more Assistant Audit Officers. Training to Officers of DALF for capacity building and to improve local body audit was imparted by Assam Administrative Staff College in May 2012, by the O/o the Accountant General (Audit), Assam in April 2013 and by RTI Kolkata in December 2013.

1.17.2 Staff strength of DALF

Details of sanctioned strength and persons in position in the organisation as of 31 March 2013 are shown in **Table 1.12**

Table 1.12: Sanctioned strength and persons in position in DALF

Sl. No.	Post	Sanctioned	Men-in-position	Vacant	Percentage of vacancy
1	Director	1	1	Nil	Nil
2	Joint Director	2	2	Nil	Nil
3	Deputy Director	3	1	2	66.6
4	Assistant Director	23	20	3	13.04
5	Registrar	1	1	Nil	Nil
6	Superintendent	1	1	Nil	Nil
7	Personal Assistant	1	1	Nil	Nil
8	Audit officer	159	141	18	11.32
9	Assistant Audit Officer	220	115	105	47.72
10	Other ancillary staffs	270	225	45	16.66
Overall		681	508	173	25.40

Source: DALF, Assam.

The organisation is functioning with an overall 25 *per cent* shortage of personnel within which the shortage in the cadre of Audit Officers (11 *per cent*) and Assistant Audit Officers (48 *per cent*) adversely affected the mandated functions of the organisation.

1.17.3 Audit by CAG of India

CAG of India conducts audit of substantially financed PRIs under Section 14(1) of CAG's (DPC) Act, 1971 and audit of specific grants to PRIs under Section 15 of the Act *ibid*. The audit of PRIs is also conducted by CAG under Section 20(1) of the Act as per Technical Guidance and Support (TGS) module as entrusted by the State Government in

May 2002 followed by acceptance of standard terms and conditions of TGS (May 2011) pursuant to the 13th FC recommendations.

During April 2012 to March 2013 accounts of 61 PRIs (seven ZPs, 17 APs and 37 GPs), were audited.

1.18 Conclusion

Consequent upon the 73rd Constitutional Amendments, there had been considerable progress in empowerment of panchayats. By and large, such empowerments remained confined to setting up of State Election Commission, conducting regular election to PRIs, constituting SFCs periodically and devolution of funds as per award of CFCs & SFCs. However, little had been done so far to augment the capacity building of PRIs and to upgrade their weak administrative set up. In regard to transferred subject to PRIs, activity mapping was reported to have been completed way back in June 2007 for 23 subjects out of 29 subjects listed in the XI Schedule of the Constitution of India. However, ground realities did not confirm operationalisation of the activity mapping done so far. Activity mapping in respect of remaining six subjects was yet to be done. The DPCs did not visualise a comprehensive plan for district development. A significant portion of the funds escaped ZPs control due to direct transfer of GoI funds/State Government funds to implementing agencies without routing through ZPs. The functioning of PRIs had been greatly hampered by the non-availability of adequate data relating to the physical and fiscal indicators of performance of PRIs. The limited data that was available was not only inadequate but it also suffered from lack of credibility. Audited and authentic database was not available. Despite dedicated fund allocation by the 11th FC and 12th FC in their award periods covering 2000-2005 and 2005-2010 respectively, little progress had been made in the situation. Even after constant persuasion by audit a reliable database on PRIs finance was yet to come up. State Government had appointed 9 Ombudsmen and two Deputy Ombudsmen in 12 out of 27 districts in the State. State Government was yet to amend the Panchayat Act by including the statutory provision for Social audit. There was a need to increase the awareness among the people about the existence and functioning of Lokayukta and Upa-Lokayukta to make it more effective and useful.

CHAPTER I

Section-B

Financial reporting of PRIs

Section-B

FINANCIAL REPORTING OF PRIs

1.19 Financial reporting issues

Financial reporting in the PRIs is a key element of accountability. Therefore, a sound internal control system significantly contributes to efficient and effective governance of the PRIs by the State Government. The present system of accounting suffers from lot of deficiencies in regard to maintenance of accounts to be followed based on accounting format already approved by the Ministry of Panchayati Raj in consultation with the CAG of India. Some of the discrepancies relating to financial reporting noticed during test check are enumerated below:

1.19.1 Improper maintenance of records

Rule 8, sub rule 4 (a), (b) and (c) of AP (F) Rules 2002 stipulate that all moneys received and payments made should be entered in the Cash Book which should be closed every day. Monthly closing of Cash Book with physical verification of cash and reconciliation of Cash Book balance with bank balance under proper authentication are to be done. Sub-rule 4 (e) further stipulates that at the close of each month, the bank balance as reflected in the Cash Book shall be reconciled with balances as per bank account.

However, during test check it was seen that Cash Book balances were not reconciled with bank balances in some PRIs. Instances of un-reconciled balances with differences ranging from ₹0.03 lakh to ₹8.66 crore in nine PRIs were noticed as given in **Appendix –III**. Failure in maintenance of Cash Book as per provision of financial rules pointed towards gross irregularity. Besides, the possibility of occurrence of fraud and embezzlement of Government money could not be ruled out.

1.19.2 Asset Register

All properties vested in the ZPs, APs and GPs shall be entered in the Register of properties and assets in the Form 6 of Rule 19 of AP (F) Rules, 2002. The entries shall be attested by the officer concerned. However, audit noticed that the Asset Registers were not maintained by 25² test-checked PRIs and the State Government also did not call for any return on the nature of asset, year of creation and monetary value of the assets.

1.19.3 Non preparation/un-realistic preparation of budget

Rule 32, 33, and 34 of AP (F) Rules, 2002 stated that every GP, AP and ZP shall prepare Budget before the beginning of Panchayat financial year in the respective format by indicating minor heads. However, it was noticed that 25 PRIs (two ZP, nine APs, 14 GPs) out of 61 test checked PRIs had not prepared BEs. During 2008-09 to 2011-12 an expenditure of ₹2.97 crore was incurred by seven PRIs without preparation of budget as detailed in **Appendix–IV**. Funds were released by the Government in a routine manner, thereby defeating the purpose of planning and without taking into account the requirements of the people at grass root level. On the other hand, one PRI (Golaghat ZP)

² Golaghat North AP, Golaghat ZP, Karimganj ZP, Badarpur AP, South Karimganj AP, Amguri AP, Baghan GP, Barua Ali GP, Chotoguma GP, Chunganjan GP, Demow GP, Fekamari AP, Dhubri ZP, Faridkuna Duhalia GP, Amguri GP, Jherjheri GP, Kaliganj GP, Pub Misamara GP, South Golaghat AP, Dingdinga GP, Kamdonga GP, Tamarhat GP, Sivsagar ZP, Demow AP and Athabari GP.

as detailed in **Appendix-V(A)** had prepared the budget un-realistically having little regard to past trend of receipt and expenditure. As a result, estimated receipts were unduly inflated and estimate of expenditure were based on such inflated receipts.

1.19.4 Non Adjustment of Advance paid to JE/Contractor

State financial rules stipulate that advances paid should be adjusted without any delay and DDO concerned should watch their adjustment. Though CEO of ZP, EO of AP and Secretary of GP are custodians of Panchayat funds, it was noticed that in three PRIs advance given to JEs/Contractor for implementation of schemes was not adjusted as detailed in **Appendix-VI (A)**.

1.19.5 Non deduction of VAT

According to Income Tax (IT) Act and State Value Added Tax (VAT) Act, IT & VAT will be deducted from the payment of contractor/suppliers. Test check of records revealed that in Machkhowa AP and, Bahari GP amounts of ₹0.80 lakh, and ₹ 0.15 lakh of VAT/IT respectively were not deducted.

Due to non-deduction of taxes, Government suffered a loss of revenue to that extent.

1.19.6 Short collection of *Kist* Money

Sub-Rule 14 and 15 of Rule 47 of the Assam Panchayat (Financial) Rule 2002, stipulates that panchayats are required to recover the *kist*³ money from the lessees in due time. During test check of records it was noticed that there was short collection of *kist* money of ₹124.77 lakhs in eight PRIs and as shown in Appendix VII (A). Thus due to short collection of *kist* money, revenue could not be augmented to that extent.

1.19.7 Non-furnishing of Utilisation Certificates (UCs)

Scheme guidelines of CSS stipulate that UCs should be obtained by departmental officers from the grantees and after verification should be forwarded to GoI. As per information furnished by Commissioner, PRD, Assam, UCs amounting to ₹927.35 crore from different implementing agencies were pending as detailed in **Appendix-VIII**. Non furnishing of UCs indicates poor monitoring of the utilisation of scheme funds by the DDOs and the Head of the Department (HOD).

1.19.8 Maintenance of Annual Accounts

The Monthly and Annual Accounts as per prescribed formats showing the details of income and expenditure during the year duly supported by the necessary documents should be prepared by all three tiers of PRIs. However, annual accounts were not prepared by any of the 20⁴ test checked PRIs, reflecting poor internal controls and inadequate accounting arrangements in PRIs. These records are important as they are included to constitute evidence of proper receipt and utilisation of funds.

³ *Kist*: Installment

⁴ Amguri GP ,Baghan GP,Barua-ali GP ,Chhotoguma GP,Chungajan GP ,Demow GP ,Dingdinga GP ,Jherjheri GP,Jurbari Dafolala GP ,No.60 Kandhbari Dagapara GP ,Kakamari GP ,Kamandanga GP ,Kathalbari GP ,Pramila GP, Pub Missamora GP,Salmara GP ,Tamarhat GP ,Lowairpoa AP ,Patharkandi AP and South Golaghat AP

Though, non maintenance of Annual Accounts by PRIs have been brought to the notice of State Government on several occasions through Inspection Reports and ATIRs, no effective action has so far been taken by the Government.

1.19.9 Fiscal reform path in PRIs

The State Government had enacted the Assam Fiscal Responsibility and Budget Management (AFRBM) Act, 2005 to ensure best practices of financial management of the departments. However, Principal Secretary, Finance, Assam observed that LBs being the third tier of Government at the local levels in a federal structure of Indian Union as per 73rd amendment of the Constitution of India, this AFRBM Act would not be applicable for LBs and instructed the Finance (Economic Affairs) Department to expedite the process of finalisation of separate FRBM Act for LBs for streamlining fiscal activities and bringing fiscal discipline of LSGIs (April 2011).

Audit observed that State Legislative Assembly had passed (9 July 2011) the Local Self Government Fiscal Responsibility Act 2011, and the State Government notified the Act (September 2011) in the State Gazette. However, preparation and submission of medium term Fiscal Plan as envisaged in the Act was not carried out by any PRIs because date of effect of the Act was not specified, defeating the purpose of the Act of ensuring fiscal stability and sustainability and greater transparency in fiscal operations.

1.19.10 Reporting of misappropriation cases

State Financial Rules stipulate that any defalcation or loss of public money or other property discovered in Government treasury or office or department, should immediately be reported to the Accountant General, even when such loss had been made good by the person responsible for it. However, no specific provision exists in AP (F) Rules 2002 for DDO or head of the PRI to report any case of loss, theft or fraud to the Accountant General and the State Government which is a systemic deficiency at the level of State Government.

1.19.11 Panchayat Financial Year

In contrast to the financial year of Central and State Governments which commences on the 1st day of April every year, the Panchayat financial year commences on the 1st day of July. The difference of financial year between the Government and the PRIs create a lot of difficulties in maintenance of accounts, audit of accounts and devolution of funds from higher levels of Governments. The uniformity of financial year between Government and PRIs was recommended by the second SFC way back in 2003 which was again recommended by the fourth SFC in 2012. However, the same has not yet been implemented (March 2013).

1.20 Reporting arrangements

Findings of audit on accounts of PRIs conducted by the CAG are presented in the form of Annual Technical Inspection Reports (ATIRs). ATIRs on PRIs for the years ended 31 March 2005 to 2012 have been submitted to the State Government. On 19 December 2011, ATIR for the year ended 31 March 2010 was laid before the State Legislature for the first time. Subsequent two ATIRs i.e. ATIR for the year ended 31 March 2011 and 2012 were also been laid before the State Legislature on 04 April 2013 and 19 July 2013 respectively.

State Legislature has constituted (October 2012) a Local Fund Accounts Committee (LFAC) for the first time to discuss the Audit Report on PRIs. ATIR for the year ended 31 March 2010 was discussed by the Committee. However, Action Taken Report (ATR) on the ATIRs submitted to Government was awaited (March 2013).

1.21 Internal control system in PRIs

Internal control mechanism is an integral function of an organisation which helps it to govern its activities effectively and achieve the objectives of the organisation. It is intended to provide reasonable assurance of proper enforcement of Acts, Rules and Bye-laws. Various internal control measures would minimise the risk of errors and irregularities. It also provides reasonable assurance that the following general objectives are achieved in fulfilling accountability obligations; compliance of applicable rules and regulations and implementation of programmes is carried out in an orderly, economical, efficient and effective manner.

1.21.1 Deficiencies in internal control mechanism in PRIs

The internal control system at the level of each PRIs had been designed by GoA through AP Act, 1994, AP (F) Rules, 2002, besides application of State Government's own rules and policies relating to finance, budget and personnel matters. Significant provisions of internal control mechanism in PRIs are given in **Appendix-IX**.

The deficiencies contributed to weakness in the internal control of PRIs are discussed earlier in Para 1.21 (Financial Reporting).

Though the shortcomings were pointed out in previous ATIRs also no corrective action was initiated either by the PRIs or the State Government to ensure proper maintenance of records and to put an internal control mechanism in place.

1.21.2 Internal Audit

Internal Audit is an important instrument to examine and evaluate the level of compliance with rules and procedures as envisaged in the relevant Acts as well as in the Financial/Accounting Rules so as to provide independent assurance to management on the adequacy of the risk management and internal control frame work in the PRIs.

Rule 18 of AP (A) Rules, 2002 provided for utilisation of internal auditors of PRDD for proper and correct maintenance of accounts of PRIs. An internal audit wing with internal auditors was in place in the Commissionerate of PRD, Assam. However, no internal audit of PRIs had so far been conducted (March 2013). The Department had no Audit Manual of its own and its main function was limited to assisting the Commissioner, PRD, Assam in settling the outstanding audit paras and inspection reports relating to departmental units.

This affected the sense of accountability to ensure proper compliance of rules and procedure as envisaged in the relevant Acts/Rules.

1.22 Audit of accounts of PRIs

1.22.1 Audit coverage by Director of Audit, Local Fund (DALF)

DALF is the primary auditor to conduct the audit of PRIs of Assam. Based on information furnished by DALF (May 2013), the arrears in audit of PRIs during the

period 2009-13 ranged between 45 and 82 *per cent*. The year-wise position of units to be audited and those actually audited are detailed in **Table 1.13**.

Table 1.13: Shortfall in covering the units planned for audit by DALF

Year	No. of units planned for audit	No. of units audited	Shortfall	Percentage of shortfall
2009-10	1969	356	1613	82
2010-11	1297	418	879	68
2011-12	877	492	385	44
2012-13	1423	788	635	45

Source: Information furnished by DALF, Assam.

Apart from this, there was also arrear in issue of 355 audit reports as of March 2013. The reasons for shortfall in audit coverage and arrear in issue of audit reports were attributed to non-production of records and engagement of Audit Officer in Panchayat Elections. Moreover, no provision had been made in this Act so far for placement of Audit Report of DALF before the State Legislature.

1.22.2 Presentation of Annual Audit Report

As per para 101 (i) of Assam Audit Manual, DALF is required to send an Annual Audit Report to the Finance Department by 30 September each year incorporating major outstanding audit objections relating to PRIs which were pending settlement for further action by the Finance Department. DALF prepared its first consolidated Audit Report for the year 2010-12 and submitted to Finance Department which was also laid before the Legislature on 10 February 2014.

1.22.3 Response to Audit Observations

Inspection Reports (IRs) were issued to audited PRIs authorities with a copy of each to the State Government. PRIs authorities were required to comply with the observations contained in the IRs and rectify the defects and omissions and report their compliance within three months from the date of issue of IRs. Important audit findings are processed for inclusion in the ATIR.

The details of outstanding paragraphs in respect of PRIs, as of March 2013 are shown in **Table 1.14**.

Table 1.14: The details of outstanding IRs and paragraphs

Year of issue	No. of Inspection Reports	No. of outstanding Paras	Money value (₹ in crore)
Up to 2006-07	25	317	21.67
2007-08	26	344	62.07
2008-09	71	576	39.83
2009-10	262	1337	119.70
2010-11	74	508	154.32
2011-12	52	515	188.98
2012-13	25	211	103.38
Total	535	3808	689.95

Source: Progress Register

Thus, 3808 paragraphs with monetary value of ₹689.95 crore were pending settlement (March 2013) for want of replies from concerned PRIs. Increasing trend of outstanding paragraph was indicative of non-compliance of audit observations which showed low

level of accountability. The Administrative Heads of the Departments concerned also did not ensure that the concerned officers of the PRIs took prompt and timely action in furnishing replies to IRs and thereby weakening the accountability mechanism of PRIs in Government.

1.23 Administrative Reports

Sub-sections (1) and (2) under Section 128 of the AP Act, 1994, provides for submission of Annual Administrative Report of the preceding year of ZP and AP to the Government by 30 September every year. Report of the ZP together with a memorandum by the Government reviewing the working of the ZP should be laid before the State Legislature as per sub-section (3) of the section *ibid*. However, neither the PRIs prepared their Annual Administrative Reports nor the State Government (PRDD) called for Annual Administrative Reports from PRIs for consolidation and submission to the State Legislature.

1.24 Conclusion

The PRIs were not maintaining their accounts as per format prescribed by MoPR. Cash Book balances were not reconciled with bank balances in some PRIs. Asset Registers were not maintained by PRIs. Expenditures were incurred either by preparing unrealistic budget or without preparing any budget. There were instances of non-deduction of VAT and short realisation of *kist* money causing significant loss to the Government. Internal audit had never been carried out in compliance with rules and procedures as envisaged in the relevant Acts/Rules. Increasing trend of outstanding paragraphs was indicative of non-compliance of audit observations which showed low level of accountability.

CHAPTER II

TRANSACTION AUDIT OF PRIs

CHAPTER - II

TRANSACTION AUDIT

PANCHAYAT AND RURAL DEVELOPMENT DEPARTMENT

2.1 Fraudulent Withdrawal

An amount of ₹18.15 lakh was fraudulently withdrawn from bank against sanctioned amount of ₹1.15 lakh by tampering the amount of three cheques meant for payment of Value Added Tax (VAT) and implementation of District Development Plan (DDP) scheme. Out of fraudulent withdrawal of ₹17.00 lakh (₹18.15 lakh - ₹1.15 lakh), only ₹9.00 lakh was recovered.

Internal Controls are safeguards that are to be put in place by the authorities to ensure that an entity's activities are proceeding as planned. Bank Reconciliation Statement (BRS) is a very important tool for internal control of cash flows. It helps in detecting errors, frauds and irregularities occurred, if any, whether intentionally or unintentionally. Sub-Rule 4(e) under Rule 8 of the Assam Panchayat (Financial) Rules, 2002 also provides for preparation of separate memorandum to be recorded in the last page of month showing reconciliation of bank account which shall also be signed with date by the Chief Executive Officer (CEO) of the concerned Zilla Parishad (ZP).

During audit it was revealed the Accountant of Karimganj ZP had withdrawn (October 2011) ₹9,90,000.00 instead of sanctioned amount of ₹90,000.00 for final payment of the ZP level scheme under District Development Plan (DDP) 2010-11. However, he refunded (February 2012) ₹9,00,000.00 stating that the amount was withdrawn in excess by mistake. The Department did not take any action against the delinquent Accountant. Due to failure of the Department to take suitable action against the Accountant, the Accountant again fraudulently withdrew (December 2011) an amount of ₹3,02,802.00 from the bank instead of sanctioned amount of ₹2,802.00 for payment of VAT under National Social Assistance Programme (NSAP). However, CEO, Karimganj ZP lodged (March 2012) an FIR with Karimganj Police Station against fraudulent withdrawal of ₹3,02,802.00 by the Accountant. In the meanwhile, based on the repost submitted by the CEO, Karimganj ZP and DC, Karimganj, Commissioner, Panchayat and Rural Development (P&RD) placed (March 2012) the Accountant under suspension.

A test check of records of CEO, Karimganj ZP (during October to December 2012) revealed that inspite of above instances of tempering with the cheque and fraudulent withdrawal of money, the Department did not review the similar transaction done by the Accountant. Audit came across the instance where the same accountant had used similar modus-operandi to defraud the Department by tempering with the cheques sanctioned by competent authority. It was seen that against ₹21,910.00 sanctioned (August 2011) for payment of Value Added Tax (VAT) under Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), the accountant had fraudulently withdrawn ₹5,21,910.00 (August 2011).

At the instance of audit, a FIR was lodged (December 2012) by the CEO, Karimganj ZP against the Accountant (under suspension) with Karimganj Police Station. Action taken on the above was however awaited (March 2014) in audit.

In this connection audit observed that there was serious lack of internal control which led to occurrence of such instances regularly as mentioned below:

- Self drawing cheques were issued instead of account payee cheque which facilitated withdrawal of money in cash ;
- Ample space was kept before the actual amount of the cheques both in figures & words which was ignored by the cheque signing authority at the time of signing the cheque;
- Bank Statement and Cash Book were not reconciled regularly which encouraged embezzlement of fund.

Thus, absence of adequate internal control safeguards resulted in fraudulent withdrawal of ₹18.15 lakh, out of this amount only ₹9.00 lakh was recovered.

The matter was reported to the Government (September 2013); reply is awaited (March 2014).

2.2 Misappropriation of fund

₹0.69 lakh collected through money receipts by the then Accountant of the South Golaghat Anchalik Panchayat (AP) were neither accounted in the Cash Book nor deposited in the bank account. The amount was also not handed over to the next Accountant who took over the charge leading to misappropriation of fund.

Rule 14 of the Assam Panchayat (Financial) Rules, 2002 provides that all receipts due to the Anchalik Panchayat (AP) shall be collected by an officer or an employee in the employment of the AP concerned authorised in this behalf by the Executive Officer (EO) of that AP and all such receipts shall be handed over to the Cashier or any other Officer authorised for the purpose through the Accountant of the AP who shall enter all such receipts in the Cash Book on the very date of receipt and each entry in the Cash Book shall be authenticated by the Drawing and Disbursing Officer (DDO) with his dated initial.

Test check (September-October 2012) of records of the EO, South Golaghat AP revealed that the then Accountant cum Store Keeper collected ₹68,800.00 on account of room rent, tax etc. by issuing 26 money receipts during the period from 14 July 2008 to 02 June 2009 but the same were neither recorded in the Cash Book nor deposited in the bank account. While handing over the charge on 12 June 2009 by the then Accountant, the said amount was also not handed over to the next Accountant who took over the charge. Disregarding the provision of Rule 14 *ibid*, ₹0.69 lakh, though collected, remained unaccounted for more than three years and four months from the date of its collection till the date of audit (October 2012). The EO, South Golaghat AP without ensuring that every receipt was recorded in the Cash Book and deposited in the bank account, authenticated the Cash Book in a routine manner. Thus, failure to observe these internal controls facilitated misappropriation of fund of ₹0.69 lakh.

In response to the audit observation, the EO stated (October 2012) that the matter would be taken up with Panchayat Body. However, no action had been taken in this regard (August 2013).

The matter was reported to the Government (September 2013); reply is awaited (March 2014).

2.3 Doubtful Expenditure

Execution of plantation works during the years 2009-10 to 2011-12 under Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) was doubtful as the Block Development Officer, Sissiborgaon Development Block failed to produce any records in support of actual execution of the works amounting to ₹99.24 lakh. Moreover, no evidence of plantation was found during joint physical verification conducted in three cases.

One of the objectives of the “Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)” enacted (September 2005) by the Government of India was to generate productive assets and protect the environment.

The Block Development Officer (BDO), Sissiborgaon Development Block (DB) took up various plantation and afforestation works during the years 2009-10 to 2011-12 under MGNREGS with a view to achieve the above objective. Test check (November 2012) of records of the BDO, Sissiborgaon DB revealed that an expenditure of ₹99.24 lakh was incurred on the schemes as detailed in **Appendix-X**.

However, related records viz. Plan & Estimate, Measurement Book, Muster Roll, Plantation Journal, Survival Report and Monitoring Report etc were not available with the BDO in absence of which, the actual execution of above plantation works was doubtful. Further, joint (audit team and the BDO) physical verification (December 2012) of three schemes (43 *per cent*) revealed non existence of plantation works. Scheme wise findings of Joint Physical Verification are as shown in **Table 2.1**.

Table 2.1: Results of physical verification

Sl. No.	Name of the work	Findings
1	Lemon and Horticulture plantation at Malinipur GP.	No Lemon & Horticulture plantation was found instead paddy cultivation was noticed.
2	Lemon and Horticulture plantation at Santipur	No Lemon & Horticulture plantation was found.
3	Construction of boundary fencing and afforestation at Kanduli Mathura Shasanshali	Afforestation and boundary fencing was not found.

Findings of physical verification also point towards doubtful execution of the works. Though the BDO stated (November 2012) that flood, drought and lack of maintenance affected the survival of the plantation, he could not produce any records in support of actual execution of works.

Thus, the entire expenditure of ₹99.24 lakh on the above works remained doubtful.

The matter was reported to the Government (September 2013); reply is awaited (March 2014).

2.4 Unfruitful Expenditure

Supply of computers to Gaon Panchayats (GPs) without ensuring availability of basic infrastructure required for operating the computers rendered the expenditure of ₹38.57 lakh unfruitful.

In order to provide computers to all the PRIs in Assam an agreement was executed (August 2010) between the Commissioner, Panchayat and Rural Development (P&RD), Assam and HCL Ltd, Guwahati for supply and installation of desktop computers along with accessories.

HCL Ltd, Guwahati supplied (October 2010) 154 computers with accessories valuing ₹62.53 lakh (154 × ₹40,604.00 each) to PRIs in Barpeta District for which full payment was made to the supplier. One computer each was meant for 129 Gaon Panchayats (GPs), two computers were to be installed in every 11 Anchalik Panchayats (APs) and three computers were to be installed in the Zilla Parishad (ZP). Though installation report was available with the ZP office, the mode of installation was neither specified in the installation report nor did the CEO ensure it before making full payment to the supplier.

Further scrutiny revealed that the computers in non-electrified GPs were either kept idle in the PRIs or at the residence of GP Secretary, GP President, Ex- GP President and other officials. One computer was reported to be stolen whereas whereabouts of seven computers were not known. Details are shown in **Appendix-XI**.

Thus, supply of computers to GPs without ensuring availability of basic infrastructure required for operating the computers rendered the expenditure of ₹38.57 lakh (95 sets of computers @ ₹40,604.00 each) unfruitful.

The matter was reported to the Government (September 2013); reply is awaited (March 2014).

2.5 Unauthorised and Dubious Expenditure

The Chief Executive Officer (CEO), Golaghat Zilla Parishad (ZP) unauthorisedly incurred an expenditure of ₹49.51 lakh out of ₹59.72 lakh retained from the District Development Plan (DDP) fund as contingency violating the DDP guidelines. The CEO also failed to produce records in support of expenditure of ₹11.85 lakh.

The “District Development Plan (DDP)”, a State Sector Scheme, was introduced (2007-08) with the objective of infrastructure development, agriculture improvement, development of women and weaker sections of the society. The funds under DDP are allocated to the districts through State Budget and released to Zilla Parishads (ZPs) of the State for taking up schemes approved by District Planning Committee (DPC). As per guidelines, no funds placed under DDP can be deducted for contingency expenditure.

Test-check (September-October 2012) of records of the Chief Executive Officer (CEO), Golaghat ZP revealed that during 2007-12, the CEO, Golaghat ZP received ₹23.27 crore under DDP for execution of 1206 works. Of this amount, ₹22.67 crore was released to the implementing agencies for execution of 1206 works and the balance amount of ₹59.72 lakh was retained by Golaghat ZP as contingency fund violating the provision of DDP guidelines. Out of ₹59.72 lakh, ₹49.51 lakh was shown to have been utilised for execution of works and other contingencies not covered under planned schemes during 2008-11. The CEO did not obtain any approval from the DPC for the above works. Further, in respect of ₹11.85 lakh out of the ₹49.51 lakh shown as utilised, no records viz. name of the scheme/work executed, bills, vouchers etc. could be produced to audit. Balance fund of ₹10.21 lakh (₹59.72 lakh - ₹49.51 lakh) was kept under the contingency head without any utilisation till date of audit (October 2012).

Thus, execution of works beyond the scope of planned scheme as well as without the approval of DPC resulted in unauthorised expenditure of ₹49.51 lakh of which expenditure of ₹11.85 lakh turned out to be doubtful in absence of supporting vouchers.

The matter was reported to the Government (July 2013); reply is awaited (March 2014).

2.6 Irregular Financial Assistance

Irregular financial assistance of ₹2.15 crore was provided by the Block Development Officer (BDO), Golaghat North Development Block (DB) to 541 beneficiaries which did not belong to the BPL households depriving 541 genuine beneficiaries of the benefit of IAY scheme.

Housing is one of the basic requirements for human survival. To meet this need Government of India (GoI) introduced (1985-86) Indira Awas Yojana (IAY) and Para 1.4 of the IAY guidelines envisaged that the target groups for providing houses under the IAY are those who belong to Below Poverty Line (BPL) household living in rural area. Under the scheme, lump sum financial assistance is provided to BPL families for construction/ up gradation of dwelling units.

As per Receipt and Expenditure Statement, Block Development Officer (BDO), Golaghat North Development Block (DB) received ₹5.42 crore during the years 2008-09 to 2011-12 under IAY. Out of this amount, the BDO incurred an expenditure of ₹5.34 crore during the years 2008-09 to 2011-12. Financial assistance to 1191 beneficiaries was to be provided under IAY for the years 2008-09 to 2011-12.

Test check (September-October 2012) of records of BDO, Golaghat North DB revealed that out of 1191 beneficiaries to whom financial assistance was provided, 541 beneficiaries were found not belonging to BPL household. Financial assistance of ₹2.15 crore to these beneficiaries was provided by quoting others BPL IDs / non-existent BPL IDs in the BPL data of the block as detailed in **Appendix –XII**.

Accepting the audit observation the BDO stated (October 2012) that reason for such lapses would be investigated and assured that BPL data would be verified in each and every case before releasing any further financial assistance.

Thus, irregular financial assistance of ₹2.15 crore was provided to 541 beneficiaries which did belong to BPL households depriving 541 genuine beneficiaries of the benefit of IAY scheme.

The matter was reported to the Government (September 2013); reply is awaited (March 2014).

2.7 Inadmissible and Unproductive Expenditure

Construction of the fishery tank at a location not covered under the sanction rendered the entire expenditure of ₹20.45 lakh not only inadmissible but also unproductive as the common people could not reap the projected benefits of the scheme due to its location.

Government of India (GoI), Ministry of Rural Development (MoRD) enacted (September 2005) the “National Rural Employment Guarantee Act, 2005 (NREGA)” with a view to enhance livelihood security in rural areas which was renamed as “Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)” in October 2009. The programme also aims at creation of sustainable assets that strengthen the livelihood resource base of rural areas.

With a view to provide sustainable livelihood to the rural communities by way of catching and rearing fish, the “Construction of fishery tank along with boundary fencing near Police Reserve at Baradi” under Keotkuchi Gaon Panchayat (GP) was proposed for execution by the Barpeta Zilla Parishad during 2007-08 under MGNREGS.

Administrative Approval (AA) and Technical Sanction (TS) for the above work were accorded (December 2007) for ₹20.47 lakh. The work commenced in February 2008 and was completed in March 2008 with a total expenditure of ₹20.45 lakh.

Test check (February- March 2013) of records of the CEO, Barpeta ZP revealed that the Measurement Book (MB) in support of actual execution of work and vouchers of ₹9.92 lakh (₹20.45 lakh - ₹10.53 lakh) in support of expenditure were not available with the CEO, Barpeta ZP rendering the expenditure doubtful. Moreover, the fishery tank which was supposed to be constructed near Police Reserve at Baradi under Keotkuchi GP was actually constructed within the premises of Police Reserve and was inaccessible to the local people. In reply to an audit query (February 2013) the CEO stated (February 2013) that the fishery tank was under the possession and maintenance of the Police Reserve and it was neither handed over to any user group nor any commercial activities were undertaken as envisaged in the scheme.

Thus, instead of constructing the fishery tank near the Police Reserve as per sanction, the CEO, Barpeta ZP constructed it inside the campus of Police Reserve which rendered the entire expenditure of ₹20.45 lakh inadmissible. Further, the expenditure was also unproductive as the projected benefits of selling and rearing of fish remained unachieved since the fishery tank was inaccessible to common people due to its location.

The matter was reported to the Government (September 2013); reply is awaited (March 2014).

2.8 Unproductive Expenditure

Expenditure of ₹95.77 lakh incurred on construction of Bamboo Mat Industry at Mandia remained incomplete for five years resulting in unproductive expenditure frustrating the objective of the scheme as local people of the District were deprived of an opportunity of earning their livelihood.

The Chief Executive Officer (CEO), Zilla Parishad (ZP), Barpeta undertook the construction of Bamboo Mat Industry at Mandia under Backward Regions Grant Fund (BRGF) during the year 2007-08 to meet the standing demand of bamboo mat of the locality and engagement of local people of the District for earning their livelihood.

The estimated cost of project of the Bamboo Mat Industry was ₹99.00 lakh which included ₹4.00 lakh for procurement of machinery. Administrative Approval and Technical Sanction to the project was accorded in January 2008 and February 2008 respectively. The work commenced in February 2008 with a stipulation to complete the project by September 2008 *i.e.* eight months from the date of commencement of work. In addition, an amount of ₹8.00 lakh was also sanctioned for renovation of the above work, out of which ₹6.60 lakh was released and incurred in 2009-10.

Test check (February- March 2013) of records of the CEO Barpeta ZP and subsequent collection (August 2013) of information revealed that an expenditure of ₹95.77 lakh was incurred for the construction/renovation of Bamboo Mat Industry at Mandia. CEO stated (February and August 2013) that only 96 *percent* of the work was completed (February 2011) and the project could not be made functional due to non availability of machinery and proper infrastructure to run training programme. Audit observed the authority did not initiate any action for procurement and installation of machinery and instead of completing the essential works incurred an expenditure of ₹6.60 lakh on renovation. Thus,

the project remained incomplete for five years resulting in unproductive expenditure of ₹95.77 lakh frustrating the objective of the scheme as local people of the district were deprived of an opportunity of earning livelihood.

The matter was reported (September 2013) to the Government; reply is awaited (March 2014).

2.9 Doubtful Expenditure

Construction of guide bunds without appropriate technical estimates and approval incapable of resisting water pressure during flood due to which these bunds washed away resulting in doubtful expenditure of ₹76.61 lakh.

Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) provides that all assets created must be productive, durable and conform to the prescribed standard. Block Development Officer (BDO), Sissiborgaon Development Block (DB) had taken up works of bunds under MGNREGS to protect the common people from floods during the rainy season.

Test check (November 2012) of records of two works revealed that the BDO, Sissiborgaon DB incurred an expenditure of ₹76.61 lakh for construction of two guide bunds as shown in **Appendix-XIII**.

It was observed that technical estimates were prepared by a Junior Engineer (JE) of the DB by splitting up the work into fragments of ₹5.00 lakh each without consulting the specialist line department and without obtaining any technical sanction for execution of the works. Completion report, Measurement Book (MB) etc. could also not be made available to audit for verification. In the absence of technically sanctioned estimates, completion report and MB etc. proper construction and durability of works was not ascertainable. The audit team while conducting joint physical verification of the said two works, along with departmental officials found (December 2012) that both the guide bunds did not exist. The BDO stated that the bunds were constructed but washed away by the flood. Reply is not tenable in the absence of MBs and completion reports to support the actual construction.

Therefore, expenditure of ₹76.61 lakh on guide bunds constructed without appropriate technical estimates and approval and for which no supporting documents could be produced, was doubtful.

The matter was reported (September 2013) to the Government; reply is awaited (March 2014).

CHAPTER III

Section-A

An Overview of Urban Local Bodies

CHAPTER - III

Section-A

An Overview of Urban Local Bodies (ULBs)

URBAN DEVELOPMENT DEPARTMENT

3.1 Introduction

The 74th Constitutional Amendment Act, 1992 marked a new era in the federal democratic set up of the country as it conferred Constitutional status to the municipalities and recognised them as Local Self Government Institutions (LSGIs).

In Assam, for urban areas, a Municipal Corporation (MC) for Guwahati, Municipal Boards (MBs) for comparatively larger urban areas and Town Committees (TCs) for transitional and relatively small urban areas have been functioning.

The amendment provides for devolution of powers and responsibilities with respect to preparation of plans and programmes for economic development and social justice. It also provides transferring of 18 subjects listed in Schedule XII of the Constitution of India for Urban Local Bodies (ULBs). As a follow up, the State was required to entrust these ULBs with such powers, functions and responsibilities as to enable them to function as LSGIs. The Constitutional Amendments establish a system of uniform structure, conducting of regular election, regular flow of funds etc.

The administrations of urban local bodies are governed by the provisions of:

- Guwahati Municipal Corporation (GMC) Act, 1971,
- Assam Municipal (AM) Act, 1956 and
- Assam Municipal Accounts (AMA) Rule, 1961.

Article 243 of the Constitution of India provides that elections in Municipalities shall be held once in every five years. Elections in ULBs in the State were held in July 2009. State Government had dissolved the elected body of the GMC in May 2008. As per provision under Article 243(U)(3) of the Constitution of India an election to constitute a Municipality shall be completed before the expiry of a period of six months from the date of its dissolution. However, elections to the GMC in the State were last conducted during June 2013.

There are 93 ULBs in the State as on 31 March 2013. Of the 93 ULBs, 75 are in General Areas and governed according to the provisions of the AM Act, 1956. The remaining 18 ULBs falling within the Sixth Schedule Areas are governed by the rules framed by the respective ADCs. Recommendations of the Assam State Finance Commissions (ASFCs) did not cover the ADCs.

3.2 Size of ULBs

As on 31 March 2013, there were 93 ULBs in Assam. The position of ULBs in Assam in terms of number, area and average population is given in **Table 3.1**.

Table 3.1: Position of ULBs

Level of LB	No.	Area per ULB (Sq Km)	Average population
Municipal Corporation (MC)	1	216.79	963429
Municipal Board (MB)	34	20.35	90652
Town Committee (TC)	58	1.53	4960

Source: Assam State Finance Commission's report submitted for 14th CFC

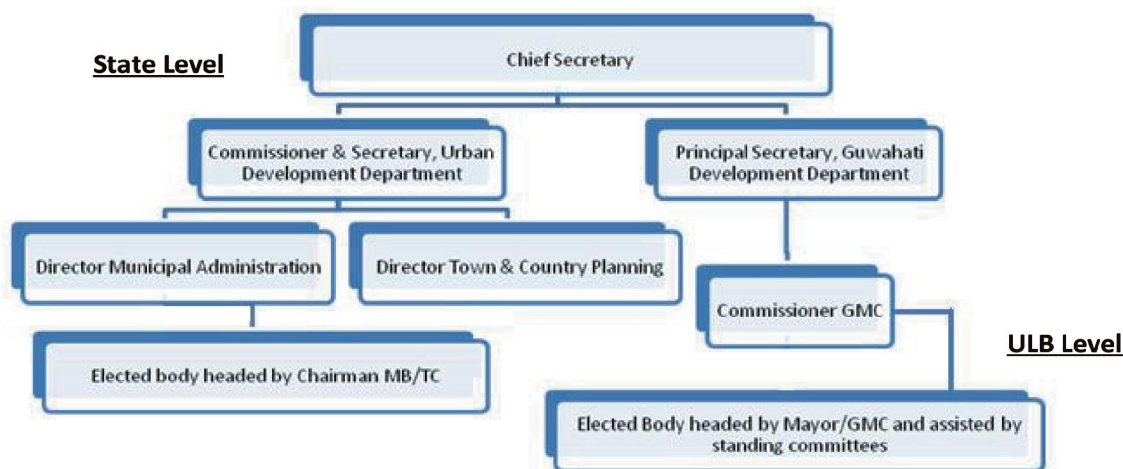
3.3 Organisational Setup in State Government and ULBs

The Commissioner and Secretary, Urban Development Department (UDD) is the administrative head of ULBs (MBs & TCs) and is assisted by the Director, Municipal Administration (MA) and Director, Town & Country Planning (T&CP). Commissioner and Secretary, UDD also allocates fund and exercises overall control and supervision of functions and implementation of schemes at the State level.

The Principal Secretary, Guwahati Development Department (GDD) is the administrative head of the Department and the GMC is headed by Commissioner, GMC.

Following organogram depicts the organisational set up of ULBs:

Organisational set up of ULBs



3.4 Functioning of ULBs

The MBs and TCs in Assam were functioning without an Executive Officer (EO) for running the day to day administration. Of late, the Municipal Act had ensured putting in place an EO for each and every MB and TC. However, as of March 2013, there was no EO in any of the MB/TC where elected body was functioning. In the absence of suitable administrative machinery in ULBs, the amount earmarked for ULBs under transferred subjects was being spent through line departments.

3.5 Standing Committees

In case of ULBs, AM Act, 1956 also does not provide for constitution of any standing committee. However, though Section 20 of GMC Act, 1971 provides for constitution of standing committee (for Guwahati Municipal Corporation), no provision was made in the Act regarding timeline for formation of the standing committee and its constituent members.

3.6 Staffing pattern of ULBs

The ULBs do not have any approved staffing pattern for them. As a result, staff strength of ULBs varies from unit to unit depending on the size and paying capacity of ULBs.

UDD and GDD submitted study report of staffing pattern of ULBs and GMC to FASFC in December 2011 and in February 2012 respectively. However, GoA is yet to take decision on the issue (March 2013).

Unless ULBs were properly manned, they would be unable to handle huge funds obtained from various sources and their accounting in a proper way.

Hence, a clear policy in this regard was needed to be formulated by GoA keeping in view the imperatives of personnel requirement in the context of enhanced workload entrusted to ULBs under different programmes, schemes and projects.

3.7 State Finance Commission Grants

Article 243W of the Constitution had made it mandatory for the State Government to constitute a SFC within a year from the enactment of the Constitutional Amendment Act and thereafter on expiry of every five year to review the financial condition of the ULBs and to make recommendations to the Governor for devolution of funds to ULBs on the following aspects:

- The distribution of net proceeds of taxes, duties and fees between the State and the ULBs;
- Release of *Grants-in-aid* (GIA) to the ULBs from consolidated fund of the State and
- Measures needed to improve the financial conditions of the ULBs.

Accordingly, in respect of sharing of the net proceeds of State Taxes with Municipalities, a global approach of sharing the net proceeds of all State Taxes excluding Non-Tax revenue and share of Central Taxes is adopted. Details of quantum of devolution recommended by ASFC and fund released by the GoA to ULBs during the years 2008-09 to 2012-13 are indicated in **Table 3.2 and Table 3.3.**

Table 3.2: Devolution of Fund to ULBs

(₹ in crore)

Year	Net collection of the State Government	Amount to be devolved	Actual released under SFC	Short released
		ULBs including GMC	ULBs including GMC	
(1)	(2)	(4)	(8)	(9)
2008-09	4150.21	240.25	48.61	191.64
2009-10	4986.72	254.19	96.15	158.04
2010-11	5929.84	268.27	151.67	116.60
2011-12	7638.23	83.65	83.65	0
2012-13	8250.21	91.27	91.26	0.01
Total	30955.21	937.63	471.34	466.29

Source: The FASFC Report and information furnished by Director, Finance (Economic Affairs) Department, Assam.

Table 3.3: Allocation and release of GIA to ULBs

(₹ in crore)

Year	Recommended by ASFC	GIA released to	Short released
2008-09	210.98	-	-
2009-10	144.60	-	-
2010-11	156.64	3.29	153.35
2011-12	334.28	106.03	228.25
2012-13	211.92	62.12	149.80
Total	1058.42	171.44	531.40

Source: The FASFC Report and information furnished to Fourteenth Finance Commission by GoA.

It can be seen from above tables that against ₹1996.05 (937.63+1058.42) crore recommended by ASFC, the GoA could release only ₹642.78 (471.34+171.44) crore.

Thus, due to short release of ₹997.73 (466.29+531.40) crore the ULBs were unable to implement various welfare activities for the overall economic development.

3.8 Status of devolution of 3Fs

The following eight subjects out of 18 subjects listed in the XIIth Schedule are being implemented by the ULBs as their traditional functions:

- Water supply for domestic, industries and commercial purposes;
- Conservancy and Solid Waste management;
- Slum improvement and upgradation;
- Provision of urban amenities and facilities such as park, garden play grounds;
- Burials and burial grounds, cremations, cremation grounds and electric cremations;
- Cattle ponds;
- Public amenities including street lighting, parks, gardens, play grounds and
- Regulation of slaughter houses.

Subjects relating to urban planning including town planning, land use and construction of buildings, slum improvement and upgradation, roads and bridges, urban forestry, ecology and environment, vital statistics including registration of births and deaths, planning for economic and social development, urban poverty alleviation etc. were not yet transferred to the ULBs. The approach adopted in this regard so far is limited to constituting a committee only. The devolution of funds, functions and functionaries (3Fs) as listed in the XIIth Schedule remain more or less in the paper till date (March 2013). In respect of Guwahati Municipal Corporation (GMC) out of 18 functions listed in the XIIth schedule, activities under four functions were transferred to GMC as of March, 2013. Remaining functions were still lying with the line department and other agencies working in parallel with GMC within the Municipal area. Thus, devolution of 3Fs to GMC in respect of the transferred subjects was far below the desired level.

Nevertheless, the GoA had created a Municipal window in the State Budget for devolution of fund and every year a substantial portion of budgetary outlays under plan and non-plan in the revenue account was earmarked for Municipalities against the

transferred subjects. However, in the absence of suitable administrative machinery under the ULBs, the earmarked amount was being spent through the functionaries of the line departments. Thus, the objective of creating the Municipal window in the State Budget was frustrated due to lack of effective action on the part of the Government to implement its own decisions on devolution of 3Fs to the ULBs.

3.9 Financial profile of ULBs

For execution of various developmental works, the ULBs arrange fund from its own sources as Tax and Non Tax revenue, grants and assistance from Government and loans from public financial institutions or nationalised banks. The authority for reporting and use of fund in respect of MBs and TCs is Chairperson and authority in respect of GMC is the Commissioner. Detailed sources of fund and its custody are given in **Table 3.4**.

Table 3.4: Fund flow mechanism in ULBs

Nature of Fund	MC, MBs, TCs	
	Source of fund	Custody of fund
Own receipts	Assesseees and users	Bank
SFC	State Government	Do
CFC	GoI	Do
SSS	State Government	Do

Source: Scheme guidelines

Details of fund flow arrangements in CFC Grants and CSS are given in the **Table 3.5**.

Table 3.5: Fund flow arrangements of CFC Grants and CSS to ULBs

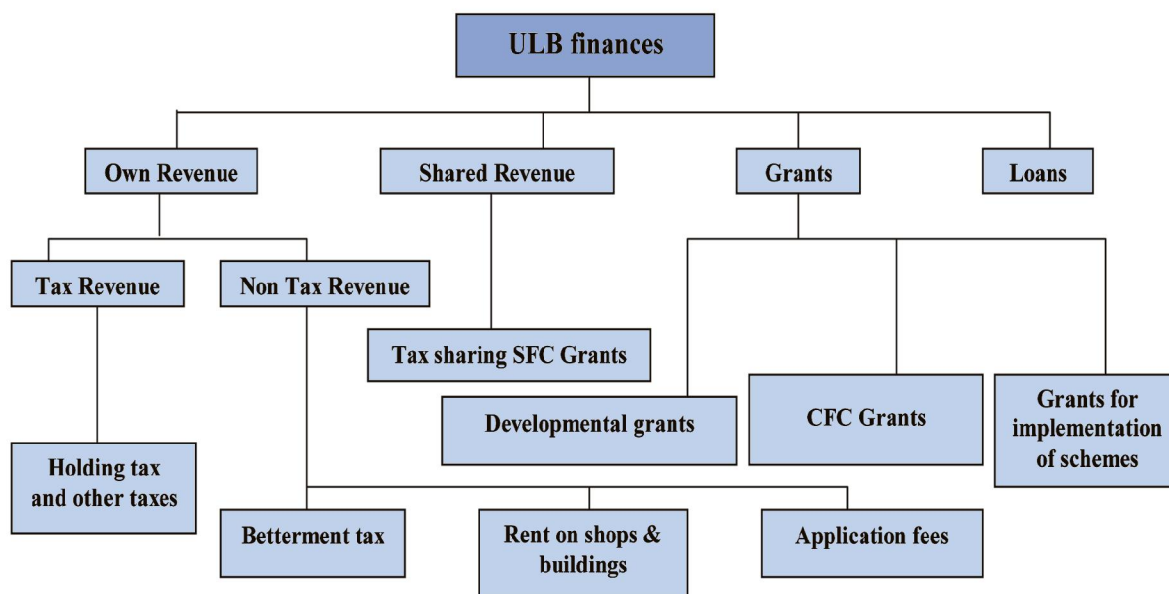
Sl. No	Scheme	Fund flow
1	Swarna Jayanti Shahari Rozgar Yojana (SJSRY).	Central share is released to the UDD, which is the State Urban Development Agency (SUDA). State share provided in the Budget is released to the Director, Municipal Administration who disburses the funds (Central and State share) to the respective ULBs.
2	Jawaharlal Nehru National Urban Renewal Mission (JnNURM).	Central share is released to the SUDA. The State Share provided in the budget is also released to the SUDA which disburses the fund to GMC through Guwahati Metropolitan Development Authority (GMDA).
3	Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT).	Central share is released to the UDD through the State Government. State share provided in the Budget is also released to UDD which disburses the funds to the ULBs through Director, T&CP.
4	Basic Service to Urban Poors (BSUP).	Central share is released to UDD and GDD through State Government. State share provided in the Budget is also released to UDD/GDD which disburses the funds to implementing ULBs through Director, T&CP while GDD disburses the fund to GMC through GMDA.
5	CFC	GoI transfers the fund to the State which is released through budget allocation to the DC of the District. The DC after drawal of the fund from treasury disburses the same to municipalities under its jurisdiction.
6	BRGF	GoI transfers the fund to the State which is released through budget allocation to the ZPs which after drawal of the fund from treasury, disburses it to municipalities within the district.

Source: Scheme guidelines

3.9.1 Sources of Revenue

The main sources of revenue for the ULBs are (a) Government Grants and (b) Own Revenue. Own revenue resources of ULBs comprises 'Tax' and 'Non-Tax' revenue realised by them. Property Tax is the major source of revenue. Government grants comprise fund released by the Central and State Governments based on recommendations of CFC, SFC and GoI's share for various CSS. Besides, ULBs also obtains loans from financial institutions for implementation of various schemes relating to Urban Development, Water Supply and Roads etc.

A flow chart of finances of an ULB is given below:



Under the provision of the Acts in force, all collections such as taxes on holdings, water tax, latrine tax etc., are the sources of tax revenue while building plan sanction fee, rent from shops and buildings, tolls and other fees and charges constituted the main source of non-tax revenue. The State Government also released GIA and loans to the ULBs to compensate their establishment expenses. ULBs also receive grants and assistance from State Government and Central Government for implementation of schemes and projects.

3.9.2 Resource Trends and composition

The trend of resources of ULBs for the period 2008-09 to 2012-13 is shown in **Table 3.6**.

Table 3.6: Time series data on ULBs resources

(₹ in crore)

	2008-09	2009-10	2010-11	2011-12	2012-13
Own Revenue	31.77	103.41	128.78	151.57	190.04
SFC transfers	48.61	96.15	151.67	189.68	149.59
CFC transfers	8.65	24.35	12.04	31.97	44.28
Interest for delayed payment of CFC grants	-	0.84	-	0.11	0.20
SSS	7.52	33.31	20.54	16.13	-
GoI grants for CSS	52.77	88.83	33.27	24.09	33.41

Source: The FASFC Report and information furnished by GoA.

The above table shows that the own resources have gradually increased in the last five years. However, the SFC grants though have an increasing trend during 2008-09 to 2011-12, it declined by 21.14 *per cent* in 2012-13.

3.9.3 Allocation and release of funds

During 2011-12 and 2012-13 public investment in urban development through major CSS and corresponding State shares are shown in **Table 3.7**.

Table 3.7: Statement showing investment through major CSS and SSS

(₹ in crore)

Sl. No.	Name of schemes	Nature of grants	2011-12			2012-13		
			Budget provision	Allocation made	Fund released	Budget provision	Allocation made	Fund released
1	SJSRY	Central Share	54.00	32.74	32.88	34.13	34.13	37.78
		State Share	3.00	3.00		6.00	4.43	
2	IDSMT ⁵	Central Share	Nil	Nil	Nil	Nil	Nil	Nil
		State Share	2.00	2.00	2.00	7.74	7.74	7.74
3	IHSDP ⁶	Central Share	33.26	Nil	Nil	62.81	Nil	Nil
		State Share	4.44	4.44	1.02	6.98	0.68	Nil
4	UIDSSMT ⁷	Central Share	85.22	31.50	24.08	65.89	16.70	13.23
		State Share	8.73	8.73	8.73	7.32	7.32	Nil
5	10 <i>per cent</i> Pool Fund	Central Share	Nil	Nil	Nil	Nil	Nil	Nil
		State Share	12.00	11.90	4.27	11.00	4.00	1.44
6	Night Shelter for Urban Scheme	Central Share	Nil	Nil	Nil	Nil	Nil	Nil
		State Share	0.75	0.75	0.48	1.00	0.76	0.56
7	C.M Special Programme for Development of Small Town	State Share	1.40	0.98	0.98	1.50	1.50	1.50

Source: Director, MA, Director, T&CP, Secretary, GDD, Assam.

However, there was no readily available data on how much was actually spent in a particular year on the above mentioned schemes. Hence, utilisation of the funds remained unverified. Thus, there is a need to establish the mechanism for proper accounting of these schemes for better accountability.

⁵ Integrated Development of Small and Medium Towns.

⁶ Integrated Housing and Slum Development Programme.

⁷ Urban Infrastructure Development Scheme for Small and Medium Towns

3.9.4 Short release of fund under CSS to ULBs

Details of the amount of CSS provided by GoI which accumulated with the share of the State Government to ULBs during 2012-13 are given in **Table 3.8**.

Table 3.8: Status of funds for CS Schemes.

(₹ in crore)

Sl. No.	Name of scheme	Share of Grant	Budget allocation	Amount allocated	Amount Released to ULBs	Short release
1	IHSDP	Central Share	62.81	Nil	Nil	Nil
		State Share	6.98	0.68	NIL	0.68
2	UIDSSMT	Central Share	65.89	16.70	13.23	3.47
		State Share	7.32	7.32	Nil	7.32
3	10 per cent Pool Fund	Central Share	NA	NA	NA	NA
		State Share	11.00	4.00	1.44	2.56
4	Night Shelter for Urban Slum	Central Share	NA	NA	NA	NA
		State Share	0.76	0.76	0.56	0.20
Total			154.76	29.46	15.23	14.23

Source: Information furnished by the Director, T&CP

As would be seen from the above table that against the budget provision of ₹154.76 crore, the Director, T&CP received ₹29.46 crore and released ₹15.23 crore resulting a short release of ₹14.23 crore in 2012-13. The short released amount ₹14.23 crore is retained by the Commissioner and Secretary, UDD and Director T&CP in a joint account. The retention of funds adversely affected the work under the schemes resulting in denial of intended benefit to the beneficiaries.

3.10 Expenditure management of ULBs

During 2009-10, expenditure on salary, remuneration etc, of ULBs amounted to ₹95.16 crore and their internal revenue mobilisation during the year was ₹103.41 crore. However, in 2012-13, their salary and remuneration expenditure was ₹172.01 crore against revenue mobilization of ₹190.04 crore. It is evident that major portion of the revenue of the ULBs is consumed in payment of salary.

It is apparent that the actual receipt or generation of own fund is inconsequential even to meet the payment of remuneration and sitting allowance and there is a little scope for meeting any other exigencies. Thus, ULBs at all levels require to be proactive in augmenting and mobilising of internal revenues by working out periodical action plans after identifying the potential areas.

3.11 Thirteenth Finance Commission (13th FC) Grant

The weights adopted by the 13th FC Commissioner for inter distribution of funds among the states were 50 per cent population, 10 per cent area and 20 per cent distance from highest per capita income, 15 percent index of devolution and five percent CPC grant utilization index. Based on the above principles, the share of ULBs for the periods 2010-15 in Assam including sixth Schedule areas amounted to ₹1892.90 crore. The amount so

recommended has two components viz, General Basic grants and Performance Grants. For all five years, states will be eligible to draw their Basic grants subject to submission of UCs in time. However, Performance grants will be eligible from the second year of the award period subject to fulfillment of certain conditions laid down in the Thirteenth Finance Commission (13th FC) recommendations.

The position of grants released to ULBs during 2011-13 by the GoI and further released by the State Government as per recommendation of the 13th FC is shown in **Table 3.9**.

Table 3.9: Award of 13th FC to ULBs

(₹ In lakh)

Programme Year	Installment No	Scheme Components	Fund received/released		Penal interest for late release of Fund
			Received from GoI	Released to ULBs	
2011-2012	2 nd	General Basic Grant	14.92	14.92	0.07
		General Performance Grant	5.14	5.14	
		Special Area Basic Grant	0.25	0.25	
		General Performance Grant Forfeited by non performance State	4.67	4.67	0.05
2012-2013	1 st	General Basic Grant	15.98	15.98	0.08
		Special Area Basic Grant	0.25	0.25	
		Special Area Performance Grant	3.65	3.65	
	2 nd	General Basic Grant	17.60	17.60	NIL
		Special Area Basic Grant	0.25	0.25	NIL
TOTAL			62.71	62.71	0.20

Source: Director, Finance (Economic Affairs) Department, Assam

As per guidelines issued by the GoI, grants of 13th FC are required to be transferred by State Government to the ULBs within five days of receipt from the Central Government in case of states having easily accessible banking infrastructure and ten days in case of states with inaccessible banking infrastructure failing which State Government was liable to transfer interest amount to ULBs at RBI bank rate for the number of days of delay.

It was observed that State Government released 13th FC grants to ULBs with a interest liability of ₹0.20 crore respectively due to tardy transfer of fund. Delay in release of funds hampered the timely implementation of the projects in the field because time factor played an important role in Assam in view of season specific limitations in execution of works.

3.12 Accountability framework

3.12.1 Power of State Government over ULBs

The Constitution of India empowers States to legislate on Municipalities. Further, in exercise of relevant Acts and Rules, the State Government exercises its powers in relation

to ULBs. Details of the powers of the State Government over the ULBs in decentralised setup are given in **Table 3.10**.

Table 3.10: Power of State Government over ULBs

Act/Rule/Authority (1)	Power exercised by Government (2)
Section 301 of AM Act and Section 426 of GMC Act	Power to frame rules The State Government may make rules for carrying out the aims and objectives of this Act.
Section 298 of AM Act and Section 425 of GMC Act	Power to dissolve ULBs Government may, by notification in Gazette, dissolve the ULBs, if the Government is of the opinion that the ULB exceeds or abuses its powers or is not competent to perform or make persistent default in the performance of the duties imposed on it under this Act or any other law, for the time being in force.
Section 296 of AM Act and Section 424 of GMC Act	Powers to revoke or suspend resolution of ULBs The State Government may by an order in writing suspend and prohibit an order or a resolution of an ULB, if the resolution is improper, cause or likely to cause injury or annoyance to the public or lead to a breach of peace.

The AM Act, 1956 and GMC Act 1971, also contain the following provisions to enable the State Government to monitor and ensure proper functioning of the ULBs.

- Call for any municipality to furnish information or report, plan, estimate, statement, accounts or statistics;
- Inspect any office or any record or any document of ULBs;
- Inspect the works and development schemes implemented by ULBs and
- Take action for default of head of the ULBs.

3.13 Vigilance mechanism

3.13.1 Ombudsman

The Ombudsman conducts investigation and enquires into instances of maladministration, corruption, favoritism, nepotism, lack of integrity, excessive action, inaction, abuse of position etc, on the part of officials and elected representatives of ULBs. He can even register cases, *suo moto*, if the instances of the above kind come to his notice.

There was, however, no provision in the AM Act and GMC Act regarding setting up of Ombudsman for ULBs.

3.13.2 Social Audit

The primary objective of social audit is to bring the activities of ULBs under close surveillance of people to enable them to access the records and documents of ULBs. Such immediate access to information would facilitate transparency and accountability in day-to-day functioning of ULBs. The State Finance Department issued guidelines (May 2009) for social audit which, *inter alia*, included the following:

- Use of Ward Committees as important vehicles for spread of awareness about social audit;
- Appointment of nodal officer at the level of Ward Committees who would register complaints and fix the date for social auditing;

- Wide publication of the date of social audit through local newspapers, hand bills, leaflets and notice boards etc. and
- Presentation by the representatives of ULBs of the relevant data on revenue and expenditure of their organizations including bills, vouchers, muster rolls, measurement books, copies of sanction orders and other books of accounts and papers necessary for the purpose of social auditing;

The State Government was yet (March 2013) to amend the relevant Municipal Act by including a statutory provision for social auditing.

3.13.3 Lokayukta

The Assam Lokayukta and Upa Lokayukta Act, 1985 (Assam Act XX of 1985) was introduced to improve the standard of Public Administration through investigation of complaint against ministers, legislators and public functionaries including those of ULBs. The institution was headed by Upa-Lokayukta (March 2001) as the post of Lokayukta had been lying vacant for the last 18 years (since March 1995).

The State Government had taken various initiatives by publishing advertisement in local newspaper in Assam and launched a website and approved setting up of cells in all Districts and Sub divisional Headquarters to receive complaints of this forum to increase the awareness of the people regarding Lokayukta and Upa-Lokayukta Act. However, the Upa-Lokayukta had not received any complaints relating to ULBs during the year 2012-2013.

Thus, there was a need to increase awareness among the people about the existence and functioning of anticorruption mechanism to make it more effective and useful to the public.

3.14 Audit Mandate

3.14.1 Primary Auditor of ULBs

Director of Audit, Local Fund (DALF), Assam established under Assam Local Funds (Accounts & Audit) Act, 1930 is the primary auditor of all the ULBs in the State. The Local Fund Audit organisation in the State of Assam under DALF had 20 circle offices each of which was headed by an Assistant Director to perform audit functions at the District level. There are 131 audit parties comprising of one Audit Officer and one or more Assistant Audit Officers.

3.14.2 Audit by CAG of India

CAG of India conducts audit of substantially financed ULBs under Section 14(1) of CAG's (DPC) act, 1971 and audit of specific grants to ULBs under Section 15 of the Act *ibid*. The audit of ULBs is also conducted by CAG under section 20 (1) of the Act as per Technical Guidance and Support (TGS) module as entrusted by the State Government in May 2002 followed by acceptance of standard terms and conditions of TGS (May 2011) pursuant to the 13th FC recommendations.

Audit of accounts of 32 ULBs, (one MC, 16 MBs and 15 TCs) for the year 2012-13 were conducted during April 2012 to March 2013.

3.15 Conclusion

Consequent upon the 74th Constitutional Amendments, there has been considerable progress in empowerment of Municipalities. By and large, such empowerments remains confined to setting up of State Election Commission, conducting regular election to ULBs, constituting SFCs periodically and devolution of funds as per award of CFCs & SFCs. But little had been done so far to augment the capacity building of ULBs and to upgrade their weak administrative set up. Audited and authentic data base were not available. Despite dedicated fund allocation by the EFC and TFC in their award periods covering 2000-2005 and 2005-2010 respectively, little progress has been made in the situation even now. There is a need to increase the awareness among the people about the existence and functioning of anti corruption mechanism e.g. Lokayukta and Upa Lokayukta to make it more effective and useful.

CHAPTER III

Section-B

Financial reporting of ULBs

SECTION 'B'

FINANCIAL REPORTING OF ULBs

3.16 Legal framework

Financial reporting in the ULBs is a key element of accountability. The best practices in matters relating to drawal of funds, form of bills, incurring expenditure, maintenance of accounts, rendering of accounts by the ULBs are governed by the provision of the AM Act, AM (A) Rules GMC Act, Assam Public Works Manual, other Departmental Manuals and standing orders and instructions issued by the State Government from time to time.

The present system of accounting of urban bodies suffers from various shortcomings relating to formats used, manner of reporting and more importantly the way budget is prepared. The National Municipal Accounts Manual (NMAM) *inter-alia* provides for preparation of Annual Financial Statement of Income and Expenditure and Balance Sheet showing the status of assets and liabilities of the ULBs at the end of a financial year. The important provision so far has not been acted upon. However, the Amended Act inserted provision for maintenance of accounts, preparation of Financial Statement and Balance Sheet. In addition to this, the State Government and ULBs were required to accept implementation of an agenda of mandatory reforms as specified in JnNURM guidelines. The reforms for ULBs included:-

- adoption of accrual-based double entry system of accounting in ULBs;
- application of e-governance using IT applications for various service provided by the ULBs;
- reform in property tax with GIS to enhance collection efficiency and
- levy of user charges etc.

Test check in audit observed that the accounts of ULBs were maintained on cash basis and thereby true and fair view of financial affairs of ULBs and their assets and liabilities were not disclosed. Further, the prescribed mandatory reforms were also not introduced by the ULBs.

3.16.1 Reporting arrangements

Findings of audit on accounts of ULBs conducted by the CAG are presented in the form of Annual Technical Inspection Reports (ATIRs). ATIRs on ULBs for the years ended 31 March 2005 to 2012 have been submitted to the State Government. On 19 December 2011, ATIR for the year ended 31 March 2010 was laid before the State Legislature for the first time. Subsequent two ATIRs i.e. ATIR for the year ended 31 March 2011 and 2012 were also been laid before the State Legislature on 04 April 2013 and 19 July 2013 respectively.

State Legislature has constituted (October 2012) a Local Fund Accounts Committee (LFAC) for the first time to discuss the Audit Report on ULBs. ATIR for the year ended 31 March 2010 was discussed by the Committee. However, Action Taken Report (ATR) on the ATIRs submitted to Government was awaited (March 2013).

In May 2011, Section 53 of AM Act had been amended and new Section 53A had been inserted in the Act and entrustment of TGS and placement of ATIR on Municipalities before the State Legislature had been incorporated. No provision had been made in this Act so far for placement of Audit Report of DALF before the State Legislature. Section 138 of GMC Act had also been amended (August 2012) and provision had been made in sub Section (5) of the aforesaid Act for the placement of accounts of Corporation along with Audit Report before the State Legislature. However, neither provision of TGS nor any specific provision for placement of ATIR before the State Legislature have been made in the amended Act.

3.17 Financial reporting issues

A sound internal control system significantly contributes to efficient and effective governance of the ULBs by the State Government. Some of the discrepancies relating to financial reporting noticed during test check are enumerated below:

3.17.1 Non preparation/un-realistic preparation of budget

Nine ULBs had prepared the budget un-realistically having little regard to past trend of receipt and expenditure **Appendix-V(B)**. As a result, estimated receipts were unduly inflated and estimate of expenditure were based on such inflated receipts. However, funds were released by the Government in a routine manner, without taking into account the requirements of the people at grass root level.

3.17.2 Non Adjustment of Advance paid to JE/Contractor

State financial rules stipulate that advances paid should be adjusted without any delay and DDO concerned should watch their adjustment. Though the Chairpersons of MBs and TCs are custodians of all Municipal accounts, it was noticed that in Hailakandi MB advance given to JEs/Contractor for implementation of schemes was not adjusted as detailed in **Appendix VI (B)**.

3.17.3 Non- deduction of VAT

According to Income Tax (IT) Act and State Value Added Tax (VAT) Act, IT & VAT will be deducted from the payment of contractor/suppliers. Test check of records revealed that in Karimganj MB an amount of ₹2.02 lakh of VAT/IT was not deducted. Due to non-deduction of taxes Government suffered a loss of revenue to that extent.

3.17.4 Short collection of Kist Money

During test check of records it was noticed that there was short collection of kist money of ₹ 43.82 lakhs in four ULBs as shown in **Appendix VII (B)**.

3.17.5 Maintenance of Annual Accounts

The Monthly and Annual Accounts showing the details of income and expenditure during the year duly supported by the necessary documents should be prepared by all ULBs. However, annual accounts were not prepared by two out of 32 ULBs test checked ULBs, reflecting poor internal controls and inadequate accounting arrangements in ULBs. These

records are important as they are included to constitute evidence of proper receipt and utilization of funds.

Though, non maintenance of annual accounts by ULBs have been brought to the notice of State Government on several occasions through AR and ATIRs, no effective action has so far been taken by the Government.

3.17.6 Fiscal reform path in ULBs

The State Government had enacted the Assam Fiscal Responsibility and Budget Management (AFRBM) Act, 2005 to ensure best practices of financial management of the departments. But Principal Secretary, Finance, Assam observed that ULBs being the LGSIs in a federal structure of Indian Union as per 74th amendment of the Constitution of India, this AFRBM Act would not be applicable for ULBs and instructed (April 2011) the Finance (Economic Affairs) Department to expedite the process of finalization of separate AFRBM Act for ULBs for streamlining fiscal activities and bringing fiscal discipline of LSGIs.

Audit observed that State Legislative Assembly had passed (9 July 2011) the Local Self Government Fiscal Responsibility Act 2011, and the State Government notified the Act (September 2011) in the State Gazette. But preparation and submission of medium term Fiscal Plan as envisaged in the Act was not carried out by any ULBs, defeating the purpose of the Act of ensuring fiscal stability and sustainability and greater transparency in fiscal operations.

3.18 Internal Audit

Internal Audit is an important instrument to examine and evaluate the level of compliance with rules and procedures as envisaged in the relevant Acts as well as in the Financial/Accounting Rules so as to provide independent assurance to management on the adequacy of the risk management and internal control frame work in the ULBs.

There was no provision for internal audit in relevant Municipal Acts and Rules and a system of internal audit did not exist in ULBs. The Director, Municipal Administration (MA), Assam confirmed that the system of internal audit had not been introduced in the municipalities in Assam.

Periodical inspection of records had never been carried out either at the Directorate or at ULBs level. This affected the sense of accountability to ensure proper compliance of rules and procedure as envisaged in the relevant Acts/Rules.

3.19 Audit of accounts of ULBs

3.19.1 Audit coverage by Director of Audit, Local Fund (DALF)

DALF is the primary auditor to conduct the audit of ULBs of Assam. Based on information furnished by DALF (May 2013), the arrears in audit of ULBs during the period 2009-13 ranged between 37 and 85 *per cent*. The year-wise position of units to be audited and those actually audited are detailed in **Table 3.11**.

Table 3.11: Shortfall in covering the units planned for audit by DALF

Year	No. of units planned for audit	No. of units audited	Shortfall	Percentage of shortfall
2009-10	61	9	52	85
2010-11	71	24	47	66
2011-12	54	34	20	37
2012-13	58	26	32	55

Source: Information furnished by DALF, Assam.

Apart from shortfall in the number of units audited against the number of units planned for audit, there was also arrear in issue of 31 audit reports prepared from conduct of audit during 2009-13 by DALF. The reasons for shortfall in 2012-2013 for covering planned units by audit and arrear in also issue of audit reports were attributed to non production of records and engagement of Audit Officer in Panchayat Elections.

3.19.2 Presentation of annual consolidated audit report

As per para 101 (i) of Assam Audit Manual, DALF is required to send an Annual Audit Report to the Finance Department by 30 September each year incorporating major outstanding audit objections relating to LBs which were pending settlement for further action by the Finance Department. However, no consolidated Annual Report had so far been sent to Finance Department.

Thus, the results of audit conducted by DALF remained unreported in the absence of Annual Consolidated Reports. As a result no follow up action could be taken up by the Finance Department thereby weakening the accountability mechanism of ULBs in Government.

3.19.3 Response to Audit Observations

Inspection Reports (IRs) were issued to audited ULB authorities with a copy of each to the State Government. ULB authorities were required to comply with the observations contained in the IRs and rectify the defects and omissions and report their compliance within three months from the date of issue of IRs. Important audit findings are processed for inclusion in the ATIR.

The details of outstanding paragraphs as of March 2013 are shown in **Table 3.12**.

Table 3.12: The details of outstanding IRs and paragraphs

Year of issue	No. of Inspection Reports	No. of outstanding Paras	Money value (₹ in crore)
Up to 2006-07	4	64	4.47
2007-08	12	103	6.32
2008-09	23	286	13.19
2009-10	10	157	78.66
2010-11	14	179	79.33
2011-12	11	135	49.32
2012-13	06	59	12.38
Total	80	983	243.67

Source: Progress Register

Thus, 983 paragraphs with monetary value of ₹243.67 crore were pending settlement (March 2013) for want of replies from concerned ULBs. Increasing trend of outstanding paragraph was indicative of non-compliance of audit observations which shown low level of accountability. The Administrative Heads of the Departments concerned also did not ensure that the concerned officers of the ULBs took prompt and timely action in furnishing replies to IRs and thereby weakening the accountability mechanism of ULBs in Government.

3.20 Administrative Reports

Annual Administrative Report of GMC for the preceding year together with a statement of receipts, disbursements and balance at credit of the Municipal Fund at the close of the year is required to be submitted to the Government under Section 136 of GMC Act. However, no information regarding submission of Administrative Report of GMC was made available to audit.

3.21 Conclusion

The accounts of ULBs were maintained on cash basis and thereby true and fair view of financial affairs of ULBs and their assets and liabilities were not disclosed. Important provision of NMAM has not yet been adopted. Mandatory reforms agenda as specified in JnNRUM were also not introduced by the ULBs. Expenditures were done either by preparing unrealistic budget or without preparing any budget. There were instances of non-deduction of VAT, non-adjustment of advances and short realisation of *kist* money causing significant loss to the Government. Internal Audit, periodical inspection of records had never been carried out which affected the sense of accountability and proper compliance of Rules and procedures as envisaged in the relevant Acts/Rules could not be ensured. Outstanding paragraphs were indicative of non-compliance of audit observations which showed low level of accountability.

CHAPTER IV

TRANSACTION AUDIT OF ULBs

CHAPTER - IV

TRANSACTION AUDIT OF ULBs

URBAN DEVELOPMENT DEPARTMENT

4.1 Misappropriation of Government money

The Ex-Chairman, Sapatgram Town Committee (STC) misappropriated Government money by withdrawing ₹2.47 crore from the banks without recording it in the Cash Book and without maintaining any records in support of any expenditure incurred out of withdrawn amount.

Financial Rules (FR) provide that Drawing and Disbursing Officer (DDO) is personally responsible for accounting of all moneys received and disbursed and for the safe custody of cash. Besides, it provides that every payment must be supported by a claim and supporting vouchers/ acknowledgement and all monetary transactions should also be routed through Cash Book which should be closed daily under the signature of the DDO.

Test check (September 2013) of records of the Chairman, STC revealed that, Cash Books maintained for the Own Fund and Swarna Jayanti Shahari Rozgar Yojana (SJSRY) for the period from 01 April 2007 to 16 April 2009 recorded expenditure of ₹9.16 lakh only. The Cash Books were not attested by the DDO. However, six bank pass books/ statements furnished to audit revealed that, ₹2.59 crore was received by the then Chairman, STC in two bank accounts and an amount of ₹2.47 crore was withdrawn from the banks during the above mentioned period. No plans, estimates, Measurement Books, vouchers, tenders, agreement etc. in support of the expenditure of ₹2.47 crore were available with the STC. The present Chairman, STC stated (September 2013) that he was not aware of the purpose of withdrawal and whereabouts of the above mentioned fund and this matter was verbally informed to the Director, Municipal Administration (DMA) and the Secretary to the Government of Assam, Urban Development Department. During scrutiny it was also revealed that a Magistrate was deputed by CM's vigilance Cell in November 2009 to conduct an enquiry against the same Ex-Chairman for an outstanding payment of ₹45.00 lakh for various works which were not supposed to be due. It was however, resolved in a Board meeting (29 January 2010) that the Board shall wait till the result of Magistrate enquiry is received. However, no follow up action was initiated in this regard.

Thus, improper maintenance of Cash Book and other basic records in the STC has facilitated misappropriation of ₹2.47 crore of Government money.

The matter was reported (October 2013) to the Government. In reply the Government stated (March 2014) that the Deputy Commissioner, Dhubri has been requested to file criminal case against the Ex-Chairman and his staff involved in the said misappropriation. However, the misappropriated Government money is yet to be recovered.

CHAPTER V

PERFORMANCE AUDIT ON THE WORKING OF GMC

CHAPTER - V

Performance Audit on the working of the Guwahati Municipal Corporation

GUWAHATI DEVELOPMENT DEPARTMENT

5.1.1 Highlights

The erstwhile Gauhati Municipal Board was developed to a Corporation by an ordinance which led to the constitution of the Guwahati Municipal Corporation (GMC) on receipt of the assent of the President of India on the 1st day of January 1973. Section 1 of the Act came into force *w.e.f.* 18 January 1973 and all the other Sections of the Act came into force *w.e.f.* 15 February 1974, the date of the first meeting of the elected Councillors after the first General Election to the civic body. The Performance Audit on “Working of the Guwahati Municipal Corporation” revealed that except executing some traditional civic activities, the GMC was not functioning in the true spirit of the Provisions/Bye-laws of the GMC Act, 1971 and 74th Constitutional Amendment Act, 1992 (CAA) as far as its functioning as a Local Self Government Institution with devolved Funds, Functions and Functionaries (3Fs) as per the 12th schedule of the Constitution, adoption of Data Based Accounting system, proper Manpower Management etc. were concerned.

❖ *The GMC prepared neither any long term Perspective Plan nor short term Annual Plans during its 39 years of existence. Schemes/works were executed as and when fund was made available to the Municipal authority.*

(Paragraphs: 5.2.1)

❖ *Only four traditional functions were transferred to the GMC against 18 functions listed in the 12th schedule of the CCA, 1992. Major functions were either transferred partially or yet to be transferred to GMC as of March 2013 and these were carried out by the line Departments/parallel bodies in violation of the 74th CAA, 1992.*

(Paragraph: 5.2.3)

❖ *Annual budgets were approved after a period of six to eleven months from the commencement of financial year and 61.75 per cent (₹59.87crore) to 90.48 per cent (₹104.34 crore) of the fund was unauthorisedly spent before the approval of final budgets.*

(Paragraph: 5.3.3)

❖ *₹7.97 crore was spent without budget provision during 2007-08 & 2009-10.*

(Paragraph: 5.3.4.3)

❖ *Revenue collection of ₹10.21 crore was directly deposited into the bank accounts without routing through the main Cash Book.*

(Paragraph: 5.3.8)

❖ *Building bye laws were violated by NOC holders due to lack of supervision by GMC.*

(Paragraph: 5. 4.1.12)

❖ *Intended objective of providing shelter to slum-dwellers under JnNURM remained unachieved in spite of huge investment.*

(Paragraph:5.5.2.1)

❖ *₹4.15 crore (one per cent) Labour Welfare Cess collected by the GMC authority was not transferred to Labour Welfare Board till March 2013.*

(Paragraph: 5.6.3)

5.1.2 Introduction

The GMC was established in January 1973 under the Gauhati Municipal Corporation Act, 1971 and covered an area of 216 sq. km. divided into six divisions⁸ and six Zones⁹. There are 60 electoral wards (now decreased to 31) in GMC with a total population of 9,63,429 (Male 5,02,255 and Female 4,61,174) in three lakh households (2011 Census). The major obligatory matters¹⁰ of the GMC *inter alia* include:

- construction, maintenance and cleaning of drains and drainage;
- works and means of supply of water and for private purposes;
- scavenging, removal and disposal of filth, rubbish and other obnoxious or polluted objects;
- regulation of places for disposal of dead and debris;
- registration of Births & Deaths;
- health and sanitation with ambulance services;
- construction of Municipal markets and slaughter houses;
- securing or removal of dangerous buildings and places;
- construction, maintenance, alteration and improvement of public road, streets, bridges, culverts etc.;
- provision for public park, garden, playground, recreation ground and
- lighting, watering and cleaning of public streets and other public places.

5.1.3 Organisational set up

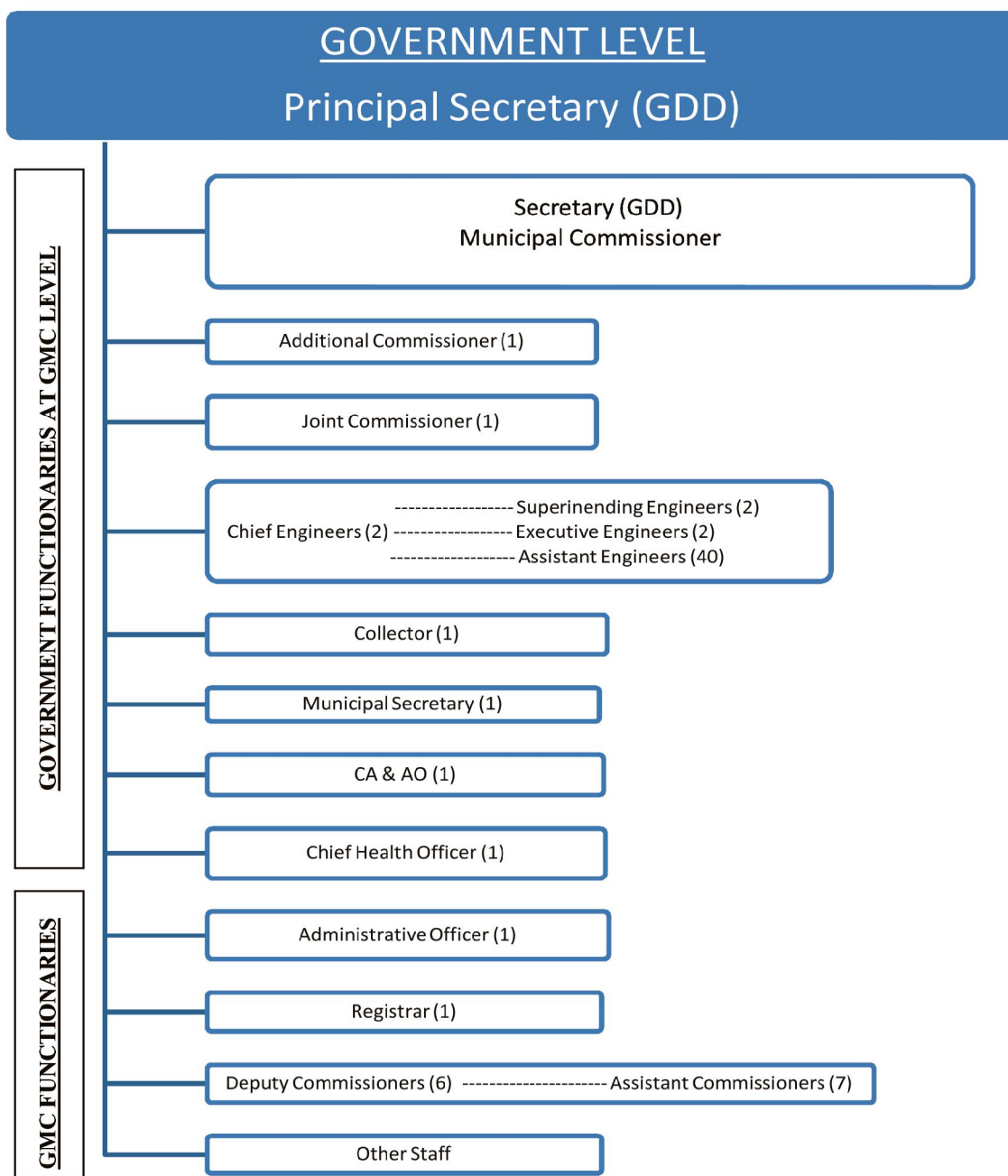
The Principal Secretary, Guwahati Development Department (GDD) is the Departmental Head at Government level and he is assisted by Secretary, GDD. The Commissioner is the Executive Head of the Corporation responsible for daily administration of the GMC and is assisted by one Additional Commissioner, one Jt. Commissioner, two Chief Engineers, one Collector, one Municipal Secretary, one Chief Accounts & Audit Officer (CA&AO), one Chief Health Officer, six Deputy Commissioners, one Administrative Officer, one Registrar, seven Assistant Commissioners and other supporting staff. A diagrammatic representation of the Organisational set-up of the GMC is shown at **Figure-1:**

⁸ 1. Division-I: Bhuthnath; 2. Division-II: Uzanbazar; 3. Division-III: Ulubari; 4. Division-IV: Dighalipukhuri; 5. Division-V: Dispur and 6. Division-VI: Lakhra.

⁹ 1. Central Zone: Panbazar; 2. Dispur Zone: Suparmarket, Dispur; 3. East Zone: Zoo Road Tiniali; 4. South Zone: Ulubari; 5. West Zone: Bhutnath and 6. Lokhra Zone: Lokhra.

¹⁰ 25 obligatory matters as defined in the Section 7 of the GMC Act, 1971.

Figure- 1: Diagrammatic position of the GMC's organisational set up



Note: Figures in bracket depict number of functionaries

5.1.4 Scope of Audit

The Performance Audit (PA) was conducted during January-April 2013 and it covered the period from 2007-08 to 2011-12. The detailed audit involving scrutiny of records and collection of evidences from the office of the Commissioner, GMC, three Divisions (Div-

II, III, V) and four Zones (Dispur, Lakhara, Bhuthnath, Central) was done. The overall functioning of the Corporation, including matters regarding financial management, collection of revenue especially property tax, execution of capital works, implementation of projects, human resource management, cleaning and sanitation etc., was examined in the PA. The 'Oversight Role'¹¹ of the State Government in the implementation of various developmental works executed by the GMC and the status of devolution of Funds, Functions and Functionaries (3Fs) to GMC as per 74th Constitutional Amendment Act (CAA), 1992 were also examined in the PA.

5.1.5 Audit objectives

The main objectives of the PA were to assess whether:

- planning for activities was adequate and effective;
- financial management of the Corporation was prudent;
- realisation of own revenue was effective and efficient;
- implementation of programmes/ activities/ works achieved their desired objectives and
- internal control system was adequate and effective for fulfilling the mandate of the Corporation and was sensitive to error signals.

5.1.6 Audit criteria

The Performance Audit was conducted based on the following sources of audit criteria:

- Rules, Bye-laws and Provisions under the GMC Act, 1971;
- instructions issued by Government of India (GoI), Government of Assam (GoA) and the Corporation from time to time;
- terms and conditions of grants sanctioned;
- guidelines for implementation of schemes;
- sanctions and releases of funds, financial statements of accounts and utilisation certificates;
- agenda and Minutes of GMC Body and High level Committee (HLC) Meetings;
- Man Power sanctions and staffing norms; and
- reports and mandatory returns.

5.1.7 Audit methodology

The PA commenced with an Entry Conference on 26 February 2013 with the Deputy Secretary, Guwahati Development Department (GDD), Commissioner, GMC and other officials from the GDD, GoA and GMC wherein audit objectives, criteria, methodology etc. were discussed. The primary audit evidences were collected through questionnaires, audit requisitions and test-checking of records of audit entity's units including field verification at various locations. An Exit Conference was held (6 August 2013) with the Principal Secretary (GDD) and Commissioner, GMC, Under Secretary, Finance (A & F),

¹¹ Role of the Government to supervise the overall working of the GMC

GoA and other officials from GDD and GMC in which audit observations were discussed. The matter was reported to the Government (July 2013); reply is awaited (March 2014). However, Commissioner, GMC has furnished (September 2013) parawise replies which are incorporated in the report suitably.

5.1.8 Acknowledgement

The office of the Accountant General (Audit), Assam acknowledges the co-operation extended by GDD, GoA, the Commissioner, GMC and concerned branches under GMC during the course of conducting this PA.

Audit findings

5.2 PLANNING, GOVERNANCE AND OVERSIGHT

5.2.1 Absence of systematic planning

Planning is critical to the successful implementation of developmental activities of any organisation. 74th CAA, 1992 empowered Municipalities to go beyond the mere provision of the basic civic amenities and play a crucial role in preparation of plan for development and in the implementation of projects and programmes including those specially designed for urban poverty alleviation.

Audit observed that the GMC prepared neither any long term Perspective Plan (PP) nor short term Annual Action Plans (AAP) during its 39 years of existence. Schemes/works were found to have been executed as and when fund was made available to the Municipal authority.

In reply, the Commissioner, GMC stated that due to paucity of fund, long term PPs could not be prepared. However, short term AAPs were prepared for. Construction of roads and drains, improvement and restoration of existing water supply pipe lines, street light etc. Reply of the Commissioner, GMC is not tenable because works executed by the GMC are of regular nature carried out against the specific proposal. A long term PP is normally prepared by 'Expert Institution' for 20-25 years span which is to be reviewed after every five years. The same was, however, not done by the GMC.

5.2.2 Annual Administration Report (AAR)

Section 136 of the GMC Act, 1971 provides that the Commissioner shall as soon as may be, after the 1st day of April in each year cause to be prepared a detailed report of Municipal administration of the city during the previous year together with a statement showing the amounts of the receipts and disbursement respectively credited and debited to the Municipal Fund during the previous year and the balance at the credit of the fund at the close of the said year. Audit observed that no AAR was prepared by the Commissioner since its inception (1973) as Corporation up to the year 2010-11.

In reply, the Commissioner, GMC stated that AAR for the year 2011-12 was submitted to Government for approval and report for the year 2012-13 is under process. Reply of the Commissioner, GMC is not tenable because as per the provision of the Act, the AAR of GMC is to be prepared after the 1st day of April each year. This indicates that GMC had not prepared any AAR for 37 years.

5.2.3 Devolution of Funds, Functions and Functionaries (3Fs)

The 74th CAA, 1992 envisaged that 3Fs should be transferred to the Corporation so as to make them 'Local Self-Government Institution' (LSGI). 18 functions enlisted under the XII schedule should be transferred to the Corporation by the State Government. As per recommendation of the Third Assam State Finance Commission (TASFC), the State Government through Cabinet also decided (February 2011) to frame the modalities for full transfer of 3Fs along with the budget and to notify constitution of a Committee of concerned Secretaries for smooth transfer of 3Fs. However, it was observed that out of the 18 functions listed in the 12th schedule, only four traditional functions viz. *Slum improvement and up-gradation, Urban Poverty alleviation, Cattle pounds, prevention to cruelty to animals and Regulation of slaughter houses and tanneries* were transferred as of March 2013. The details are as shown in the **Appendix-XIV**. The remaining 14 functions were still lying with the line departments working in parallel within the Municipal area.

The Commissioner, GMC in his reply stated that the matter of transfer of 3Fs is under process which indicates that GoA has not yet complied with the provision of 74th CAA. Final reply is awaited (March 2014).

5.2.4 Oversight Role of Government

After the 74th CAA, 1992 and insertion of Article 243W, the State Government was required to operationalise the Municipal Institutions as units of Self-Government in the true sense. The Legislature of the State of Assam amended the Gauhati Municipal Act, 1973 (Delimitation of ward, reservation of seats and conduct of elections) to ensure transfer of power, authority and responsibilities in relation to the matters listed in the 12th Schedule of the Constitution of India. It is the responsibility of the GDD to see that power, authority and functions entrusted to GMC were exercised properly and in accordance with the amended legal provisions. The oversight role of the Government in the GDD was very crucial as it had to ensure that GMC is effectively functioning as units of LSGI. Audit observed that the GMC is administered by the GDD headed by one Principal Secretary. After dissolution (May 2008) of the elected body, the Government appointed one Administrator as overall Controller to look after the activities of the GMC. In spite of having sizeable administrative machinery at Government level, no major oversight role had been played in the day to day functioning of the GMC except in matters related to policy making.

The matter was reported to the Government (July 2013); reply is awaited (March 2014).

5.3 FINANCIAL MANAGEMENT

5.3.1 Receipt and Expenditure

The GMC received funds from the GoI and GoA in the form of Grants-in-Aid (GIA) which constitute its main source of finance. In addition, the GMC has its own sources of revenue mainly derived from the Taxation on Property, Income from Municipal Properties, User Charges and Fees, General Administration Fee, Assigned Tax from GoA, Capital Account, Loan and Advances and Bank Interest and Miscellaneous Receipts etc. All funds so received by the GMC are credited into the 'Municipal Fund of the GMC' and other schematic bank accounts from where the Corporation draws and spends its financial resources.

The details of fund received and expenditure made by the Corporation for the years 2007-08 to 2011-12 are as shown in **Table-5.1** and **Pie Chart-1** also depicts the GMC receipts position during 2007-12.

Table-5.1: Details of Receipt and Expenditure of the GMC for the years 2007-12

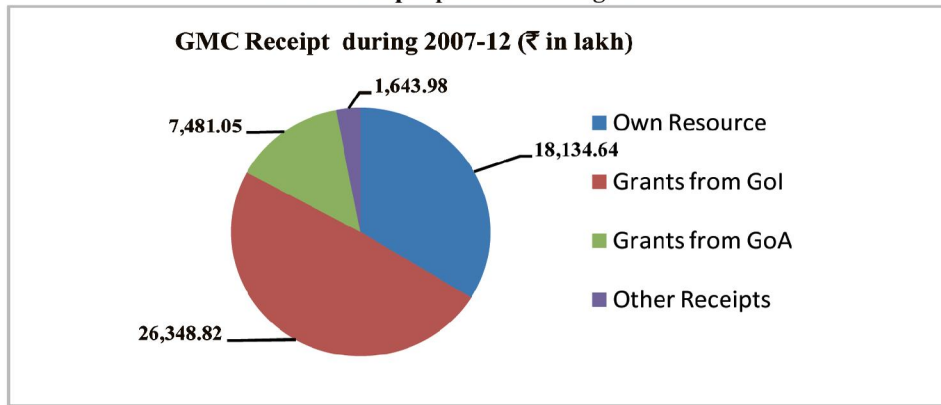
(₹ in lakh)

Year	OB	Receipt				Total (2+3+4+5+6)	Expenditure	CB (7-8)
		Own Resource	Grants from GoA	Grants from GoI	Others			
1	2	3	4	5	6	7	8	9
2007-08	459.23	2,786.66	2,128.52	67.62	601.52	6,043.55	4,763.12	1,280.43
2008-09	1,280.43	3,077.80	3,879.71	2,184.01	652.32	11,074.27	7,577.24	3,497.03
2009-10	3,497.03	3,570.81	5,992.48	3,915.30	72.58	17,048.20	9,650.73	7,397.47
2010-11	7,397.47	4,082.51	8,238.77	468.23	125.06	20,312.04	11,531.00	8,781.04
2011-12	8,781.04	4,616.86	6,109.34	845.89	192.5	20,545.63	8,774.27	11,771.36
Total		18,134.64	26,348.82	7,481.05	1,643.98	75,023.69	42,296.36	

Source: Annual Budgets of the Corporation

Pie Chart-1

GMC Receipts position during 2007-12



5.3.2 Budgetary process and expenditure

As seen from the Table-5.1, there were significant amounts lying unspent at the end of all five financial years, ranging from ₹12.80 crore (2007-08) to ₹117.71 crore (2011-12) which indicated unrealistic budgeting of the Corporation. Retaining heavy balance at the end of every financial year also indicated that the Corporation had failed to provide intended benefits to citizens of Guwahati in time in spite of having sufficient funds.

In reply, the Commissioner, GMC stated that amounts lying unspent at the end of each financial year were due to release of funds by the Government at the fag end of the financial years. However, the actual amount that was released at the fag end of the year was not provided to Audit.

5.3.3 Delays in the budget processes

The framing of Budget Estimate (BE) of the Corporation is laid down in the Section 119 to 123 of the GMC Act, 1971. According to the laid down schedule for Budget preparation, the Mayor-in-Council shall cause the BE to be laid before the Corporation on

19 February or as soon as possible and thereafter the Corporation shall consider the same. It may refer the BE back to the Mayor-in-Council for further consideration and re-submit the same within a specified time and shall on or before 22 March in each year adopt BE for the next year. However, in the absence of an elected body, BE of the Corporation is regulated under Section 425(2) [Government power to supersede] of the GMC Act, 1971 although time frame for preparation and final adoption of the BE of the Corporation however, remained unchanged.

Time frame and position of preparation up-to final adoption of the BE of the Corporation for the period from 2007-08 to 2011-12 is shown in **Table-5.2**.

Table 5.2: Time frame of preparation of BE and its follow-up position of the GMC during 2007-12

Year	Preparation of BE			Printing of final BE			Final adoption of BE		
	Due date 15th December of	Actually prepared	Delayed by (in months)	Due date 15th February of	Actually printed	Delayed by (in months)	Due date 22nd March of	Actually adopted	Delayed by (in months)
2007-08	2006	No	-	2007	No	-	2007	No	-
2008-09	2007	12.05.08	5	2008	10.12.08	10	2008	12.11.08	7
2009-10	2008	31.07.09	7	2009	06.10.09	7	2009	15.09.09	6
2010-11	2009	05.03.11	15	2010	07.03.11	13	2010	07.03.11	11
2011-12	2010	03.08.11	8	2011	13.02.12	12	2011	13.02.12	11

Source: GMC Act, 1971 and concerned Budget files (N.B. More than 15 days taken as a full month)

As seen from the table above, the regulation of time frame for preparation upto adoption of the BE of the Corporation as envisaged in the Act had never been complied with by the GMC authority. Analysis of the relevant files relating to BE of the Corporation revealed that GMC took initiative for preparation of annual budget with delay of five to 15 months while the adoption of BEs was delayed by six to 11 months. Scrutiny of records also disclosed that the GMC authority spent minimum of ₹59.59 crore (61.75 per cent) to maximum of ₹104.34 crore (90.48 per cent) before the final approval of the budget as detailed in **Table-5.3**.

Table-5.3: Position of expenditure made before approval of BE of the GMC for the year 2007-12

(₹ in lakh)

Year	Effective date of financial year	Date of final approval of BE	Total expenditure of the year	Expenditure made after the approval of the BE	Expenditure made before the approval of the BE	% of expenditure made before the approval of BE
2007-08	01.04.07	Records not made available to Audit				
2008-09	01.04.08	12.11.08	7,577.24	2,676.19	4,901.05	64.68
2009-10	01.04.09	15.09.09	9,650.73	3,691.61	5,959.12	61.75
2010-11	01.04.10	07.03.11	11,531.00	1,097.29	10,433.71	90.48
2011-12	01.04.11	13.02.12	Cash book not updated by the GMC authorities as of March, 2013			

Source: Cash Book

Moreover, Municipal fund so spent before the approval of budget had never been regularised by obtaining *ex-post-facto* approval from the competent authority.

In reply, the Commissioner, GMC assured that effort would be taken to prepare budget as per the provision of the Act.

5.3.4 Huge variations with actual

The Budget Estimates (BEs), under Major Head Code 'Receipts' and 'Expenditure' of the Corporation for the years 2007-08 to 2011-12 showed that (Detailed in the **Appendix-XV**) the Corporation could not prepare a realistic BE during any of the years covered in

audit. There were huge variations between the 'Budget and Actual' under various 'Receipts' and 'Expenditure' heads which are analysed in the subsequent paragraphs.

5.3.4.1 Variations in receipt

In case of 'Receipt', the shortfall ranged from a minimum of (-) 11.40 *per cent* (under 004 User Charges during 2010-11) to a maximum of (-) 100 *per cent* in twelve occasions¹² and excess receipt over the budget ranged from a minimum of (+) 1.07 *per cent* (004 User Charges 2011-12) to a maximum of (+) 204.56 *per cent* (005 Government Admn. Fee 2009-10).

5.3.4.2 Variations in expenditure

In case of 'Expenditure', the Corporation made less expenditure over the estimated budget ranging from a minimum of (-) 14.29 *per cent* under 109 Misc. & Contingency 2007-08 to a maximum of (-) 100 *per cent* in six occasions¹³. The over estimated budget ranged from a minimum of (+) 5.41 *per cent* (under 115 Payment to Government Account) to a maximum of (+) 226.67 *per cent* (under 111 Refund Deposits) during 2008-09.

5.3.4.3 Expenditure made without budget provision

Further, it was observed that the Corporation spent ₹7.97¹⁴ crore under the major heads 111 during 2007-08 and 112 and 115 during 2009-10 without budget provision which indicated absence of budgetary control over expenditure.

Thus, the Corporation failed to prepare realistic budgeting during the period covered under PA and was also lacking in the financial discipline to keep expenditure within reasonable limits *vis-a-vis* the budgeted figures. Moreover, the Government also did not play any oversight role to overcome above shortcomings in budgetary control.

In reply, the Commissioner, GMC assured that care would be taken while preparing BE to avoid such lapses in future.

5.3.5 Deficiencies in maintenance of Cash Books

The Assam Financial Rules (AFR) makes it mandatory to maintain a Cash Book for recording all transactions of any organisation. Rules also provide for regular entry in the cash book, their physical verification, avoiding of overwriting, vouching of correctness of entries through periodical verification by DDO/Head of Office etc. Test-check of Cash Books (Main and Subsidiary) of the GMC revealed that the Corporation had not followed the rules and regulation as provided in the Financial Rules. The daily receipts of revenue in various branches (Zones, Markets, Advertisement, Enforcement, Planning etc.) of the GMC collected by the nominated bank agents were not reflected in the main Cash Book.

¹² 007 (GoI), 008 (GoA) JnNRUM (2007-08, 2010-11 & 2011-12); 011 Inter head adjustment (2007-08) ; 002 Assign Tax from GoA (2008-09 & 2009-10); 012 Bank interest etc.(2008-09); 010 Capital accounts Loans & Advances (2009-10 & 2010-11); 013 RAY (2011-12).

¹³ 116 Transfer of Capital fund to Revenue (2007-08); 107 Discretionary Fund (2008-09 & 2009-10); 106 Loan & Advances (2009-10); 109 Interest & Finance (2009-10); 113 Capital Works (2011-12).

¹⁴ 111-Repayment of Loan ₹3.53cr (2007-08); 111-Refund of Deposits ₹0.82cr and 114-Payment to Govt. account ₹3.62cr (2009-10)

Besides, the following major deficiencies were noticed in maintenance of GMC Cash Book:

- Closing balance (CB) of ₹2,43,46,882.00 as on 31.03.09 was not brought forwarded to the next year (*i.e.* as on 01.04.09) as opening balance (OB). Thus, there was short accountal of money to that extent.
- Receipts and payments were recorded in random manner without opening and closing balances.
- There were instances of short deposit of Municipal fund in the Bank against the actual collection. During 2008-11, ₹1.67 crore was found to be short deposited in to the Municipal Fund.
- Totalling in the Cash Book was never done in ink but was marked by pencil making it possible to make alteration/modification of the figures at any time.
- Transactions recorded in the Cash Book were never authenticated by the DDO or any other authorised officer entrusted to do so.
- Month wise analysis of closing balances was never carried out.

Moreover, the Subsidiary Cash Books maintained by the Municipal authority for receipt and disbursement of the scheme fund did not serve the intended purpose as these were used like Cheque issue register which needed immediate redressal.

Further, Audit also noticed the following deficiencies in the Cash Books maintained for Contributory Provident Fund (CPF):

- As of March 2008, against CB of ₹ 2,92,448.00, the Corporation carried forward only ₹1,84,730.00 resulting in short accountal of ₹1,07,718.00. Further, CB as of 31.3.10 was ₹ 24,79,679.00 but the Corporation carried forward an amount of ₹39,41,022.00 to the next financial year resulting in ₹14,61,343.00 being forwarded in excess of actual balance;
- Book balances were never reconciled with those of bank balances;
- Cash book was not authenticated by the DDO.

In reply, the Commissioner, GMC stated that Cash Book could not be updated timely due to frequent transfer of CA&AO and not receiving of collection statement from the concerned Zone offices. This showed lack of monitoring and inadequate internal control mechanism in the organisation. However, he stated that updating of GMC account including reconciliation of accounts has been entrusted to Chartered Accountant and actual position would be informed accordingly which is awaited (March 2014).

5.3.6 Mis-appropriation of Municipal fund

According to Rule 95 of AFR, the Head of the office is personally responsible for accounting of all moneys received, disbursed and safe custody of cash. The Rules also provide that money collected or tendered on behalf of Government shall without any delay be deposited in full into Government account on the same day or on the next working day. If next working day is a holiday, money shall be deposited in the first working day followed by holiday/holidays.

- Test-check of 51 money receipt books issued to the Indoor Licence Fee Collector of Bhutnath Zone during the period from 2009-10 to 2011-12 for collection of Municipal

taxes, fees etc. revealed that in 314 cases, the Licence Fee Collector either used to deposit the cash less than the actual collection or did not deposit at all. The short/non-deposit of the licence fees amounted to ₹7,92,400.00. When the matter was brought to the notice of the Zone Officer, the concerned collector deposited the short/non-deposited amount of ₹7,92,400.00 to Bhutnath Zone against Money Receipt No.362/36105 dt.09 April 2013. Though the above transaction was entered in the Cash Book at the instance of audit, any evidence in support of actual deposit in to the bank account was not produced to Audit. This showed lack of adequate internal control mechanism.

In reply, the Commissioner, GMC stated that explanation has already been called for from the Deputy Commissioner, West Zone and assured that disciplinary action would be drawn up accordingly.

- Scrutiny of records revealed that the Market Branch of GMC (Uzan Bazar) had collected an amount of ₹1,19,499 in between April 2010 to January 2011. The amount was shown to have been deposited in the Panbazar office. However, cross verification of records did not show any accounting of the said amount in the Cash Book maintained by the Uzanbazar office or in the Bank deposit register or Bank statement. The details of the amounts suspected to be mis-appropriated are as shown in the **Table-5.4**.

Table-5.4: Details of suspected mis-appropriated amount

(In ₹)		
Year	Date of collection	Amount
2010-11	01/04/2010	28,700.00
	14/12/2010	32,812.00
	01/01/2011	21,440.00
	18/01/2011	36,547.00
Total		1,19,499.00

Source: Daily collection sheet of Market Branch

In reply, the Commissioner stated that reconciliation is under process. Final result is awaited (March 2014).

5.3.7 Late deposit of Municipality funds

Section 111 of the GMC Act, 1971 provides that all money received or tendered by any employee on behalf of GMC should immediately be deposited into “Account of the Municipal Fund of the Corporation of Gauhati”. Test-check of money-receipt books of Property Tax of Lakhra Zone revealed that in 14 cases, collected tax amounting to ₹1.06 lakh was deposited into cash branch (Panbazar) after a delay of 28 to 240 days as detailed in **Appendix-XVI**. Thus, due to non-existence of proper monitoring system occurrence of temporary mis-appropriation of GMC fund could not be ruled out. It was also observed that in between 01 October 2010 to 31 December 2010, the Panbazar office had received taxes and fees amounting ₹35.59 lakh from different revenue sources. Scrutiny of records disclosed that there was delay ranging from three to 22 days in deposit of funds into the Municipal Account.

Thus, due to lack of control over revenue management, GMC sustained loss of interest to that extent for delayed periods besides leaving the system vulnerable to misappropriations.

In reply, the Commissioner, GMC stated that show cause notice has already been issued to concerned official of Lokhra zone and disciplinary action would be taken on receipt of replies. Final result is awaited (March 2014).

5.3.8 Non-accounting of Municipal fund in the Cash Book

The GMC authority engaged three banks [Axis (Fancy Bazar Branch), ICICI (Fancy Bazar Branch) and SBI (Panbazar Branch)] to collect day to day receipts directly from the different branches of GMC. During test-check of records, it was noticed that between June 2009 and March 2012, an amount of ₹10.21 crore was handed over by the six branches of the Corporation to the said banks for onward deposit into the respective bank accounts of the Corporation. The amounts so collected by the banks were not accounted for in the Municipal Cash Book. Details are shown in **Table-5.5**.

Table-5.5: Details of non-accounting of GMC revenue

(In ₹)			
Name of branch	Period of Collection	Name of Bank	Amount collected by Agents
Market Branch	29.06.09 to 29.04.11	Axis Bank	80,13,728.00
	02.05.11 to 28.11.11	ICICI Bank	45,18,539.00
Advertisement Branch	31.07.09 to 29.04.11	Axis Bank	48,03,971.00
	13.05.11 to 31.03.12	ICICI Bank	2,11,946.00
Planning Branch	01.07.09 to 31.03.10	Axis Bank	1,62,72,940.00
	02.05.11 to 31.03.12	ICICI Bank	2,18,19,816.00
Garage Branch	01.07.09 to 30.04.11	Axis Bank	66,26,466.00
	01.05.11 to 31.03.12	ICICI Bank	37,98,255.00
Enforcement Branch	09.05.11 to 28.02.13	ICICI Bank	1,54,16,968.00
Water Works	01.04.10 to 31.03.12	SBI	2,05,95,423.00
Total			10,20,78,052.00

Source: Records of respective branch

However, in spite of audit requisitions (January 2013 and February 2013), GMC failed to furnish the bank statements. As a result, cross verification could not be carried out by Audit to ascertain the genuineness of timely credit of the amounts in the concerned bank accounts.

Thus, due to ineffective financial management on the part of GMC, the Cash Book of the Corporation did not reflect the correct picture of the daily transactions of the Corporation.

In reply, the Commissioner, GMC stated that all banks mandated for collection of GMC receipts have been cancelled except ICICI, Fancy Bazar Branch which is now collecting GMC receipts from the concerned branches. Commissioner also assured to intimate audit the results of verification and reconciliation of Cash Books of six zones/branches with bank statements which is awaited (March 2014).

5.3.9 Maintenance of multiple bank accounts and Non-accounting of accrued interest

Section 110 and 111 of the GMC Act, 1971 *inter-alia* provides that all moneys realised or realisable or otherwise received by the Corporation shall be credited into the “Municipal Fund” of the Corporation. The Act further provides that an account in the name of such

fund i.e. Account of the “Municipal Fund of the Corporation of Guwahati” shall be operated in the State Bank of India (SBI) and all moneys payable to the fund shall be credited to the relevant account. No separate bank account other than the SBI could be opened unless approved by the Government.

As of March 2013, GMC authority had operated 39 bank accounts in various banks without the approval of the Government. However, the Municipal authority could furnish only five savings bank accounts statement that too partially. During scrutiny, it was noticed that ₹1.51 crore being accrued interest was received by GMC through the said five savings bank accounts but the same had not been accounted for in the Cash Book as of March 2013.

Thus, due to deficiency in the accounting process of the GMC and non-existence of periodic reconciliation, accrued interest on savings remained outside the Cash Book which resulted in understatement of revenues of the Corporation.

In reply, the Commissioner, GMC admitted that too many bank accounts had been maintaining in the GMC and action has been taken to minimise/ closing down the bank accounts and also assured that accrued interest will be shown in Cash Book. Final result is awaited (March 2014).

5.3.10 Discrepancy in bank balances

Test-check of bank statements in respect of four bank Pass Books made available to audit disclosed that as on March 2012 there were differences ranging from (-) ₹1.22 crore to (+) ₹3.35 crore between the balances shown in the Schedule of Annual Budget and actual balances as per bank statement as detailed in **Table-5.6**.

Table- 5.6: Details of overstatement/understatement of bank balances

(In ₹)

Name of bank	Sl. No.	Bank A/C No.	Balances shown in the Schedule of bank attached with Budget Book as on 31. 03.12	Actual balance as per Bank Statement /Pass Book as on 31.03.12	Discrepancy
SBI	1	CA-10823629723	0	1,21,68,521.00	(-) 1,21,68,521.00
	2	CA-31675606003	3,35,36,572.00	36,023.00	(+) 3,35,00,549.00
	3	CA-30700662749	8,82,519.00	Nil	(+) 8,82,519.00
	4	CA-10823626766	32,51,937.00	Nil	(+) 32,51,937.00

Source: GMC budget and bank statements of concerned Bank A/Cs

This indicated that differences between the actual balances in the pass books and as disclosed in the Annual budget were not properly reconciled signalling serious lapse in financial control of the GMC.

In reply, the Commissioner, GMC stated that due to oversight, balance of ₹121.69 lakh in A/C No.10823629723 was omitted and not reflected in the schedule of annual budget.

5.3.11 Delay in release of Grants-in-Aid (GIA) resulted in extra burden on Government exchequer

According to Para 6.1 of 12th Finance Commission (FC), grants are to be released to implementing agencies within 15 days. Further, Para 4.2 of 13th FC stipulated that grants be released to implementing agencies within five days for accessible and 10 days for non-accessible banking infrastructure. Any delay will require the State Government to release

the instalment with interest at the bank rate of RBI, in respect of the number of days delayed.

During the period covered under PA, GoA released ₹17.62 crore to GMC for various development activities against the total receipt of GIA of ₹20.92 crore from GoI under the award of 12th and 13th FCs. However, test-check of records revealed that the GoA failed to release the amounts in full in time. The delay in release of fund ranged from 11 days to 665 days. Due to non-adherence of the provisions as envisaged in the guidelines, the GoA was liable for payment of penal interest to the tune of ₹77.90 lakh, for the delayed period, of which ₹29.12 lakh had already been paid resulting in extra burden to Government exchequer. No reasons were available on record for justification for the delay.

5.3.12 Maintenance of Accounts and creation of database

During 2005-06 to 2009-10, under the award of 12th FC, the GMC received ₹690.32 lakh (between June 2006 and April 2010). Out of which an amount of ₹2.00 crore was for maintenance of Accounts (₹40.00 lakh) and creation of database (₹1.60 crore) of the GMC. GMC spent ₹5.65 crore including ₹2.00 crore meant for maintenance of Accounts and creation of database but as of April 2013, the GMC was still following the conventional system of accounting process which had been in existence since its inception. Hence, no effective improvement of accounting system and creation of database in GMC were noticed in audit.

In reply, the Commissioner, GMC stated that since the FY 2013-14 'Double Entry System of Accounting' has been adopted and conventional method of accounting system has been phased out. However, regarding creation of database, Commissioner had not furnished any comments.

5.3.13 Diversion of fund

5.3.13.1 Fund received under 12th FC

Schematic guidelines as well as the Government sanctions provide that in any circumstances fund cannot be diverted for other purposes. Funds are to be utilised for the purposes for which they were released. The GoA sanctioned (2005-10) and released (2006-09) ₹6.90 crore to GMC under the award of 12 FC for maintenance of accounts, creation of database, tractor tailor, solid waste displacer, cess pool cleaner, Solid Waste Management (SWM) and for implementation of income generating schemes. Out of ₹6.90 crore, GMC diverted ₹1.75 crore (25.36 *per cent*) and utilised it towards purchase of materials and for execution of works beyond the scope of scheme guidelines and in violation of the provisions as contained in the sanction order of the Government. Details are as shown in **Appendix XVII**.

Thus, due to unauthorised diversion of funds, the objectives for which the funds were released remained unachieved.

In reply, the Commissioner, GMC refuted the observation and stated it was not a case of diversion. Reply of the Commissioner is not tenable as the expenditures shown in the Appendix are not covered under the purview of the guidelines and Government orders.

5.3.13.2 Funds received under TASFC (Salary Component)

The position of fund released to GMC under TASFC during 2008-09 and 2010-11 for payment of staff salary were as shown in **Table-5.7**.

Table-5.7: Summarised position of diversion of fund (₹ in crore)

Sl. No.	Sanction order & date	Amount sanctioned	Purpose of sanctioned		Fund utilised for other purposes by the GMC		Payment made during
			Component	Period for	Amount	Details of expenditure	
1	2	3	4	5	6	7	8
1	FEA(SFC)295/2008/111 dt.30.12.08	16.44	Salary	4/2008 to 9/2008	1.66	Arrear DA, CPF, Ex-gratia, bonus	10.4.08 to 29.9.08
2	FEA(SFC)295/2008/122 dt.25.2.09	8.44	-Do-	10/08 onwards	-	Paid salary to employee	12.11.08 to 27.3.09
3	FEA(SFC)295/2008/325 dt.15.9.09	19.63	-Do-	4/2009 to 9/2009	0.67	Arrear salary, IR, leave salary, medical reimbursement, GIS	11.5.09 to 19.9.09
4	FEA(SFC)295/2008/384 dt.3.3.10	19.63	-Do-	10/2009 to 3/2010	0.68	Arrear salary/GIS premium/CPF contribution/ pension & leave salary contribution	1.10.09 to 29.1.10
5	FEA(SFC)295/2008/108 dt.27.9.10	26.14	-Do-	4/2010 to 9/2010	0.05	Arrear salary/ pension & leave salary contribution, Medical reimbursement, TA	23.4.10 to 29.9.10
6	FEA(SFC)295/2008/Pt/180 dt.4.1.11	14.34	-Do-	10/2010 to 12/2010	0.08	Arrear salary, TA/ payment of bank loan deducted from staff, transfer TA, Medical claims leave encashment gratuity,	5.10.10 to 24.12.10
7	FEA(SFC)295/2008/Pt/349 dt.28.3.11	14.12	-Do-	1/2011 to 3/2011	0.25	Medical claims, arrear salary not pertaining to the specified period, arrear CPF contribution	10.1.11 to 15.3.11
			Revised arrear salary	10/2008 to 3/2009			
8	FEA(SFC)295/2008/178 dt.1.11.10	4.89	-Do-	Assam service (RP) 2010	-	Irregular adjustment made for ₹482.47 lakh which was shown paid earlier against the receipts of ₹14.34 crore at Sl. No.6	-
Grand Total		123.63			3.39		

Source: Sanction orders and expenditure statements

It would be seen from the table above that the Finance Department, GoA sanctioned ₹123.63 crore between December 2008 and March 2011 for payment of salary to GMC staff under the award of the TASFC. As per terms and conditions of the sanction order, the funds sanctioned should not be drawn for payment of any arrear salary, bonus, medical reimbursement, leave salary, interim relief (IR) etc. from the allotments until and unless specific instruction is communicated.

Test-check of records revealed that the GMC authority unauthorisedly incurred an expenditure of ₹3.39 crore during April 2008 to March 2011 towards payment of IR/ CPF/contribution of pension and leave salary, bonus, TA, Medical reimbursement, leave encashment, gratuity etc. for unspecified period ignoring the Government instructions. (Details are shown as in **Appendix–XVIII**).

Audit observed that neither any subsequent order/communication was received from the Government allowing the GMC to spend fund other than the purposes specified in the sanctions nor the GMC authority had regularised the expenditure by obtaining *ex-post-facto* approval from the competent authority.

Reply of the Commissioner, GMC is not tenable in audit as the key documents disclosed that the payments were made for other purposes and period for payments were made for salary, arrear etc. was not covered the period as mentioned in the sanction letters *ibid*.

5.3.14 Blockade of fund

Under the provisions of various GIAs released to the GMC, prompt utilisation was mandated to ensure that the purpose for which the funds were allotted was immediately achieved. The following instances of blockade of funds were noticed:

- According to Para 6.1 of 12th FC guidelines, the release of Grants should be transferred to PRIs/ULBs within 15 days from the date on which it is credited to the State's account. Scrutiny of records revealed that the GoA sanctioned an amount of ₹329.70 lakh to GMC as 2nd instalment of 2008-09 and 1st & 2nd instalments of 2009-10 under the award of 12th FC for maintenance of accounts, creation of database and solid waste management etc. The amount was drawn (March 2010) and kept in 'Revenue Deposit' for more than three years from the date of its withdrawal (31 March 2010). It is to be mentioned that the Public Accounts Committee (PAC) of the State Assembly in its 73rd Report observed that the State Government had assured that the irregular practice of depositing funds by transfer credit into "8443-Civil Deposit" had been discontinued since 1997-98. However, in the instant case, the department violated the assurance given by the Government to discontinue such irregular practice. Thus, by parking of central fund of ₹329.70 lakh for last three years, the Government had not only violated the budgetary discipline, but also failed to fulfil the purposes for which the grants were released.
- During 2010-11 and 2011-12, the GoA under the award of Third Assam State Finance Commission (TASFC) and Fourth Assam State Finance Commission (FASFC) had sanctioned ₹35.29 crore to GMC for developmental activities viz., construction of public toilet, cremation & burial grounds, installation of new street lights, construction of new roads and drains, development of Beltola market and Lakhtokia commercial complex. Scrutiny of records revealed that funds were received by GMC between 8.3.11 to 24.8.12. Of this, ₹35.05 crore had not been released (March 2013), while the rest was released only after a delay of 220 to 755 days.
- ₹1.80 crore released by GoA in March 2010 for increasing the efficiency of the existing water supply net work, making arrangement for supply of drinking water in the scarcity hit areas and repairing and maintenance of roads and drains (decongestion of clogged drain and repair of interior pot-holed roads before onset of monsoon) was still lying in the SB A/c No.30898500439 as of March 2012 due to which corresponding development activities remained unfulfilled.
- ₹917.17 lakh released by GoA under the 13th FC during the years 2010-11 and 2011-12 for works relating to water supply, sewerage, storm water drainage etc., remained unutilised with the GMC even after a lapse ranging from one to two years (March 2013).
- During 2009-10, the Ministry of Finance, GoI sanctioned (31 March 2010) ₹76.34 lakh to GoA being Additional Central Assistance (ACA) for preparatory tasks in order to formulate a 'Slum Free City Planning Scheme' under Rajiv Awas Yojana (RAY). Scrutiny of records disclosed that the GoA (GDD) released (27 April 2011) ₹74.36 lakh to GMC after a lapse of more than one year retaining the balance amount of ₹1.98 lakh. GMC failed to utilise the amount and continued to retain it till March 2013, thereby frustrating the objective of providing low cost dwelling houses to poor slum dwellers of Guwahati city.

In reply, the Commissioner stated that incomplete works now have been completed and has no balance against the sanction. However, the Commissioner had not furnished any supporting documents in support of utilisation of funds.

5.4 Realisation of GMC revenue

5.4.1 Sources of GMC revenue

Section 144 (1) & 144 (2) of the GMC Act, 1971 provides for levy of taxes to mobilise its resources from various sources for maintenance of Corporation affairs including development activities, sanitation and conservancy etc.

5.4.1.1 Property tax

According to Section 147 of the GMC Act, 1971, Property Tax (PT) shall be levied on lands and buildings in each holding which consists of 1.General Tax; 2.Water Tax; 3.Scavenging Tax & 4.Light Tax. The taxes for each component are charged at a specific rate of the rateable value of lands and buildings as prescribed under the Act *ibid* or fixed by the Corporation. The annual tax assessed is payable in quarterly instalments. Besides, Urban Tax at the rate of three *per cent per annum* of the Annual Rateable Value (ARV) is also chargeable on yearly basis.

The major irregularities noticed in assessments and collections of Property Tax are discussed in the succeeding paragraphs:

5.4.1.2 Assessment list and maintenance of records

Section 156 of the GMC Act, 1971 provides that the Commissioner with the approval of the appropriate authority shall cause an assessment list of all lands and buildings in the city to be prepared in such form and manner and containing such particulars with respect to each land and building as may be prescribed in the Bye-laws. Further, Rule 3 of the GMC Assessment List and Property Tax Bye-laws, 1977 provides that Commissioner shall maintain a register to be called as 'Assessment List' with particulars of (i) lands and buildings in the city which could be distinguishable by name, number, location, nature etc. (ii) a separate 'Ward Assessment List' for each ward and their respective parts and (iii) the rateable value of each land and building. Audit, however, noticed that such complete and correct data of all assessable properties were not available with the four test-checked Zones. The assessments were done on the basis of measurement made by the Assessment Officer (AO) in field visit or sometimes on request of the property owner. As a result, some properties were either assessed belatedly or escaped from the assessment purview altogether.

Further, as per Rule 29 of the Bye-laws, 'Registers' in suitable form in separate parts or volumes are required to be maintained showing demand, collection, adjustments, arrears, excess recoveries, remission and other particulars in relation to property taxes as the Commissioner may prescribe from time to time. Scrutiny of records in the four test-checked Zones, however, revealed that all records provided under the said rule were not maintained on the ground of shortage of staff and stated to be available in the electronic form. However, it was observed that data captured in the electronic form did not serve the purposes as stipulated in the Rule 29 *ibid*.

Thus, some areas relating to demands, realisation etc. could not be checked due to non-maintenance of records or absence of updated data in the four test-checked Zones.

In reply, the Commissioner, GMC while admitting the audit observation stated that a module on 'Unit Area Method (UAM)' along with GIS based mapping is under

preparation and proposal has also been placed for necessary amendment before the Government and ARV would be converted to UAM. Final reply is awaited (March 2014).

5.4.1.3 Outstanding collection of PT

In terms of Ministry of Finance, GoI's letter No.4(7)-P/65 dt.29.03.1967, Service Charge (SC) equivalent to 75 *per cent*, 50 *per cent* or 33.33 *per cent* is to be levied on PT in all Central Government properties situated within a civic area. Scrutiny of records of Central Zone disclosed that there was a demand on account of SC on PT of ₹344.91 lakh for the year 2011-12 in respect of properties belonging to Central Government departments including Railways, Public Sector Organisations etc. Against the demand, only ₹63.79 lakh (18.50 *per cent*) could be collected during the said year and thus, ₹281.12 lakh (81.50 *per cent*) remained outstanding at the end of the year. The major defaulter was BSNL with outstanding dues of ₹131.56 lakh.

As regards private properties, out of total demand of ₹67.67 crore raised during 2007-12 in the four test-checked Zones, ₹57.15 crore (84.45 *per cent*) only could be realised leaving an outstanding realisable amount of ₹10.52 crore (15.55 *per cent*). GMC had not taken any effective measure to collect the long outstanding PT.

In reply, the Commissioner, GMC while admitting the audit observation stated that efforts have been taken to collect SC including arrears from the Central Government. Final result is awaited (March 2014).

5.4.1.4 Loss of PT

The GMC revised the rate of land with effect from the 2nd quarter of 2008-09 vide Notification No.GLS/SZ/173/96-97/part/60 dt.01 June 2009. The revised rate thus, came into force *w.e.f.* 01 July 2008 and accordingly re-assessment of all existing properties in the books of Corporation became mandatory on or after 30 June 2008. Test-check of 88 cases under Lokhra (30), Central (33) and Dispur (25) Zones revealed that in 48 cases (Dispur: 9; Lokhra: 22; Central: 17), the Corporation did not re-assess the PT from the effective date (01 July 2008). The assessments were done with effect from different dates and as a result, the Corporation sustained loss of ₹43.21 lakh as of March 2012.

Further scrutiny of records revealed that the position of number of re-assessed cases in four test-checked zones was very poor ranging from a minimum of 8.60 *per cent* (Lokhara) to a maximum of 18.34 *per cent* (Dispur). Thus, 62,217 cases (85.47 *per cent*) out of 72,794 cases in the four selected zones remained outside the purview of re-assessment. The actual loss of PT to GMC could not be ascertained.

In reply, the Commissioner, GMC stated that due to public resistance against manifolds enhancement of PT could not be done. However, he asserted that new system (UAM) for assessment of PT is under process and amendment to GMC Act is also proposed. Final result is awaited (March 2014).

5.4.1.5 Deficiency in online payment

'Online' tax payment facility was introduced by the GMC authority *w.e.f.* January 2008. During scrutiny of records it was noticed that taxes paid online were not taken into account by the software application. Payments made online were reflected as arrear demand in subsequent bill-cum-demand for which online payment of PT was

subsequently discontinued by the authority and thus, the GMC authority rather than taking efforts to develop the software/system had deprived the citizens from the benefits of modern electronic facility of online payment.

In reply, the Commissioner, GMC admitted the audit observation and stated that matter is now outsourced to a Firm and online payment shall reintroduce as soon as the agreement is signed. Final result is awaited (March 2014).

5.4.1.6 MIS Report

It was observed that no Management Information System (MIS) was in place in GMC to get the information regarding number of cases newly assessed, reassessed during a year, total demand raised and tax collected, total arrear demand for a year etc. against individual cases were generated by the application as of March 2013.

In reply, the Commissioner, GMC stated that matter of creation of MIS is under active consideration. Final reply is awaited (March 2014).

5.4.1.7 Tax on advertisement

Section 173 of GMC Act, 1971 provides that every person, who erects, exhibits, fixes or retains upon or over any land, building, wall hoarding, frame, post or structure or upon any vehicle any advertisement or who displays any advertisement to public view in any manner whatsoever, visible from a public street or public place (including any advertisement exhibited by means of cinematography) shall pay tax for every advertisement which is so erected, exhibited, fixed or retained or so displayed to public view.

Scrutiny of records revealed that every year there were, on an average, 95 Advertising Agencies operating during the years 2007-12 within the GMC area. In nine¹⁵ test-checked cases, gross irregularities/deficiencies were noticed in six (67 per cent) major premier advertising agencies as detailed in the **Table-5.8**.

Table-5.8: Details of opening and closing discrepancy of hoardings etc. between 2006-07 and 2011-12

SL. No.	Name of advertising agency (M/S)	Last demand (2006-07)	Addition during 2007-12	Total (3+4)	Deletion during 2007-12	Balance (5-6)	Demanded during 2011-12	Missing no of hoarding etc. (7-8)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Rang Tuli	93	8	101	21	80	29	51
2	Art & Industries Advertising Agency	24	5	29	1	28	17	11
3	Frontier Advertising Agency	101	7	108	13	95	14	81
4	Selvel Advertising Pvt. Ltd	86	11	97	0	97	61	36
5	Primex Enterprise	60	53	113	18	95	70	25
6	Tata Tele Service Ltd.	242	0	242	0	242	179	63
Total		606	84	690	53	637	370	267

Source: Data compiled from concerned file

As seen from the table above, in six major premier advertising agencies, as of March 2012, GMC could realize rent only for 370 out of existing 637 hoardings. Thus, 267 (42 per cent) hoardings were in operation without any rent being realised by GMC.

¹⁵ 1. M/S Rang Tuli; 2. Art & Industries Advertising Agency; 3. Frontier Advertising Agency; 4. Selvel Advertising Pvt. Ltd.; 5. Vodafone; 6. Primex Enterprise; 7. Idea Cellular Ltd.; 8. Panorama Advertising & 9. Tata Tele Service Ltd.

In reply, the authority stated that due to widening of existing road, some hoarding etc. were either removed by the agency themselves or evicted by the GMC/PWD.

Moreover, over the period of review, GMC excluded ₹77.80 lakh from the dues of advertising firms without any justification for which a penalty of 10 *per cent* during 2007-11 and 20 *per cent* during 2011-12 was applicable on the unrealised amount, bringing the total loss of revenue to ₹85.88 lakh. Details are shown in **Appendix- XIX**.

However, no legal provision was there to waive the outstanding amounts. Thus, due to lack of timely supervision on the part of GMC, a substantial amount of the revenue was lost to the Corporation.

In reply, the Commissioner, GMC stated that points raised by audit are under examination. Final result is awaited (March 2014).

5.4.1.8 Non-realisation of rooms/stalls rent of 'GMC Rented Market'

Test-check of records of three (Dispur Super market, Ganeshguri and Fancy Bazar) out of 12 rented markets revealed that monthly rent amounting to ₹174.55 lakh was due to be realised by GMC for the years 2007-12 as per prescribed rates of which ₹143.22 lakh only could be realised from the allottees leaving a balance of ₹31.33 lakh as of February 2013. This indicated that GMC failed to take effective measures to recover the long outstanding rent as per proviso of the Act. Further, the GMC had no provision to carry forward the outstanding balance position of previous years in the 'Markets Demand Register' to watch the arrear demands for which outstanding balance remained un-reflected and unrealised for prolonged periods.

In reply, the Commissioner, GMC stated that out of total outstanding amount of ₹31.33 lakh, ₹7.41 lakh has already been realised and efforts have been initiated to recoup the balance amount. Final result is awaited (March 2014).

5.4.1.9 Short realisation of rent

GMC had fixed rooms/stalls rents according to the size of the rooms. Scrutiny of records revealed that the rents were not collected as per prescribed rates with reference to the size of the room thereby resulting in short collection of rents amounting to ₹6.48 lakh.

In reply, the Commissioner, GMC stated that due to stiff resistance of the allottees, rates of some of the GMC markets were reduced. However, reply of the Commissioner is not tenable as concerned branch (Market Branch) failed to produce any documentary evidence (official order/notification) effecting the reduction of rates.

5.4.1.10 Non-realisation of scavenging charge/lease money

The GMC authority collects scavenging charges/lease money from the private markets running within the GMC area. Test-check of 'Demand Register' of four private markets revealed that scavenging charge/lease money of ₹51.27 lakh was to be realised during the year 2007-12, against which only ₹35.90 lakh was realised from the owners of four private markets, including lessee of Fancy Bazar GMC Market Toilet. Thus, ₹16.02 lakh remained un-realised during the period covered under PA. The position of un-realised amounts is shown in **Appendix-XX**.

In reply, the Commissioner, GMC stated that an amount of ₹8.00 lakh has already been recovered out of ₹16.02 lakh and several effective measures have been taken to realise the remaining balance amount. Final result is awaited (March 2014).

5.4.1.11 Non-settlement of the GMC leased markets

Rule 10 and 13 of the GMC (Lease of Check gates, Parking places, Markets etc.) Bye-laws, 1997 provide that with the previous sanction of the Corporation, the Commissioner shall offer the lease to the highest tenderer at his quoted rate for acceptance with fulfilment of all conditions, or for sufficient reasons to be recorded in writing, under his own hand, may refuse to accept the offer of the highest tenderer. If the highest tenderer, who was offered the lease, does not accept or refuse to accept the lease offer within specified time limit of twelve hours, his tender will stand cancelled and Commissioner shall immediately forfeit the earnest money of the tenderer. The offer of lease shall be given to the next highest tenderer and the difference of money between the first highest tenderer and the second highest tenderer, if any, settled with the next highest tenderer, shall be recovered from the first highest tenderer as arrear of Municipal tax or public debt in addition to the forfeiture of earnest money. The same procedure shall be applied if the second highest tenderer fails to comply and so to continue till the last tenderer. The Commissioner may decide to re-tender, if it appears that there is financial loss to the Corporation if the lease is settled with tenderer at lower rate.

As per clause 19 of the Terms and Conditions for settlement of the markets of GMC for the year 2007-08, if the selected bidder declines to accept the settlement within the prescribed time, without prejudice to him, the Commissioner shall be at liberty to offer such settlement with the next qualified tenderer(s) either on his own quoted rate/amount or at the rate/amount of the highest one, as he/she may deem fit and proper. The Commissioner shall also immediately forfeit the earnest money of such tenderer who refuse to accept the lease.

For leasing the six markets for the year 2007-08, GMC Notice Inviting Tender (NIT) published in February 2007 against which five to nine tender applications per market were received. In this connection, the following observations are made:

- In respect of Kacharighat lease market, five bidders were in the fray in response to the 1st NIT wherein ₹8.71 lakh and ₹7.61 lakh were offered by H₁ (highest tenderer) and H₂ (second highest tenderer) respectively. However, the GMC did not allot the market to H₂ bidder even though the H₁ bidder did not turn up. Second NIT was published and authority allotted the market at ₹5.23 lakh on the basis of single tender and thus, incurred loss of Municipal revenue of ₹2.38 lakh.
- In respect of Goat lease market, five bidders were in the fray in response to the 1st NIT wherein H₁ offered rate was ₹13.31 lakh. However, GMC did not allot the market on the plea that the bidder H₁ did not turn up. Records however, disclosed that the offer letter was not actually handed over to H₁ bidder. 2nd NIT was published but no one responded. Third NIT was subsequently published and a single tender was received on the basis of which the market was allotted to him at ₹12.20 lakh incurring loss of Municipal revenue of ₹1.11 lakh.
- In respect of Beltola Bi-weekly lease market, nine bidders were in the fray in response to the 1st NIT wherein H₁ offered rate was ₹50.52 lakh. However, GMC did not allot the market pleading that the rate offered by the H₁ was exorbitantly high. Subsequent

valid tenderers were ignored and a 2nd NIT was published. Only one tender was received and on the basis of single tender, Beltola Bi-weekly market was allotted at ₹23.33 lakh incurring loss of revenue of ₹27.19 lakh.

- In respect of Beltola evening daily lease market, five bidders were in the fray in response to the 1st NIT wherein H₁ offered rate was ₹6.90 lakh. However, GMC did not allot the market pleading that the rate offered by H₁ were very high. Other tenderers were again ignored and 2nd NIT was published. Only two tenders were received and on the basis of rate offered by H₁ bidder, Beltola evening daily market was allotted at ₹3.25 lakh incurring loss of Municipal revenue of ₹3.65 lakh.
- In respect of Dispur super market, five bidders were in the fray in response to the 1st NIT wherein H₁ and H₂ offered rates were ₹6.32 and ₹4.80 lakh respectively. H₁ did not turn up but market was not allotted to H₂ bidder and no reasons were recorded for non-allotment. Second NIT was published, but no one responded. Third NIT was subsequently published and GMC allotted the market at ₹3.42 lakh on the basis of single tender incurring loss of Municipal revenue of ₹1.38 lakh.

In reply, the Commissioner, GMC stated that due to non-acceptance of offer letters, retenders were invited. However, reply of the Commissioner is not tenable because records disclosed that GMC authority had failed to tie up the bidder with financial obligation with legal bindings. Minimum tender value against each market was not fixed and no bank guarantee or any other kinds of promissory notes were required to be deposited along with tender. Due to deficient system, bidders could very easily escape by not accepting the offer letter.

5.4.1.12 Lack of supervision

Rule 58 read with Sub-rule (58.17) of the Building Bye-laws provides that “the structural design, constructional standard etc.” of all multi-storeyed building are required to be supervised during construction at three stages viz. **(a) Foundation, (b) Plinth/Ground Floor and (c) Upper Floor.**

Scrutiny of records disclosed that the GMC had no system to supervise the under construction buildings as per rule. Taking advantage of the loopholes in the Bye-laws and due to lack of supervision on the part of the Corporation, developers as well as individuals made gross deviations by contravening the approved Building Permission (BP). An illustrative but not exhaustive position of penalties imposed for violation of various provisions of the Building Bye-laws during the period covered under PA is shown in **Table-5.9.**

Table-5.9: Detailed cases of penalty imposed ₹1.00 lakh and above

(In ₹)

Year	Total No. of No Objection Certificates issued	Total penalty Cases	% of violation	Total cases penalised (₹1.00 lakh and above)	Total amount of penalty
2007-08	399	18	4.51	12	43,86,524.00
2008-09	480	77	16.04	41	2,31,43,164.00
2009-10	496	67	13.51	22	1,14,57,359.00
2010-11	589	58	9.85	14	65,38,936.00
2011-12	471	52	11.04	4	27,13,563.00
Total	2,435	272	11.17	93	4,82,39,546.00

Source: Data furnished by the planning branch

As seen from the above table, total 272 cases (11.17 *per cent*) were penalised due to violation of various provisions of Building Bye-laws. Out of 272 cases, in 93 cases (34 *per cent*) penalty was imposed ranging from a minimum of ₹1.02 lakh (File No.GPL/60/10103) to a maximum of ₹26.32 lakh (File No.GPL/5/14/04).

This indicated that lack of supervision had enabled the promoters and individuals to violate the Master Plan and Zoning Regulation of the GMC.

In reply, the Commissioner, GMC stated that at various levels GMC authority makes supervision. However, reply of the Commissioner is not tenable because in support of supervision carried out at three stages, no documentary evidences could be furnished during audit.

5.4.1.13 Less collection of Building Permission Processing Fee (BPF)

- Rule 12 read with Sub-rule 12.7 (iii) & (iv) provides that for G (Ground Floor) +2 buildings, ₹2000.00 PF is to be charged and in addition ₹500.00 is to be added for each floor above G+2. However, Audit observed that due to wrong interpretation of the Bye-laws, GMC had not charged ₹500.00 in all cases (above G+2) for which GMC incurred loss of interest on ₹1.38 lakh in 119 cases¹⁶ of NOCs issued during 2010 till the date of final assessment.
- During 2011-12, as many as 12 NOCs (Details are in **Appendix-XXI**) were issued for construction of multiple units in one plot. However, Audit observed that GMC charged PF for the highest one only, but no PF were charged for rest of the units. This indicated that construction was allowed without verification of prescribed documents as required by Act/Bye-laws. However, quantum of loss of PF could not be ascertained due to non-maintenance of consolidated data in the branch. The matter was never discussed in the meeting of Combined Technical Committee (CTC), the highest Body for BPs.

In reply, the Commissioner, GMC stated that processing fee is taken as per the provision of the section 12.1 of the GMC Act, 1971. Reply of the Commissioner is not tenable because records disclosed that during processing ₹2,000.00 was charged but above G+2 additional fee of ₹500.00 for each floor was not charged.

5.4.1.14 Prescribed process not followed

GMC did not follow the procedures prescribed in the Bye-laws in regard to processing and approving building permissions. This is discussed as follows:

- No action was taken by GMC on non-compliance 'Certificate of Undertaking of Architect on Record/Engineer on Record' (Form-2) to be furnished by the Registered Project Designing Structural Architect/Registered Technical Person etc. with regard to violation of Bye-laws.
- Form No. 7 to 13 (Progress certificate, Progress certificate for 1st storey, middle storey, last storey, completion report, building completion report by Architect and

¹⁶ G+3=40; G+4= 49; G+5=6; G+6=13; G+7=3; G+8=3; G+9= 2; G+10=2 and G+12=1 Total:119

construction engineer) were not found available in the test-checked cases along with occupancy certificate issued by GMC.

- In case of high-rise buildings, BP is granted on the basis of 'Advice Note' of State Fire Service Organisation (SFSO), GoA. However, no records were found in the test-checked cases to show that GMC took follow-up action against the concerned NOC holders regarding fulfilment of the conditions laid down in the SFSO's Advice Note. The matter was never found to be reviewed by the CTC in their subsequent meetings.
- No records were found in the test-checked cases to show that the concerned NOC seekers adhered to the proposed width of the road with reference to the existing one. The matter was never reviewed by the CTC in their subsequent meetings.

Thus, due to laxity of timely supervision on the part of the GMC, various irregularities prevailed regarding granting of BP by the concerned branch leading not only the loss of revenue to GMC but also violation of the existing Bye-laws relating to the constructed buildings

In reply, the Commissioner, GMC stated that all prescribed norms have been followed as per the provisions of the Building Bye Laws. Reply of the Commissioner is not tenable because in concerned files no such documentary evidences were found.

5.4.1.15 Delay in issue of NOC

Rule 14 of the Building Bye-laws envisages that the authority may either sanction or refuse the building plans and statements or may sanction them with such modifications or direction as it may deem necessary and thereupon shall ready the orders for issue within 60 days. However, for proposals which are required to be scrutinised by the CTC for approval, the same will be readied for issue within 90 days.

Test check of 392 cases revealed that during the calendar year 2010 compliance, of the said rule in regard to issue of No Objection Certificates (NOC) was very poor. The position of abnormal delay in regard to issue of NOCs is as shown in **Table-5.10**.

Table-5.10: Summarised position of delay in issue of NOC

Test-checked year	Total NOC issued	Delayed by (in days)					
		21-110	111-199	200-300	301-400	401-500	501 to more than 800
2010	392	109	57	27	19	4	3

Source: Data compared from the NOC lists (2010)

As seen from the table above, in 219 (55.87 per cent) out of 392 cases, the NOCs were issued after a delay of 21 to more than 800 days. Moreover, the GMC authority did not follow the first come first served service in regard to processing/issue of NOC. No monitoring system was in existence to watch and ensure that the arrears were cleared first. Few examples are cited in **Table-5.11**.

Table-5.11: Details of comparison of delay in issue of NOC for apartments/commercial establishments and residential houses

Apartments/Commercial establishments					Residential houses				
Case No	Date of application	Date of issue	Time taken/Type of Bldg.		Case No	Date of application	Date of issue	Time taken/Type of Bldg.	
			Bldg.	Days				Bldg.	Days
GPL/60/337/23072010/29/307	23.07.10	06.08.10	BF+GF+4	14	GPL/58/303/19112008/21	19.11.08	07.06.10	GF+2	565
GPL/53/281/23062010/43	23.06.10	07.08.10	BF+GF+4	45	GPL/23/283/07112008/27	07.11.08	09.06.10	GF+2	579
GPL/59/315/15072010/27	15.07.10	11.08.10	GF+4	27	GPL/32/43/28012009/28	28.01.09	30.06.10	GF+2	518
GPL/51/282/23062010/34	23.06.10	11.08.10	GF+4	49	GPL/7/39/28012009/15	28.01.09	06.07.10	GF+1	524
GPL/32/333/21072010/67	21.07.10	12.08.10	GF+4	22	GPL/59/328/06122008/18	06.12.08	04.08.10	GF+2	606
GPL/13/170/07042010/22	07.04.10	14.05.10	GF+9	37	GPL/15/115/23042008/30	23.04.08	09.09.10	GF+1	869
GPL/32/146/20032010	20.03.10	14.05.10	BF+GF+4	55	GPL/16/21/07032008/27	07.03.08	04.10.10	FF+SF	941

Source: NOC issue list, 2010

Audit observed that during the calendar year 2010 (Table-5.11), as many as 392 NOCs were issued wherein GMC cleared NOCs within 55 days in case of Apartments or Commercial establishments, while in Residential houses, it took a minimum of 518 to maximum of 941 days as shown in the table above. This indicated that authority had no mechanism to clear the cases in a first come first served basis. Moreover, reasons for delay in issues of NOCs were not on record in the test-checked cases.

In reply, the Commissioner, GMC stated that processing and issue of NOC undergoes several stages hence it was delayed. The reply is not tenable as the Commissioner had not commented upon the provision envisaged in the Rule 14 of the Building Bye Laws which required the orders relating to sanction or rejection of the Building Plan to be issued within 60 to 90 days.

5.4.1.16 Parking fee

“The Guwahati Municipal Corporation (Regulation of Parking and Parking Fees) Bye-laws, 1997” were brought into operation only *w.e.f.* 11 April 2009 (vide order No.GEF/84/2004/Pt-III/ nil dt.11.4.09). Thus, GMC authority took almost 12 years to implement these Bye-laws enacted in 1997. The GMC authority did not follow competitive bidding system during 2009-12. Slots were allotted on first come first chance basis without fixing the demarcation of total length of the parking area giving undue advantage to lessees. Scrutiny of the allotments made for the years 2009-10 and 2010-11 revealed the following:

- Records and allotment list furnished to Audit for the year 2009-10 disclosed that 60 road side parking places were identified of which 55 were given allotment. Cross verification of Commissioner’s approved list with the ‘Allotment Register’ maintained by the Enforcement Branch of GMC disclosed that only 12 (28 *per cent*) out of 55 approved slots got the allotments and the rest 43 slots were allotted from outside the list. Although the concerned branch had violated the Commissioner’s order, however, no action was taken against the defaulting officials.
- 28 slots were found to be allotted in the month of September/ October 2009, resulting in loss of revenue to the Corporation for delayed settlement.
- As per Bye-laws, the lessee is to deposit 50 *per cent* of the settled value of the slot as advance. The balance 50 *per cent* should be paid by the lessee on the first day of the

week or first week of the month (with reference to the date of final settlement) as may be fixed in advance. However, the GMC did not follow the provision of the Bye-law and only 10 *per cent* advance was taken in all cases and no time frame was fixed for deposit/collection of the subsequent instalment(s). As a result, 14 lessees left the slot without paying the instalments. No action was taken against the defaulters who were allotted slots after confirming their bio-data, addresses etc.

- GMC initially (May 2009) collected the rent on weekly basis upto 30 September 2010 and thereafter (*w.e.f.* 01.October 2010) it started to collect rent on monthly basis at the rates as prescribed for each slot. Analysis of records revealed that GMC failed to collect ₹5.92 lakh for the year 2009-10 and another amount of ₹6.36 lakh remained outstanding for the period from 01 April 2010 to 30 September 2010. Further, it was noticed that the said slots were allotted to the same lessee *w.e.f.* from 01 October 2010 without recovering the arrear dues extending undue benefits to the leases to the tune of ₹12.93 lakh (₹5.92 lakh + ₹6.36 lakh).
- During 2010-11 it was observed that 15 slots valued at ₹7.10 lakh were allotted at ₹4.70 lakh resulting in loss of Municipal revenue of ₹2.40 lakh. On being questioned, the concerned officials failed to explain and furnish any documentary evidence in regard to allotment of slots below the prescribed rates. Slots were allotted below the prescribed rate with due knowledge of the higher authority as the allotment letters were issued under the signature of the Collector. Moreover, there has no system/mechanism of periodical examination of allotment records which allowed oversee by the supervisory authority.

However, in reply, the Commissioner did not offer any specific comment to the audit observation. Moreover, the Commissioner did not furnish any reply regarding allotment of parking slots at ₹4.70 lakh against ₹7.10 lakh.

5.4.1.17 Factory Licence Fee

As per GMC's office order dated 31 July 2008, the Trade Licence Fees in respect of Factory/Workshop established within the GMC area are to be realised at the revised rates depending upon the consumption of power and number of workers engaged in the factories/workshops as detailed in **Table-5.12**.

Table-5.12: Revised rates of licence fee for factory and workshop

(In ₹)

Electric consumption	Number of persons engaged					
Maximum H.P.	1 to 20	21 to 50	51 to 100	101 to 250	251 to 500	501 or above
0 HP to 4 HP	1,350	2,700	3,600	4,500	5,400	6,300
5 HP to 10 HP	2,700	3,150	4,050	4,950	5,850	6,750
11 HP to 19 HP	3,600	4,050	4,950	5,850	6,750	7,650
20 HP to 100 HP	4,500	4,950	5,850	6,750	7,650	8,550
101 HP to 250 HP	5,400	6,750	8,550	10,350	12,150	13,950
251 HP and above	6,300	8,100	9,900	11,700	13,500	15,300

Source: GMC Circular dt.31 July 2008

Test-check of records of 143 factories/warehouses relating to issue of trade licence within Lakhara Zone revealed the following irregularities:

- In 76 cases (53 *per cent*), trade licences were issued without taking into account the records of electricity consumption by the concerned factories/workshops.
- In 78 cases (55 *per cent*), trade licences were issued without recording the number of workers engaged in the concerned factories/ workshops.
- In 65 cases (45 *per cent*), trade licences were issued on the basis of self-declaration of the workers without conducting the physical verification of those factories/workshops. No step was taken to establish the actual number of workers for calculating tax liability.
- In 28 cases (20 *per cent*), there were short realisations of factory licence fee to the tune of ₹19,350.00.

This indicated that GMC issued trade licences in violation of the prescribed procedure thereby inviting the risk of loss of revenue.

In reply, the Commissioner, GMC stated that Corporation was realising Factory Licence Fee (FLF) at revised rates. Reply of the Commissioner is not tenable as during test-audit, it was observed that FLF has been collected less than the prescribed rates as pointed out in the above instant cases.

5.4.1.18 Non-realisation of Trade licence fee from private parking places

As per GMC's order dated 01 June 2009, the Annual Trade Licences fees are to be realised at the rate of ₹7,500 in respect of Private Parking places established within the GMC area. Scrutiny of records disclosed that only three private parking trade licences were issued under Lokhara Zone during 2007-08 to 2011-12. However, on physical verification in and around the NH-37, as many as 15 unauthorised private parking places were found running within the GMC area without trade licence. Details are as shown in **Appendix- XXII**.

The actual loss of revenue however, could not be calculated as the concerned Zone (Lokhra) failed to furnish the dates of establishment of these private parking places.

In spite of having Enforcement Branch with adequate workforce, the Corporation, by allowing running private parking places without trade licences, not only failed to strengthen its revenue mobilisation but also extended undue benefits to private traders with sizeable loss of revenue to GMC.





Photographs of un-licensed Private Parking running under GMC area

Further, eight commercial establishments obtained trade licence for business purpose (Transport etc.) but used the establishment as 'Private Parking' place. Thus, GMC sustained loss of revenue of ₹2.16 lakh due to collection of lesser amount than the prescribed rate. Details are shown in the **Table-5.13**.

Table-5.13: Details of commercial establishment used their Trade Licence (TL) for other purposes
(In ₹)

Sl. No.	Name of the organisation & Holding no	Type of business	Year	LF collected	To be collected	Short collected
1	M/S Wimsons Parking (560)	Transport	2007-12	6,250 (@ ₹1,250 p.a.)	37,500 (@ ₹7,500 p.a.)	31,250
2	Gargo Motor (N/A)	Parking	-Do-	12,500 (@ ₹2,500 p.a.)	37,500 (@ ₹7,500 p.a.)	25,000
3	M/S Brahmaputra Parking (N/A)	Transport	-Do-	12,500 (@ ₹2,500 p.a.)	37,500 (@ ₹7,500 p.a.)	25,000
4	M/S HRL Parking Harlalka (N/A)	Transport	-Do-	6,250 (@ ₹1,250 p.a.)	37,500 (@ ₹7,500 p.a.)	31,250
5	M/S Nilachal Parking (N/A)	T/parking	-Do-	12,500 (@ ₹2,500 p.a.)	37,500 (@ ₹7,500 p.a.)	25,000
6	M/S Ganesh Parking (N/A)	T/office	-Do-	18,750 (@ ₹3,750 p.a.)	37,500 (@ ₹7,500 p.a.)	18,750
7	M/S Usha Roadlines Parking (N/A)	Transport	-Do-	7,500 (@ ₹1,500 p.a.)	37,500 (@ ₹7,500 p.a.)	30,000
8	M/S Ganapati Career (N/A)	Commission Agent office	-Do-	7,500 (@ ₹1,500 p.a.)	37,500 (@ ₹7,500 p.a.)	30,000
Total				83,750	3,00,000	2,16,250

Source: Data furnished by the Lakhra Zone

In reply, the Commissioner, GMC stated that TLF has been collected as per revised rates (₹7,500/-). However, the reply of the Commissioner is not tenable because no supporting documentary evidences could be furnished in regards to collection at revised rate.

5.4.1.19 Short realisation of Trade licence fee

The GMC vide order dated 01 June 2009 retained the existing rate (₹7,500) of annual Trade Licence Fees for independent Godown, Wholesaler, Distributor, Dealer, Drugs distributor, Builder, Wine shop, Bar, Bonded warehouse, Cable operator, Audio-video production Centre, Timber depot, Gas Agency, Petrol pump, Private parking etc. within the GMC area.

Test-check of records revealed that during 2007-12, 167 out of 182 (91.76 per cent) and 163 out of 220 (74.09 per cent) trade license holders under Lakhra and Central Zone respectively paid less trade license fee than the prescribed rate (₹7,500 p.a.) which thereby resulted in short realisation of Licence fee to the tune of ₹80.57 lakh (Central Zone: ₹43.26 lakh; Lakhra Zone: ₹37.31 lakh). No action had been taken to recover the

short realisation of the trade licence fee. Thus, due to failure to implement the order, GMC sustained loss of revenue to the said extent.

In reply, the Commissioner, GMC stated that matter is under examination. Final position is awaited (March 2014).

5.5 Execution of works

The major works within the GMC area are being executed by the State PWD, Guwahati Metropolitan Development Authority and by other line departments while traditional works like water works, construction of bye-lanes, drains, culverts, desilting of drains etc. are being executed by the GMC which are discussed in succeeding paragraphs:

5.5.1 Water works

Out of 25 obligatory matters enlisted under Section 7 of the GMC Act, 1971, supply of water to civic community and for private uses are the most important functions of the Corporation. However, due to lack of infrastructure, adequate manpower, inadequate water plants etc., only 30 *per cent* of total requirement of drinking water of the Guwahati city could be provided by the Municipal authority.

5.5.1.1 Incomplete water works led to huge irrecoverable GMC fund

For “Strengthening/Restoration of existing water supply system under GMC” the Corporation received ₹690.00 lakh from the GDD and payment made to M/S Kriloskar Brothers Ltd. for the work is as shown in the **Appendix- XXIII**.

As per agreement, the works were to be completed within 15 months from the date of issue of formal work order (26 October 2005). However, the party failed to complete the work within the stipulated time, or even within the extended time limit of 28 February 2008. The firm suddenly left the work on 23 July 2010 without completing it. Balance works were yet to be taken up by the GMC till date (March 2013).

As seen in the **Appendix-XXIII**, out of total work value of ₹7.00 crore, the GMC paid ₹6.62 crore to M/S KBL leaving works worth ₹0.38 crore incomplete. As of 23.07.10, ₹17.15 lakh remained un-adjusted against the Mobilisation Advance of ₹3.15 crore.

As per agreement of the contract, penalty @ one *per cent* on total work value (₹7.00 crore) was to be imposed against the party for breach of contract. Details of penalty to be imposed as per agreement are as shown in **Table-5.14**.

Table-5.14: Details of recovery statement under various provision of the Contract Agreement

			(In ₹)
Sl. No.	Particulars		Amount
1	1% penalty per month on total value of work (₹7.00 crore) for delay in execution of work <i>w.e.f.</i> 1.3.08 till the date of final surrender of work 23.07.10 (28 months 23 days)		2,01,60,000
2	Unadjusted mobilisation advance of ₹17,14,611 + 10% interest <i>w.e.f.</i> 12.03.10 upto 31.3.13 (36 months 20 days)	₹17,14,611.00 ₹ 5,22,956.00	22,37,567
5	Forfeiture of 2% EM money for breach of contract		14,00,000
Total recoverable amount (A)			2,37,97,567

Source: *Compiled data*

As per records amount due to M/S KBL was ₹67.94 lakh as shown in **Table-5.15**.

Table-5.15: Payments due to M/S KBL

(In ₹)		
Sl. No.	Particulars	Amount
1	Works executed after 10th R/A bill	1,55,750
2	Extra work done out of Plan & Estimate	10,90,852
3	Withheld amount on 4th R/A bill	3,85,000
4	Recovery of SD money upto 10th R/A bill	51,62,686
Total (B)		67,94,288

Source: Data furnished by GMC

Analysis disclosed that no amount was due to be paid to M/S KBL, instead the GMC was to recover an amount of ₹170.03 lakh (A – B).

Thus, due to failure of internal control mechanism of the Corporation and absence of oversight role on the part of Government chance, of recovery of ₹170.03 lakh became remote.

In reply, the Commissioner, GMC has expressed his inability to recoup the penalty (₹2.00 crore) as per modified terms and conditions (1% pm for work value) and viewed to complete the remaining works as per the provision of the APWD manual. Reply of the Commissioner is not tenable and authority had not knocked the door of the court for breach of ‘Contract Agreement’.

5.5.1.2 Quality of GMC water

The importance of water and waste water quality monitoring for efficient operation and management of water supply and waste water disposal system cannot be ignored. For scientific water quality management, periodical physical, chemical, bacteriological and virological tests of drinking water in a well equipped laboratory is needed in order to safeguard people against any waterborne disease and to supply potable water conforming to drinking water standards. As per “Course Manual on Laboratory Procedure for Water Quality Analysis” conducted by District Water Analysis Laboratory (PHE), Kamrup following, parameters are to be conducted/examined for water conforming to drinking water standards.

- Turbidity
- pH
- Iron
- Fluoride
- Residual Chlorine

However, during 39 years of existence of the Corporation since its inception (1974), GMC had neither submitted any proposal before the Government nor they could establish a laboratory of their own. As of March 2013, the GMC had three water plants (Panbazar, Satpukhuri and Kamakhya Water Supply Scheme) supplying 30 *per cent* of the total requirement of drinking water without conducting any laboratory test.

Thus, non-conducting of water tests at regular intervals was highly fraught with risk of the city dwellers getting infected with water borne diseases.

In reply, the Commissioner, GMC stated that as the intake point of water is same, (Brahmaputra), hence GMC considered the turbidity and pH value as per PHC records

since long back. Reply of the Commissioner indicates that GMC had no laboratory of their own and depended on the test of other department. The Commissioner also admitted that laboratory could not be made functional due to shortage of technical manpower in spite of having adequate infrastructure.

5.5.2 Basic Services to Urban poor

The scheme was launched by GoI in 2005-06 for integrated development of Basic Services to Urban Poor (BSUP) in the cities covered under the Jawaharlal Nehru National Urban Renewal Mission (JnNURM). The main objectives of the scheme were to provide shelter, basic services and other related civic amenities to the urban poor.

The deficiencies noticed in implementation of project BSUP are discussed in the succeeding paragraph:

5.5.2.1 Poor achievement

In the years 2008-09 and 2009-10, the Central Sanctioning and Monitoring Committee (CS&MC), Ministry of Housing and Urban Poverty Alleviation, GoI sanctioned two projects to GMC for construction of dwelling houses for slum dwellers in Sub Mission-II of 'Basic Service for Urban Poor' (BSUP) under JnNURM. The funding pattern for the scheme was 90:10.

Details of the projects sanctioned and amount received by the GMC till the date of audit (April 2013) were as shown in **Table-5.16**.

Table-5.16: Details of projects sanctioned, amount released and received by GMC
(₹ in crore)

Name of project	Date of approval	No. Of dwelling units (DUs)	Cost for civil construction	Cost of amenities	Total approved cost	Fund received by GMC			Total
						Central share	State share	Beneficiaries share	
BSUP-I	05.02.08	1,232	32.18	21.77	53.95	24.28	2.76	0.16	27.20
BSUP-II	11.02.09	1,028	31.03	23.46	54.49	24.52	2.46	0.00	26.98

Source: Data compiled from concerned files

The contractors to whom the works were awarded, number of dwelling units (DU) to be constructed, due date of completion and present status of the projects were as given in **Table-5.17**.

Table-5.17: Details status of BSUP project (March 2012)

Name of project		Location of project	No of Dus	Contract value	Name of contractor	Date of signing of agreement	Due date of completion	Status
Phase-I	Package-I	Fatashil	1,104	51.80	Nymi Enterprise Pvt. Ltd.	26.02.09	26.05.10	352 units completed, Contract terminated
	Package-II	Morashali	64	9.11	Hirise Inf. Pvt. Ltd.	26.02.09	09.08.10	64 units completed
		Solapara	64					Not started
Phase-II	---	Amingaon	1,108	54.94	Nymi Enterprise Pvt. Ltd.	25.01.10	25.07.11	Work stopped as of

Source: Data compiled from concerned files

(A) BSUP Phase-I: As can be seen from the table above, in Phase-I (Package-I & II), total 1,232 DUs were to be completed by August 2010. However, even after signing of agreements (February 2009), the GMC could complete only 416 DUs (33.77 per cent) out of the proposed 1,232 DUs and 379 DUs of the completed DUs were

allotted to slum dwellers during April 2012 to February 2013. The contract agreement of the remaining 816 (1,232 – 416) units under Package-I were terminated (January 2013) due to delay in execution of works by the contractor. As such, construction of remaining DUs (816) was yet to be taken up (March 2012). Further, proposed projects at Solapara under Package-II, could not be started as of May 2013 due to vehement protest from the local people.

(B) BSUP Phase-II: Construction of DUs at Amingaon project (Phase-II) remained held up since 2011 after completion of 80 *per cent* site development works with expenditure of ₹4.70 crore (payment made to contractor) as the consultant engaged for the above project felt the necessity for piling work in the foundation, whereas no provision of such piling works was in the original DPR prepared by HUDCO. Accordingly, a revised estimate based on fresh soil test was prepared and submitted (Dec 2011) to the Chief Engineer, Assam Public Works Department (APWD) for vetting but approval of the same was awaited (April 2013).

Further, it was noticed that in spite of pending approval of the revised estimate, the GMC constructed more than 6,000 granular piling works worth ₹114.20 lakh (unmeasured value), against which payment of ₹68.54 lakh (Chq. No.253429 dt.23.03.11) was made to the contractor. Execution of works without approval of estimates and payment made there against was irregular.

Thus, due to delay in execution of projects, the intended objective of providing shelter to slum dwellers remained unachieved in spite of huge investment amounting ₹5.39 (₹4.70 + ₹0.69) crore.

The Commissioner, GMC admitted the audit observations and stated that the proceeding of construction of remaining units would be started soon. Final position is awaited (March 2014).

5.5.3 Public Toilet

Section 7 of the GMC Act, 1971 provides for 25 obligatory matters that ‘it shall be incumbent on the Corporation to make adequate provision by any means or measures which it is lawfully competent to use or take the construction, maintenance and cleaning of drains and drainage works and public latrines, urinals and similar conveniences’.

Test-check of records revealed that during 2007-12 the Corporation incurred ₹25.35 crore¹⁷ towards Solid Waste Management, maintenance and cleaning of drains and drainage works. However, only meagre amount was earmarked for providing public toilets and urinals in the city during the period covered under PA. It is pertinent to say that the Corporation did not have any information in regard to number of public toilets available in the city against their requirement. The GMC was also unaware as to whether any survey was conducted to assess the requirement of public toilets in the city and whether any public toilets were constructed during 2007-12. As per information furnished, ₹12.50 lakh (₹2.00lakh under National Slum Development

¹⁷ a) Divisions:	₹03.42 crore
b) Garage branch:	₹02.30 crore
c) Payment to GWMCL:	₹19.63 crore
Total -	₹25.35 crore

Programme (NSDP) and ₹10.50 lakh under SJSRY) was received by GMC from GoI during 2009-10 for construction of five toilets in the Municipal area. There was no record in support of construction of two toilets under NSDP and of three toilets approved (October 2009) under SJSRY for construction at Dispur Supermarket, Adabari and Beltola. Only one toilet was constructed and that too at an unapproved site at Ganeshguri. No financial and physical progress reports in respect of construction of three toilets under SJSRY by the construction committee could be shown to Audit. Further, the Finance Department, GoA sanctioned ₹1.64 crore (March 2011) under the award of Third SFC for construction of public toilets in GMC areas. The entire amount was released (August 2012) belatedly to GMC which was lying unspent (April 2013).

Thus, due to laxity on the part of the GMC/Government, as the entire sanctioned amount of ₹1.64 crore was lying unspent, one of the most important basic amenities could not be provided to the citizens as well as thousands of daily commuters.

In reply, the Commissioner, GMC stated that progress of scheme is under way and was on the verge of completion. Final position is awaited (March 2014).

5.5.4 Extra avoidable expenditure

Article 5.11 of the 'Concession Agreement' between the GMC and Guwahati Waste Management Company Ltd. (GWMCL) provides that the GWMCL shall be responsible for street sweeping as well as drain desilting activities (upto two feet depth) within the Municipal area as per guidelines of the integrated policy formulated for segregated door-to-door collection of Municipal Solid Waste (MSW) from all waste generators w.e.f. 01 October 2008. Further, Article 5.13 of the agreement stipulated that the GWMCL shall be solely responsible for transportation of segregated waste to the Project Site as per the guidelines for transportation of MSW.

Scrutiny of records and information furnished by the Corporation revealed that expenditure to the tune of ₹19.36 crore was already incurred by GMC towards payment to GWMCL for primary and secondary collection and transportation of garbage to the dumping site at Paschim Boragaon during the period from November 2008 to March 2012. In spite of Concession Agreement, GMC incurred extra expenditure of ₹7.81 crore towards sweeping and transportation of garbage by engaging casual labourers/drivers with GMC's own vehicles. Desilting works were done through contractors and procurement of vehicles/machineries for execution of conservancy works departmentally. Details of expenditure are shown in **Table-5.18**.

Table-5.18: Details of additional expenditure of GMC on conservancy works

(₹ in crore)

Sl. No.	Purposes for which expenditure incurred	Period of expenditure	Amount spent	Detailed in
1	Cleaning and transportation of garbage from the Corporation areas to the dumping site by Garage Branch, GMC	01.11.08 to 31.03.12	2.50	Appendix XXIV Part (i)
2	Execution of desilting works within Guwahati City by Six Divisions of GMC	-Do-	3.42	Appendix XXIV Part (ii)
3	Procurement of vehicles /machineries under different programmes/schemes for use in conservancy works during January, 2009 to April, 2010	-Do-	1.89	Appendix XXIV Part (iii)
Grand Total			7.81	

Source: Data collected from the Corporation

Thus, due to failure to enforce the proviso of the Agreement, the GMC was saddled with the extra burden of ₹7.81 crore during the period from November 2008 to March 2012.

Photographs show the sample of activities carried out by the GWMCL/Divisions



Dustbin placed at middle of the road & road side garbage not collected by the GMC till 12 Noon (Dated 04.05.2013)

However, the Commissioner, GMC did not furnish any specific reply to the audit observation.

5.5.5 Irregular awarding of works

As per prevailing codal provision of Notice Inviting Quotation/Notice Inviting Tender, minimum of three quotations are required for comparing the price bids for acquiring intended goods/material/assets etc. When price bids could not be fixed for want of third bidder, retendering had to be notified immediately. In case third bidder did not turn up in the re-tendering process, then with due knowledge of Administrative Department, the department would acquire materials/assets etc. on the basis of prices of two bidders.

Test-check of records of works executed in three out of six divisions (50 per cent) under the GMC revealed that during 2007-08 to 2011-12 against the estimated works worth ₹1.06 crore, works valued at ₹1.01 crore were executed on the basis of single or less than three tenders. A brief analysis of works awarded contravening the prevailing norms are given in **Table-5.19**.

Table-5.19: Details of works awarded on the basis of single tender or less than three tenders

(In ₹)						
Sl. No.	Name of Division	Name of work	Estimated value	Names of tenderer	Awarded to whom	Tendered value
1	Div-II	1. Improvement of City Roads Package No.4 (2009-10)	21,32,000	i) M/S Global Hitech Enterprise	M/S Global Hitech Enterprise	20,46,720
		2. Improvement of Nawjan Path, Group-B, Sl. No. 12 under 10% lump-sum scheme (2010-11)	17,48,000	i) M/s Koustav Construction	M/s Koustav Construction	17,48,000
		3. Improvement of Lalmati Road, Group-B, Sl. No.14 under 10% Lump-sum Scheme (2010-11)	20,49,000	i) Madan Boro ii) Khanindra Brahma	Khanindra Brahma	18,44,100
2	Div-III	4. Improvement of different roads (Package No.-9)	20,06,400	i) Rongdeo Associates ii) Sibsaran Pathak	Rongdeo Associates	19,06,080
3	Div-V	5. Improvement of Sankar Dev Path, Ward No-55	15,00,000	i) M/s M.P. Farm	M/s M.P. Farm	13,50,000
		6. Improvement of city roads (Group-13)	12,00,000	i) Uddhab Saikia ii) Borluit Enterprise	Uddhab Saikia	12,00,000
Total			1,06,35,400			1,00,94,900

Source: *Work files of concerned divisions*

The analysis disclosed that for execution of six instant works (₹1.06crore), the GMC authority not only violated the codal provision of NIT system but also sacrificed transparency in the matter of allotment of the works. As such, mis-utilisation of Municipal fund towards execution of works could not be ruled out.

However, the Commissioner, GMC did not furnish any specific reply to the audit observation.

5.6 Adequacy in internal control system

5.6.1 Citizens' Charter

A model 'Citizens' Charter' is a document that describes the specific steps to be taken in implementing the provisions of the Act and lays down the minimum service levels mandated by these provisions covering all aspects of the duties and responsibilities of the GMC and its officials. The Citizens' Charter is to be displayed in all the GMC offices as well as in prominent public places to inform the people living in the GMC area about their rights. However, GMC authority was yet to develop a model Citizens' Charter for the civic citizens as of March 2012. This indicates that the GMC had yet to develop a complete form of a "Citizens' Charter" and discharging the day to day activities without any mandate and within a specific

timeframe for Corporation and their officials. Thus, the civic citizens of the Guwahati are unaware of duties and functions of the GMC particularly.

However, an initiative was taken on 4 March 2013 to bring one Model Citizens' Charter under Rule 6 of the said Act. However, the Model Citizen's Charter so prepared was yet to be displayed in the GMC offices and other prominent places of Guwahati city.

In reply, the Commissioner, GMC stated that the Corporation was offering 9 services under the provision of Assam Right to Public Service Act, 2012 since 1 April 2013. A Citizens' Charter was also issued whose monthly report was being submitted to Deputy Commissioner (Kamrup). This shows that Audit rightly pointed out that GMC was functioning without any Citizens' Charter during the period covered by audit (2007-12).

5.6.2 Unauthorised occupation of GMC land

Analysis of records furnished to Audit it was noticed that the land belonging to GMC measuring 122 bighas, 1 Kathas and 8.4 Lessas under 5 revenue villages were under unauthorised occupation of individuals, committee, youth club etc. The summarised positions of unauthorised occupation of GMC land are shown in the **Table-5.20**.

Table-5.20: Illustrative example of unauthorised occupation of GMC land

Sl. No.	Revenue village	Location	Mouza	Area of land		
				Bigha	Katha	Lessa
1	Sahar Guwahati, Block-2	Chatrbari	Guwahati	2	4	19
2	Sahar Guwahati, Block-4	Lakhtakia	Ulubari	2	0	10.3
3	Sahar Guwahati, Block-5	Ugratara Devalaya	-Do-	0	1	18.1
4	Fatasil 1 st Part	Fatasil Bazar	-	15	4	1
5	2 No Fatasil	Datalpara	-	101	0	0
Total				120	9	48.40
Converted to (20 Lessas = 1 Katha; 5 Kathas = 1Bigha)				122	1	8.4

Source: Data furnished by the Land Record Branch, GMC Note

However, there was no record to show that the GMC authority had taken any effective step to bring the land under its occupation nor was there any plan for allotment of the land at market value to the occupiers which could be a source of mobilisation of revenue for the Corporation.

In reply, the Commissioner, GMC assured that matter would be placed before the General Council for formulation of policy. Final report is awaited (March 2014).

5.6.3 Un-authorised retention/non-deduction of Labour Cess

(i) Building and other construction work (Regulation of Employment and Service Regulation) Act, 1996 read with Workers Welfare Cess Act, 1996 came into force in the State of Assam with effect from 26 September 2007. As per the Act, the establishments which undertake works like construction/alteration/repairing and

maintenance or demolition exceeding ₹10.00 lakh have to pay one per cent “Labour cess” on the total value of works. The leviable cess is to be collected by the Department concerned from the contractor’s bill and to be transferred by cheque to “Assam Building and Construction Workers’ Welfare Board” (AB&CWWB) within thirty days. It was noticed that GMC started deduction of one per cent cess w.e.f. March 2011 and operated a Bank account (SBI A/C No. 31656335703) for this purpose wherein labour Cess amounting to ₹133.43 lakh was retained unauthorisedly without being forwarded or transferred to AB&CWWB. Further, Under Section 3(2) of Building and Other Construction Workers Welfare Cess Act, 1996 cess shall be collected from every employer in such a manner and at such time, including deduction at source in relation to a building or other construction work of a Government or of a Public Sector Undertaking or advance collection through Local Authority where an approval of such building or other construction works by local authority is required. Records disclosed that the Planning Branch of the GMC collected advance cess of ₹282.03 lakh (upto March 2012) on account of approval for building permission but the drafts/cheque were not forwarded to Labour Welfare Board as per provision of the Act and were retained with the authority till February 2013. Moreover, the validity of most of the Drafts/Cheques had been expired. Thus, un-authorised retention of drafts/cheques amounting to ₹415.46 lakh (₹133.43 lakh + ₹282.03 lakh) did not only tantamount to violation of the provision of the Act, but this also deprived the poor labour community in the State from the intended benefits of the scheme.

(ii) Moreover, in case of execution of BSUP project, GMC paid total amount of ₹22.72 crore to various contractors against their running account bills without deducting

1 per cent labour cess amounting ₹22.72 lakh. Thus, the authority did not follow the Government order and failed to transfer ₹22.72 lakh to the concerned Labour Commissionerate for development activities of poor labourers working under contractors.

(iii) Further, during July 2008 to February 2012, 3 Divisions viz. II, III & V under GMC had executed some works like de-siltation and improvement of roads valuing ₹221.83 lakh. Records disclosed that one per cent Labour Cess deducted from the contractor’s bill was short by ₹0.87 lakh.

In reply, the Commissioner, GMC assured that labour cess accumulated in the bank account (No.31656335703) would be transferred at the earliest. Reply furnished regarding the accumulated amounts in ‘Planning Branch’ is not satisfactory because due to system deficiency and lack of interdepartmental coordination labour cess which was unnecessarily held up deprived of poor labourers from their intended benefits.

5.6.4 Short/non-deduction of government dues

Finance Department, GoA vide Notification No.FM.64/2003/321 dt.13.7.2010 had intimated all Govt. Departments and functionaries to deduct Forest Royalty/Taxes under AVAT Act, 2003 at source. Non-deduction or short deduction that causes financial loss to the State Government for negligence of functionaries is liable to legal action under Section 8(1) and 8(2) of Assam Fiscal Responsibility and Budget Management (AFRBM) Act, 2005. The shortcomings noticed towards deduction of taxes are discussed in the succeeding paragraphs:

5.6.5 AVAT

As per provision of section 47 of Assam Value Added Taxes 1993 which came into force w.e.f. 1.5.05 all drawing and disbursing officers of Govt. Departments and Govt. Undertakings are to deduct VAT at source in respect of the following transactions:

1. Transfer of property of goods involving execution of works contract @12.5 per cent of the taxable turnover of such works contract;
2. Transfer of right to use of any goods (lease transaction) @ 12.5 per cent

The tax so deducted is to be deposited into the designated banks through Challan (Form-25) within 10 days from the expiry of each calendar month. The rate of VAT was further enhanced from 12.5 to 13.5 per cent w.e.f. 31.10.2009 vide Govt. Notification No. FTX-55/2005/Part-III/118 dated 31.10.09. The shortcomings noticed are discussed in the succeeding sub-paragraphs:

- (A) Test-check of records revealed that the GMC hired private vehicles for official use, but bills were passed for payment without deducting or short deducting of VAT amounting to ₹5.74 lakh. Thus, GMC authority failed to comply with the Government order causing loss of revenue.
- (B) As per revised rate, supply of electrical goods including installation of goods with separate installation charge, attracts VAT @12.5 per cent. Records revealed that GMC repaired 418 street lights between 6.9.08 and 30.11.08 under the supervision of 5 Divisions at the total cost of ₹34.64 lakh. However, at the time of payment, GMC deducted VAT @ 4 per cent (₹1.39 lakh) on total bill value of ₹34.64 lakh from the supplier's bill (M/s Dutta Electricals, Guwahati) instead of @ 12.5 per cent (₹4.12 lakh) on cost of materials resulting in short realisation of ₹2.73 lakh (₹4.12 lakh - ₹1.39 lakh).

(C) In case of execution of work under BSUP project, the authority deducted AVAT @ 4 per cent instead of 5 per cent. Thus, ₹25.96 lakh was deducted short as shown in **Appendix-XXV**.

(D) During July, 2008 to February, 2012, 3 Divisions viz. II, III & V under GMC had executed some works like de-siltation and improvement of roads valuing ₹221.83 lakh. Records disclosed that the Corporation short deducted AVAT amounting to ₹11.40 lakh from the contractor's bills.

Thus, due to laxity on the part of the GMC, there was revenue loss of ₹45.83 lakh (A+B+C+D) to the State Government on account of non/short deduction of AVAT.

The Commissioner, GMC accepted all the cases of short deduction of AVAT and stated that necessary action would be taken. Final reply is awaited (March 2014).

5.6.6 Income Tax

Section 194 of Income Tax Act, 1961 provides that any person responsible for paying any sum to any contractor for carrying out any work including supply of labour, in pursuance of a contract between the contractor and a specified person shall, at the time of payment by cash, cheque, draft or by any other mode, has to be deduct an amount equal to two per cent of bill value where the payment is being made or given to a person other than an individual or a Hindu undivided family.

(A) Scrutiny of Running Account bills in case of payment released to contractors for execution of BSUP projects revealed that the GMC authority deducted IT at the rate of one per cent instead of prescribed two per cent. Thus, Income Tax amounting to ₹25.96 lakh was deducted short in contravention of the provision of the Act (refer **Appendix-XXV**).

(B) Against the total bill value of ₹19.63 crore paid to the GWMC Ltd. for primary and secondary collection and transportation of garbage, GMC deducted ₹39.89 lakh as IT against the actual amount of deduction of ₹43.87 lakh. Thus, ₹3.97 lakh IT was deducted short from the firm concerned. Details of short deduction of IT are shown in **Appendix-XXVI** (refer Col. 8).

(C) During July 2008 to February 2012, 3 Divisions viz. II, III & V under GMC had executed some works like de-siltation and improvement of roads valuing ₹221.83 lakh. Records disclosed that the GMC authority deducted IT amounting ₹1.05 lakh short from the contractor's bills.

Thus, due to laxity on the part of the GMC, there was revenue loss of ₹30.99 lakh (A+B+C) to the Government on account of non/short deduction of IT.

5.6.7 Unauthorised retention of IT/AVAT/Cess

GMC had deducted a sum of ₹133.02 lakh being taxes (AVAT: ₹103.83 lakh; IT: ₹25.96 lakh; Cess: ₹3.24 lakh) from contractors bills against the payments towards execution of BSUP projects. However, no records/challans etc. in respect of the deposit of said amounts to the respective revenue heads of the Govt. could either be found on records or shown to Audit. Thus, there was unauthorised retention of ₹133.02 lakh collected on account of AVAT, IT and Cess.

In reply, the Commissioner, GMC assured that outstanding balances (IT/AVAT/Cess) lying with GMC would be deposited at the earliest. Final position was awaited (March 2014).

5.6.8 Response to Audit

An order of the State Government (March 1986) provides for prompt response by the executive to the IRs of test-check conducted by the AG to ensure satisfactory compliance with the prescribed rules and procedures. The authorities of the offices and Department concerned are required to examine the observations contained in the IRs in the light of the given rules and regulations and prescribed procedures and rectify the defects/omissions promptly and report their compliance to the AG.

It needs to be mentioned here that the Accountant General (Audit), Assam conducted audit of the accounts of the GMC on three occasions and issued the Inspection Reports to the Commissioner, GMC with copies marked to the Government. Details of audit conducted by the AG are as shown in **Table-5.21**.

Table-5.21: Details of outstanding position of past Inspection Reports

Period of Inspections	Year of Accounts	Date of issue of IR	No of paras	
			Part-II (A)	Part-II (B)
June-March, 2004	2001-03	19.10.04	17	12
Jan-March, 2009	2003-08	15.08.09	5	13
August-Oct, 2010	2008-09	09.11.10	8	28

Source: *Inspection Reports*

Records disclosed that:

- First round replies to first two IRs (2001-03 & 2003-08) containing 22 Part-II (A) and 25 Part-II (B) paras were still awaited as of March 2013.
- The Commissioner furnished reply to the 3rd IR (2008-09) in August 2011 of which 9 paras were settled and communicated to the Commissioner. Further clarification in respect of rest of the paras was still awaited.
- Further, 15 paras featured in the 1st IR were forwarded to Government in May 2011 for settlement of the objections. Action Taken Note on these paras was still awaited.

It is to be noted that the Commissioner, GMC assured in the 'Entry Conference' held on 26 February 2013 that prompt action would be taken to furnish replies and records relating to outstanding audit paras to review and settle them during inspection by the PA team. However, no reply/records were furnished to Audit for review.

In reply, the Commissioner, GMC assured that replies to outstanding audit para would be furnished shortly. Final position is awaited (March 2014).

5.6.9 Internal Audit

The GMC had no 'Internal Audit Wing' of their own. Records disclosed that Corporation had five sanctioned posts (Sr. Auditor-1; Auditor-4) of which three officials were on the roll as of March 2013. Scrutiny of records revealed that against the available manpower, one official has been dealing with settlement of outstanding paras for Local Audit as well as AG Audit and other two officials were attached with other branches of the GMC. Apart from this, GMC had one Govt. appointed Chief Accounts & Audit Officer (Gr.-I) and one contractual Chartered Accountant (CA). In spite of having such qualified manpower, the GMC was yet to create an independent Internal Audit Wing of its own. No audit plan was found to be prepared for conducting internal audit of the Corporation. Thus, the desired objective of strengthening the internal control system through periodical internal audit had not been achieved. As a result, pay and allowances paid towards the said staff (₹70.16 lakh) was unfruitful. Details of pay and allowances paid for auditors during the period of PA by the GMC (excluding CA&AO) are as given in **Table-5.22**.

Table-5.22: Details of Pay & Allowances incurred towards Internal Audit wing
(₹ in lakh)

Sl. No.	Year	Staff position	Pay and Allowance	Total
1	2007-08	1. Six Auditors 2. One CA*	10.17 02.70	12.87
2	2008-09	1. Six Auditors 2. One CA*	09.19 01.20	10.39
3	2009-10	1. Two Auditors 2. One CA*	05.35 05.60	10.95
4	2010-11	1. Three Auditors 2. One CA*	12.23 06.00	18.23
5	2011-12	1. Three Auditors 2. One CA*	12.72 05.00	17.72
Total			70.16	70.16

Source: Data furnished by the GMC * Contractual Staff

In reply, the Commissioner, GMC assured that creation of IA is under active consideration. Final result is awaited (March 2014).

5.7 Conclusion

The GMC did not prepare long term Perspective Plan and priority based Annual Action Plan for implementation of scheme/programme since its inception (1974). The GMC did not pressurise the Government for implementation of 74th CCA and

Government had not taken any initiative for transfer of 3Fs to the GMC as per 12th schedule of the Constitution. The financial management of the GMC was in a very deplorable condition as 61.75 to 90.48 *per cent* of expenditure was made before the approval of the Annual Budget. In spite of receipt of adequate funds from the Government, the Corporation did not optimally utilise the available funds in time and ₹12.80 crore to ₹117.15 crore fund was lying unspent at the end of every financial year. Rooms/Stall rent of 'GMC Rented Market' were not realised prolonged period. The GMC leased markets were not settled resulting in loss of revenue. Adequate measures were not taken to check pilferage of GMC revenue. Incomplete water works led to huge irrecoverable GMC fund. The intended objective of providing shelter to slum dwellers under JnNRUM remained unachieved in spite of huge investment. The GMC had no Internal Audit Wing of their own and thus the desired objective of strengthening internal control system could not be achieved.

5.8 Recommendations

- A structured system of planning - long, medium and short term and systematic reporting mechanism needs to be implemented to enable improvement in the deliverables of the Corporation and provide adequate feedback to all stakeholders.
- Budget formulation should be realistic and completed within the time frame as stipulated in the GMC Act, 1971. No expenditure should be made before the approval of the Annual Budget.
- Fund management of the GMC should be streamlined to ensure that Cash Book is written and closed on a daily basis, all financial transactions should be reflected in the Cash Book, funds collected are deposited forthwith and reconciliation with banks is carried out regularly.
- The Market, Advertisement & Enforcement activities need to be strengthen. Effective monitoring, supervision by the higher authorities should be ensured to stop pilferage of revenue.
- Strict monitoring as envisaged in the Bye-laws is required so that construction cannot be done beyond the permitted limits. First come first served system needs to be adopted so that NOC may be issued within the time frame for prompt collection of revenue. All fees need to be charged as per Bye-laws for augmentation of the GMC revenue. Database of NOC issued should be transferred to Revenue Zones for prompt assessment of Property Tax etc.
- Parking slots need to be settled through bidding system and completed well in advance to avoid loss of revenue and advance collection of settled money ensured as provided in the Bye-laws. Area of the slots need to be well demarcated by displaying owner name, rates and recommended capacity of the parking for public view and uniform, identity cards etc. of collectors should be mandatory.

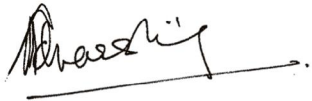
- Effective action needs to be taken to ensure dwelling houses to urban poor are completed as per schedule.
- Action needs to be taken to bring all of GMC's landed properties to GMC own possessions and made encroachment free.

Guwahati
the


(Dattaprasad S. Shirsat)
Deputy Accountant General
(Social Sector)

Countersigned by

Guwahati
the


(C. H. Kharshiing)
Accountant General (Audit)

APPENDICES

Appendix - I
(Para reference I.6)

Roles and Responsibilities of Standing Committees of PRIs

Sl. No.	Category of PRI	Name of Standing Committee	Responsibilities
1.	GP	i) Development Committee	Functions relating to agricultural production, animal husbandry and rural industries and poverty alleviation programmes.
		ii) Social Justice Committee	(a) Promotion of educational, economic, social, cultural and other interests of Scheduled castes and Scheduled Tribes and Backward Classes; (b) protection of such castes and classes from social injustice and any form of exploitations; (c) welfare of women and children.
		iii) Social Welfare Committee	Functions in respect of education, public health, public works and other functions of the GP.
2.	AP	i) General Standing Committee	Establishment matters, communication, buildings, rural housing, relief against natural calamities, water supply and all miscellaneous residuary matters.
		ii) Finance, Audit and Planning Committee	Finance of the AP, training, budget scrutinizing proposals for increase of revenue, examination of receipts and expenditure statement, consideration of all proposals affecting the finance of the AP and general supervision of the revenue and expenditure of the AP and Planning and consolidating the AP Plans, Co-operation, small saving schemes and any other function relating to the development of AP areas.
		iii) Social Justice Committee	Same as in case of GP
3.	ZP	i) General Standing Committee	Same as in case of AP
		ii) Finance, Audit and Planning Committee	Same as in case of AP
		iii) Social Justice Committee	Same as in case of AP
		iv) Planning and Development Committee	Activities relating to (a) education, adult literacy and cultural activities as the ZP may assign to it; (b) health Service, Hospital, Water Supply, Family, Welfare and other allied matters; (c) agricultural production, animal husbandry co-operation, contour ["bunding"] and reclamation; (d) village and cottage industries; (e) promotion of industrial development of the district.

Appendix - II
(Para reference 1.15.1)

Power of State Government over PRIs

Act/Rule/Authority	Power exercised by Government
(1)	(2)
Section 141 of AP Act,	Power to frame rules The State Government may make rules for carrying out the aims and objectives of this Act.
Section 125 of AP Act,	Power to dissolve PRIs Government may, by notification in Gazette, dissolve the PRIs, if the Government is of the opinion that the LB exceeds or abuses its powers or is not competent to perform or make persistent default in the performance of the duties imposed on it under this Act or any other law, for the time being in force.
Section 124 of AP Act,	Powers to revoke or suspend resolution of PRIs The ZP is empowered to suspend and prohibit an order or resolution of GP, if the ZP is of the opinion that the resolution is improper, cause or likely to cause injury or annoyance to the public or lead to a breach of peace.
Section 123 of AP Act	Power to restrict or withdraw functions from Panchayats A Government may, by notification in the official gazette amend or add any activity, programme or scheme vested in the Panchayat.
Section 121 (1) of AP Act	Power to conduct enquiry The Government may, at any time for reasons to be recorded, cause an enquiry to be made by any of its officers in regard to any GP, AP or ZP on matter concerning it or on any matters with respect to which the sanctions, approval, consent or orders of the Government is required under this Act.
Section 140 of AP Act read with Rule 4 and 8 of AP (A) Rules	Powers of appointment, cadre control, transfer etc. The employees of the PRIs are Government Servants. The Government shall regulate the classification, method of recruitment, conditions of service, pay and allowances, discipline and conduct of Secretaries of the GPs.
	The State Government may post from time to time additional staff of Grade I, Grade II, Grade III and Grade IV to ZP or AP or GP as it deemed necessary.
Section 122 of AP Act	Power to issue guidelines The State Government is empowered to issue directions to any Panchayat in matters relating to State and National Policies and such direction shall be binding on the Panchayat. The State Government may call for any record or register or other document in possession or under the control of any Panchayat.

Appendix - III
(Para reference 1.19.1)

Statement showing non-reconciliation of Bank Balances as per Pass Book & Cash Book
(in ₹)

SI No	Name of PRIs/ULBs	Name of Scheme/Programme	As on	Balance as per Bank Pass Book	Balances as per Cash Book	Difference
1	2	3	4	5	6	7
1	Machkhowa AP	MGNREGA	31.03.12	2305193	1488451	816742
		12 th FC	31.03.12	215059	203672	11387
2	Sissiborgaon AP	MGNREGA	31.03.12	15151570	4964387	10187183
3	Amguri AP	IA Y	31.3.10	2380385	354718	2025667
			31.3.11	382306	409207	-26901
			31.3.12	776209	149609	626600
		Own Fund	31.3.10	242147	299796	-57649
			31.3.11	207789	211148	-3359
			31.3.12	28990	51658	-22668
4	Fekamari AP	IA Y	31.05.10	10363813	10660714	-296901
			30.09.10	11809062	11650678	158384
			28.02.11	6490331	6232917	257414
			31.03.11	6552957	6254177	298780
5	Dhubri ZP	13 th FC	31.10.11	8396548	70989142	-62592594
			30.11.11	2104797	54563184	-52458387
			31.12.11	42223293	51806494	-9583201
			31.01.11	9433847	41321377	-31887530
			29.02.11	9127382	28217390	-19090008
			31.03.11	4349013	91042711	-86693698
		12 th FC	31.03.11	30076939	29051208	1025731
			31.05.11	29191575	28397340	794235
			30.06.11	25281012	22303523	2977489
			31.08.11	15703346	14843783	859563
			31.12.11	12464400	11129592	1334808
		IGNOAP	31.03.11	24086546	23887684	198862
			31.03.12	2112594	1922983	189611
				9200		9200
		NFBS	31.03.11	8270786	8258937	11849
			31.03.12	3575769	743920	2831849
6	Patharkandi AP	Own Fund	31.03.12	5675.83	8300.63	-2624.8
7	Kamandanga GP	MGNREGA	31.03.09	1361213	1285105	76108
			31.03.10	689720	676000	13720
8	Sivasagar ZP	NFBS	31.03.12	4176695	4864555	-687860
9	Demow AP	IA Y	31.03.12	2651248	2102286	548962
		DDP	31.03.12	335700	328644	7056
		SGSY	31.03.12	8699	209299	-200600

Appendix - IV
(Para reference 1.19.3)

Statement showing expenditure incurred by PRIs without preparation of Budget
(in ₹)

Sl no.	Name of unit	Year	Name of scheme/fund	Amount of expenditure
1	Barua-ali GP	2009-12	12 th FC	267700
			13 th FC	141700
			MGNREGS	1950271
2	Chhotoguma GP	2008-12	Own Fund	173923
			12 th FC	357886
			DDP	242400
			MGNREGS	4762860
			13 th FC	124790
			RGSY	180500
3	Amguri GP	2009-12	12 th FC	547850
			MGNREGA	1795111
			Own fund	50533
4	Dingdinga GP	2008-12	Own Fund	238579
			12 th FC	681683
			DDP	150000
			MGNREGS	4538507
			13 th FC	366500
			RGSY	124750
5	Kamandanga GP	2008-12	Own Fund	142503
			12 th FC	548872
			DDP	389221
			MGNREGS	3977261
			13 th FC	302800
			RGSY	124250
6	Tamarhat GP	2008-12	Own Fund	33098
			12 th FC	672083
			DDP	96600
			MGNREGS	2447369
			13 th FC	371800
			RGSY	124080
7	Athabari GP	2009-12	Own Fund	45340
			12 th FC	648424
			13 th FC	186800
			MGNREGS	2634753
			DDP	307324
TOTAL				29748121

Appendix - V

A Statement showing unrealistic budget prepared by PRIs
(Para reference 1.19.3)

(₹ in lakh)

Name of the PRIs	Year	Receipts		Excess (+) Less (-)	Expenditure		Excess (+) Less (-)
		Estimated	Actual		Estimated	Actual	
Golaghat ZP	2008-2009	13.43	5.30	-8.13	42.34	10.62	-31.72
	2009-2010	42.34	6.62	-35.72	22.49	20.76	-1.73
	2010-2011	22.49	20.60	-1.89	93.27	16.70	-76.57
	2011-2012	93.27	16.69	-76.58	94.38	28.60	-65.78

B Statement showing unrealistic budget prepared by ULBs
(Para reference 3.17.1)

(₹ in lakh)

Name of the ULBs	Year	Receipts		Excess (+) Less (-)	Expenditure		Excess (+) Less (-)
		Estimated	Actual		Estimated	Actual	
Jorhat MB	2008-2009	336.45	469.80	133.35	2141.35	503.18	-1638.17
	2009-2010	343.88	726.17	382.29	2407.65	482.84	-1924.81
	2010-2011	558.10	1372.21	814.11	3266.07	814.89	-2451.18
	2011-2012	3203.15	1877.69	-1325.46	60146.40	1744.03	-58402.37
Teok TC	2008-2009	31.20	20.23	-10.97	31.20	19.00	-12.20
	2009-2010	3917.55	73.01	-3844.54	3922.07	69.14	-3852.93
	2010-2011	134.08	91.32	-42.76	134.08	83.02	-51.06
	2011-2012	247.30	141.24	-106.06	242.77	65.51	-177.26
Titabar TC	2008-2009	94.86	87.35	-7.51	106.63	76.66	-29.97
	2009-2010	158.84	154.14	-4.70	197.65	197.65	0.00
	2010-2011	205.10	83.90	-121.20	241.05	63.38	-177.67
	2011-2012	333.86	545.51	211.65	364.66	586.67	222.01
Hailakandi MB	2009-2010	2490.52	670.77	-1819.75	2490.52	664.56	-1825.96
	2010-2011	2510.20	760.33	-1749.87	2510.11	380.99	-2129.12
	2011-2012	2545.41	689.70	-1855.71	2544.50	582.70	-1961.80
Karimganj MB	2009-2010	544.82	487.01	-57.81	481.97	410.47	-71.50
	2010-2011	1050.09	156.86	-893.23	946.15	305.49	-640.66
	2011-2012	1057.79	311.23	-746.56	1056.92	201.43	-855.49
Lala TC	2009-2010	1124.99	182.02	-942.97	1121.53	149.80	-971.73
	2010-2011	1255.91	412.77	-843.14	1250.32	195.08	-1055.24
	2011-2012	1316.71	449.60	-867.11	1307.44	351.81	-955.63
Kokrajhar MB	2007-2008	34.50	31.24	-3.26	-	31.34	31.34
	2008-2009	35.34	38.13	2.79	-	38.45	38.45
	2009-2010	36.91	37.26	0.35	-	36.20	36.20
	2010-2011	37.35	39.78	2.43	-	40.80	40.80
	2011-2012	40.47	45.53	5.06	-	44.79	44.79
Abhayapuri TC	2007-2008	35.93	23.97	-11.96	43.63	19.09	-24.54
	2008-2009	73.39	21.93	-51.46	58.02	17.06	-40.96
	2009-2010	75.09	41.22	-33.87	61.53	23.06	-38.47
	2010-2011	75.30	51.37	-23.93	66.55	57.13	-9.42
	2011-2012	99.38	16.37	-83.01	75.92	31.94	-43.98
Hailakandi MB	2009-2010	2490.52	670.77	-1819.75	2490.52	664.56	-1825.96
	2010-2011	2510.20	760.33	-1749.87	2510.11	380.99	-2129.12
	2011-2012	2545.41	689.70	-1855.71	2544.50	582.70	-1961.80

Appendix - VI
(Para reference 1.19.4 & 3.17.2)
Statement showing non-adjustment of advances

Sl No	Name of PRIs/ULBs	Name of fund from which advances made	Period of advance	Nature of advance	To whom paid	Amount of advance (in ₹)
A PRIs (Para reference 1.19.4)						
1	Fekamari AP	SGSY	3/5/2008	For construction of sub centre at Hazirhat bazar	Mr. Abdul Matin, JE	300000
			3/5/2008	For construction of sale centre	Mr. Abdul Matin, JE	120000
			3/5/2008	For construction work for Fishery project	Mr. Abdul Matin, JE	300000
2	Dhubri ZP	NA	25/1/2012	For Installation of Hand Tubewell on ZPC Scheme	Sri. Bhupati Barman JE	363800
			-do-	-do-	Sri. Jagdish Das JE	1105000
			-do-	-do-	Sri. Mehabul Islam	1234200
			27/01/2012	-do-	Sri. Jagdish Das	1281800
			27/01/2012	-do-	Sri. Mehibul Islam	936700
3	Lowairpoa AP	BADP	27/01/2012	-do-	Sri. Bhupati Barman	936700
			2008-2009	For construction of 35 Ring Well vide voucher No.96 dtd.04-10-2008	Sri Sailesh Kumar, JE	332544
				Date of payment 09-9-2011	Sri Haris Uddin, JE	543000
		12 th FC		Date of payment 19-10-2011	Sri Haris Uddin, JE	40000
				Date of payment 14-1-2012 vide voucher No.28, 29	Sri Haris Uddin, JE	443007
				Date of payment 21-9-2011 vide voucher No.1 to 21	Sri Haris Uddin, JE	588000
		13 th FC		Date of payment 28-10-2011 vide voucher No.22	Sri Haris Uddin, JE	20000
				Date of payment 28-10-2011 vide voucher No.23	Sri Haris Uddin, JE	22000
				Date of payment 22-11-2011 vide voucher No.24	Sri Haris Uddin, JE	237120
				Date of payment 03-1-2012 vide voucher No.25	Sri Haris Uddin, JE	135000
				Date of payment 06-3-2012 vide voucher No.27	Sri Haris Uddin, JE	425000
				Date of payment 26-3-2012 vide voucher No.28	Sri Haris Uddin, JE	110000
		DDP		Date of payment 28-7-2011 vide voucher No.1	Sri Haris Uddin, JE	100000
				Date of payment 02-8-2011 vide voucher No.2 to 39	Sri Haris Uddin, JE	719000
				Date of payment 20-8-2011 vide voucher No.40	Sri Haris Uddin, JE	63157
			2011-2012	Date of payment 07-9-2011 vide voucher No.41	Sri Haris Uddin, JE	65000
				Date of payment 21-9-2011 vide voucher No.42 to 73	Sri Haris Uddin, JE	273000
				Date of payment 13-10-2011 vide voucher No.74, 75	Sri Haris Uddin, JE	20000
				Date of payment 22-11-2011 vide voucher No.80	Sri Haris Uddin, JE	440242
				Date of payment 12-12-2011 vide voucher No.81 to 83	Sri Haris Uddin, JE	115611
				Date of payment 07-3-2012 vide voucher No.86	Sri Haris Uddin, JE	12976

		IAY	2008-2009	Date of drawal	21-11-2008 vide cheq No.1145354	Sri Haris Uddin, JE	180000
					Date of drawal 26-11-2008 vide cheq No.1145358	Sri Haris Uddin, JE	45000
					Date of drawal 07-2-2009 vide cheq No.1145937	Sri Haris Uddin, JE	198000
B	ULB	(Para reference 3.17.2)					
1	Hailakandi MB	Own fund	2011-2012	Paid vide che No.191818 dt 14.09.2011		Sri Rahmat Ali Choudhury, Contractor	200000
						Total	11905857

Appendix - VII
(Para reference 1.19.6 & 3.17.4)
Non realisation of outstanding kist money in PRIs and ULBs

(₹ in lakh)

A		
SI No	Name PRI	Amount
1	Dhubri ZP	28.49
2	Sibasagar ZP	53.63
3	Demow AP	7.75
4	Amguri AP	10.42
5	Fekamari AP	17.11
6	Lowairpoa AP	0.44
7	Patharkandi AP	3.03
8	South Karimganj AP	3.9
	TOTAL	124.77

B		
SI No	Name ULB	Amount
1	Abhyapuri TC	33.12
2	Chapar TC	3.75
3	Lala TC	2.59
4	Bilasipara TC	4.36
	TOTAL	43.82

Appendix - VIII**(Para reference 1.19.7)****Statement showing pending utilization certificate against different implementing agencies during the year 2012-13****(₹ in lakh)**

Name of Schemes	Funds released to implementing agencies	U.C. received	U.C. wanting
MGNREGA	58845.62	5399.95	53445.67
BRGF	9292.00	Nil	9292.00
DDP	11648.61	Nil	11648.61
NRLM	1635.92	Nil	1635.92
NSAP	16713.50	Nil	16713.50
Total	98135.65	5399.95	92735.70

Appendix - IX**(Para reference 1.21.1)****Internal Control System at the level of LBs**

Provision	Authority	Application to LBs	Gist of the provision
Accounts	Section 28, 60 and 97 of AP Act read Rule 8 of AP (F) Rule, 2002. Section 134 to 137 of GMC Act, 1971	PRIs & ULBs	The Panchayat and Municipalities shall maintain such books of accounts and other books in relation to its Accounts.
Budget	Section 27, 59 and 96 of AP Act. Section 43A of AM Act Section 119 of GMC Act	PRIs & ULBs	Budget proposals shall be prepared by the respective standing committees taking into account the estimated receipts and disbursement of the following year submitted to Government for approval.
Reporting of loss due to fraud, theft or negligence	Rule 37 (iv), AP (F) Rules 2002	PRIs	To be reported by an officer authorized to inspect the documents of PRIs.
	Rule 8 (2) of AMA, Rules 1961	ULBs	To be reported by the Chairman or the Executive Officer to the DALF and the DC of the District.
External audit	Section 29, 61 & 98 of AP Act and Rule 37 (ii) of AP (F) Rules, 2002.	PRIs	The State Government may prescribe an authority to conduct audit of accounts of PRIs.
	Section 301 (2) (iv) of AM Act and Section 138 of GMC Act	ULBs	DALF shall be auditor of Municipalities and Municipal Corporation.
Inspections	Section 112 of AP Act and Rule 37 of A (F) Rules, 2002	PRIs	Government or any officer empowered by the Government may inspect any works which are being carried out by GP or AP or ZP.
Execution of works	Rule 36 and 38 of AP (F) Rules' 2002	PRIs	Procedure for execution of public works. Fixing of rates in preparation of estimates, powers of various authorities to give Technical Sanction, Invitation of tenders.
Asset Register	Rule 19 of AP (F) Rules 2002	PRIs	To be maintained in the format prescribed under the rule.
	Rule 118 of AMA Rules 1961	ULBs	A register of land to be maintained.
Office Procedure Manual	NA	PRIs & ULBs	Not prescribed under APA, 1994, AP (F) Rules and Municipal Acts and Rules
Internal Audit	Rule 18 of AP (A) rules 2002	PRIs	Departmental internal auditors to conduct internal audit of PRIs.
	NA	ULBs	Not prescribed under relevant Municipal Acts and Rules

Ombudsmen	NA		Not introduced for LBs in Assam
Lok Ayukta	NA		Applicable to all tiers of PRIs & ULBs.
Citizen charter	NA		Not introduced for LBs in Assam
Right to Information	As per RTI Act, 2005		Applicable to all tiers of PRIs & ULBs.
Conduct rules	State Government		Rules/Orders Specific to PRIs & ULBs Not Available
Social audit	As per AREG Scheme 2006	PRIs	For MGNREG Scheme and IAY

Appendix X

(Para reference: 2.3)

Statement showing details of execution of schemes and expenditure incurred there against.

(₹ in lakh)

Sl. No.	Name of the work	Location	Year	Expenditure
1	Lemon and Horticulture plantation at Malinipur Gaon Panchayat near Assam Police Batallion.	Malinipur	2011-12	11.49
2	Lemon and Horticulture plantation at Santipur.	Santipur	2011-12	20.72
3	Construction of boundary fencing and afforestation at Kanduli Mathura Shasanshali.	Kulajan	2010-11	10.00
4	Simalu plantation at Mouza Chapori.	Silasuti	2009-10	13.10
5	Sum plantation at Sunali Pathar.	Sunali Pathar	2009-10	14.99
6	Sum plantation at Nilakh Phase-I	Nilakh	2011-12	14.47
7	Sum plantation at Nilakh Phase-II	Nilakh	2011-12	14.47
Total				99.24

Appendix XI

(Para reference: 2.4)

Statement showing position of computers in non-electrified GPs

GP. No.	Name of the DB	Name of the GP	Electrified (YES/NO)	Generator Set Available (YES/NO)	Present location of the Computer									
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1.	Bajali	Barbang	No	No										
2.		Dubi	No	No										
3.		Dumuria	No	No										
4.		Maguria	No	No										
5.		Maripur Anandapur	No	No										
6.		Nityananda Panbari	No	No										
7.		Patasarkuchi	No	No										
8.		Saderi	No	No										
9.		Sathisamuka Majarkhat	No	No										
10.	Barpeta	Bagodi	No	No										
11.		Madhya Paka	No	No										
12.		Patbaushi	No	No										
13.		Sundaridia	No	No										
14.		Uttar Paka	No	No										
15.		Uttar Pub Paka	No	No										
16.	Bhawanipur	Chauliabari	No	No										
17.		Dabaliapara	No	No										
18.		Datirbari	No	No										
19.		Dhumarpathar	No	No										
20.		Gajia	No	No										
21.		Geruwapara	No	No										
22.		Hathinapur	No	No										
23.		Mairamara	No	No										
24.	Chakchaka	Majgaon	No	No										
25.		Sukmanah	No	No										
26.		Surupeta	No	No										
27.		Kalahbanga	No	No										
28.		Madulijar	No	No										
29.		Meda	No	No										
30.		Nichuka	No	No										
31.		Puthimari	No	No										
32.		Suliakata	No	No										

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
33.	Chenga	Chenga Musalmanpara	No	No										
34.		Dakhin Godhani	No	No										
35.		Haripur	No	No										
36.		Roumari Pathar	No	No										
37.	Gobardhana	Bagariguri Pathar	No	No										
38.		Bilasipara	No	No										
39.		Gobardhana	No	No										
40.		Paschim Howly	No	No										
41.	Gumafulbari	Uttar Howly	No	No										
42.		Azad	No	No										
43.		Borbila	No	No										
44.		Dongra	No	No										
45.		Guma	No	No										
46.		Kholabandha	No	No										
47.		Pazarbhanga	No	No										
48.		Ag-Mandia Jadavpur	No	No										
49.	Mandia	Alopali Majorchar	No	No										
50.		Baghbor	No	No										
51.		Baghmarachar	No	No										
52.		Bamundongra	No	No										
53.		Bhatkuchi	No	No										
54.		Chasra	No	No										
55.		Chatala	No	No										
56.		Dharampur Bhatnapaity	No	No										
57.		Dighirpam	No	No										
58.		Gajia Medhirtary	No	No										
59.		Gobindapur	No	No										
60.		Janata	No	No										
61.		Joypur Sikartarl	No	No										
62.		Kadamtola	No	No										
63.		Kadong	No	No										
64.		Mandia	No	No										
65.		Manikpur	No	No										
66.		Moinburi	No	No										
67.		Ramapara	No	No										
68.		Satrankanara	No	No										
69.		Sonabari	No	No										
70.		Sonapur Rubhi	No	No										
71.		Tarakandi	No	No										
72.		Uzirachar	No	No										

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
73.	Pakabethbari	Dakhin Betbari	No	No										
74.		Dakhin Paschim Betbari	No	No										
75.		Dakhin Pub Paka	No	No										
76.		Madhya Betbari	No	No										
77.		Pachim Betbari	No	No										
78.		Pachim Paka	No	No										
79.		Pub Betbari	No	No										
80.		Uttar Betbari	No	No										
81.	Rupshi	Uttar Pub Betbari	No	No										
82.		Bonghugi	No	No										
83.		Borbhitha	No	No										
84.		Chikni	No	No										
85.		Guileza	No	No										
86.		Haldhia	No	No										
87.		Isabpur	No	No										
88.		Kalgachia	No	No										
89.	Sarukhetri	Lachanga	No	No										
90.		Showpur	No	No										
91.		Tapaswara	No	No										
92.		Titapani	No	No										
93.		Dakhin Paschim Sarukhetri	No	No										
94.		Madhya Paschim Sarukhetri	No	No										
95.		Uttar Pub Sarukhetri	No	No										

Note:

Shades represents location of computers

GPO: GPOffice

GRS: Grameen Rojgar Sahayak

ZPO: ZPOffice

GPP: GP President

APO: APOffice

GPS:GP Secretary

Ex-GPP: Ex-GP President

Appendix XII

(Para reference: 2.6)

Statement showing financial benefits extended to ineligible beneficiaries

Sl. No.	Year	No of beneficiaries	Assistance provided (₹ in lakh)	Remarks
1	2008-12	186	77.87	Financial assistance to the non-BPL beneficiaries was provided by quoting ID of others BPL beneficiaries.
2	2008-10	61	23.49	Financial assistance to the non-BPL beneficiaries was provided by quoting BPL IDs which did not exist in the BPL data of the Block.
3	2008-10	294	113.19	Financial assistance provided to the non-BPL beneficiaries without quoting any BPL IDs.
Total		541	214.55	

Appendix XIII

(Para reference: 2.9)

Statement showing expenditure incurred on construction of guide bunds.

₹ in lakh

Sl. No.	Name of the scheme	Location	Year	Estimated cost	Expenditure
1	Construction of guide bund & boulder protection at Missamari Sripani to Kanibeel.	Missamari Sripani	2009-10	37.72	37.64
2	Guide bund at Gogra river from No.2 Phulbari Siva Mandir halakani village	Phulbari	2009-10	39.00	38.97
Total				76.72	76.61

Appendix- XIV
(Para reference: 5.2.3)

Statement showing the details of present status of transfer of Funds, Functions and Functionaries (3Fs) to GMC as of March 2012

Sl. No.	Function	Status as of March 2012
1	Urban Planning including town planning	Partly transferred. Most of the functions are carried out by the GMDA, a parallel body.
2	Regulation of land use and construction of buildings	Partly transferred. In regards to land use and building construction, district authority and GMDA respectively are also functioning in parallel.
3	Planning of Socio-economic development	Partly transferred. Socio-economic profile of the city is under preparation.
4	Roads and Bridges	Partly transferred. State PWD and District authority are also functioning in parallel.
5	Water supply for domestic, commercial and industrial purpose	Partly transferred. PHED, GMDA are also functioning in parallel.
6	Public Health, sanitation, conservancy and SWM	Sanitation, conservancy & SWM transferred. Public Health is with State Health department, NUHM etc.
7	Fire Service	Not transferred. Run by SFS Organisation, GoA.
8	Urban forestry, protection of environment and promotion of ecological aspects	Not transferred. Still lying with the concerned departments.
9	Safeguarding interest of weaker section of society	Not transferred. The function is carried out by the Social Welfare Department, GoA.
10	Slum improvement and up-gradation	Transferred.
11	Urban poverty alleviation	Transferred.
12	Provision of Urban amenities facilities like parks, gardens, playgrounds	Partially transferred. Functions are carried out by GMDA and other institution/organisation in parallel.
13	Promotion of Cultural, educational and aesthetics aspects	Only 5 schools (1HS, 4 LPS) are under GMC. Major educational institutions are with the Education department, GoA, Cultural Affairs is with Cultural Affairs Department, GoA and beautification of city is with GMDA.
14	Burials and burials grounds, cremation, cremation grounds and electric cremation	Not transferred. Run by various trust/committee etc.
15	Cattle pounds, prevention to cruelty to animals	Transferred
16	Vital statistics including births & deaths	Partially transferred. Directorate of Survey & Land Records, GoA is carrying out in parallel.
17	Public amenities including street lighting, parking lots, bus stops and public conveniences	Partially transferred. Part of Street lighting, public convenience is managed by PWD and Transport Department, GoA.
18	Regulation of slaughter houses and tanneries	Transferred

Appendix-XV

(Para reference: 5.3.4)

Statement showing the details of variation between major Receipt and Expenditure heads of the GMC for the years 2007-12

Receipt

(₹ in crore)

Major head code	Head of Accounts	2007-08			2008-09			2009-10			2010-11			2011-12		
		Budget	Actual	% of Variation	Budget	Actual	% of Variation	Budget	Actual	% of Variation	Budget	Actual	% of Variation	Budget	Actual	% of Variation
001	Tax Revenue	51.28	25.50	- 50.22	39.93	23.99	- 39.92	41.71	28.89	- 30.75	43.43	33.78	- 22.21	45.33	38.96	-14.06
002	Assign Tax from GoA	14.00	8.23	- 41.29	26.20	0.00	- 100.00	2.73	0.00	- 100.00	0.00	0.00	-	0.00	0.00	-
003	Income from Market	1.86	1.39	- 25.32	2.85	2.18	- 23.38	3.00	1.37	- 54.44	1.52	2.07	+ 36.57	2.07	1.51	- 27.08
004	Users charges & Fee	3.54	0.86	- 75.51	8.68	4.54	- 47.68	9.08	4.90	- 46.05	6.89	4.76	- 11.40	5.48	5.54	+ 1.07
005	General Admn. Fee & other charges	0.43	0.11	- 74.28	0.60	0.06	- 89.57	0.30	0.55	+204.56	0.36	0.21	- 40.72	0.35	0.16	- 54.15
006	Revenue Grants & Subsidies (GoI)	32.36	0.68	- 97.91	9.00	1.52	- 83.13	16.95	6.57	- 61.23	4.31	4.68	+ 8.76	8.14	8.46	+ 3.96
007	JNNRUM (GoI)	31.65	0.00	- 100.00	206.70	20.32	- 90.17	116.17	32.58	- 71.95	64.81	0.00	- 100	64.63	0.00	- 100
008	JNNRUM (GoA)	4.52	0.00	- 100.00	23.92	1.97	- 91.76	8.02	4.58	- 42.94	6.59	13.49	+ 104.77	6.59	0.00	- 100
009	Revenue Grants & Subsidies (GoA)	21.25	13.06	- 38.54	109.53	41.85	- 65.38	99.99	55.35	- 44.65	94.35	68.89	- 26.98	111.60	61.09	- 45.26
010	Capital accounts Loans & Advance	0.00	5.94	-	12.36	6.52	- 47.22	2.30	0.00	- 100	1.15	0.00	- 100	-	-	-
011	Inter head adjustment	11.10	0.00	- 100.00	-	-	-	-	-	-	-	-	-	-	-	-
012	Bank interest etc.	0.00	0.08	-	1.27	0.00	- 100.00	0.00	0.73	-	0.00	1.25	-	0.00	1.93	-
013	RAY	-	-	-	-	-	-	-	-	-	-	-	-	74.00	0.00	- 100

Expenditure

(₹ in crore)

Major head code	Head of Accounts	2007-08			2008-09			2009-10			2010-11			2011-12		
		Budget	Actual	% of Variation	Budget	Actual	% of Variation	Budget	Actual	% of Variation	Budget	Actual	% of Variation	Budget	Actual	% of Variation
101	General Admn.	30.49	27.63	-9.38	47.09	33.49	-28.88	77.78	39.85	-48.77	96.55	50.40	-47.80	108.99	51.50	-52.75
102	Admn.	1.42	0.48	-66.20	2.14	0.72	-66.36	4.79	0.78	-83.72	0.86	0.61	-29.07	1.04	0.49	-52.88
103	Management & Operation	5.96	4.11	-31.04	45.82	11.46	-74.99	35.51	16.85	-52.55	19.87	20.18	1.56	30.36	18.64	-38.60
104	JNNURM-Urban Infrastructure	-	-	-	247.79	13.61	-94.51	120.99	27.79	-77.03	71.89	11.49	-84.02	72.04	4.18	-94.20
104*	Energy Charge	1.00	0.23	-77.00	-	-	-	-	-	-	-	-	-	-	-	-
105	Other Development	-	-	-	40.87	1.94	-95.25	48.84	2.73	-94.41	33.59	6.93	-79.37	40.83	4.46	-89.08
105*	Repair & Maintenance	36.53	6.52	-82.15	-	-	-	-	-	-	-	-	-	-	-	-
106	Loans & Advances	-	-	-	0.00	0.00	-	0.90	0.00	-100.00	0.00	0.00	-	0.00	0.00	-
106*	Project & Programme	54.70	1.11	-97.97	-	-	-	-	-	-	-	-	-	-	-	-
107	Discretionary Fund	-	-	-	2.60	0.00	-100.00	0.60	0.00	-100.00	0.00	0.00	-	0.00	0.00	-
107*	Loans & Advances	0.00	0.00	0.00	-	-	-	-	-	-	-	-	-	-	-	-
108	Misc. & Contingencies	-	-	-	0.17	0.09	-47.06	0.45	0.19	-57.78	0.16	0.24	50.00	0.30	0.21	-30.00
108*	Discretionary Fund	11.57	0.00	-100.00	-	-	-	-	-	-	-	-	-	-	-	-
109	Interest & Finance	-	-	-	0.04	0.05	25.00	0.04	0.00	-100.00	0.00	0.00	-	0.00	0.00	-
109*	Misc. & Contingencies	0.14	0.12	-14.29	-	-	-	-	-	-	-	-	-	-	-	-
110	Repayment of Loans	-	-	-	2.50	6.91	176.40	2.99	1.79	-40.13	0.00	0.00	-	0.00	0.00	-
110*	Interest & Finance	0.00	0.00	-	-	-	-	-	-	-	-	-	-	-	-	-
111	Refund of Deposits	-	-	-	0.15	0.49	226.67	-	0.82	-	1.30	2.21	70.00	3.13	0.49	-84.35
111*	Repayment of Loans	-	3.53	-	-	-	-	-	-	-	-	-	-	-	-	-
112	Acquisition & Assets	-	-	-	12.20	1.16	-90.49	3.75	1.60	-57.33	1.77	5.25	196.61	6.38	0.05	-99.22
112*	Refund of Deposits	0.03	0.04	33.33	-	-	-	-	-	-	-	-	-	-	-	-
113	Capital Works	-	-	-	7.00	0.43	-93.86	3.00	0.49	-83.67	17.38	13.14	-24.40	0.68	0.00	-100.00
113*	Acquisition & Assets	4.75	0.05	-98.95	-	-	-	-	-	-	-	-	-	-	-	-
114	Payment to Govt. a/c	-	-	-	4.00	5.42	35.50	-	3.62	-	4.00	4.86	21.50	5.33	7.72	44.84
114*	Capital Works	7.00	2.25	-67.86	-	-	-	-	-	-	-	-	-	-	-	-
115	Transfer of Capital Fund to Revenue	-	-	-	0.00	0.00	-	0.00	0.00	-	0.00	0.00	-	0.00	0.00	-
115*	Payment to Govt. a/c	1.48	1.56	5.41	-	-	-	-	-	-	-	-	-	-	-	-
116*	Transfer of Capital Fund to Revenue	11.10	0.00	-100.00	-	-	-	-	-	-	-	-	-	-	-	-
Total		166.17	47.63	-	412.37	75.77	-	299.64	96.51	-	247.37	115.31	-	269.08	87.74	-

Source: Data analysis from departmental Budget * All Major head codes were discontinued from the FY 2008-09.

Appendix-XVI

(Para reference: 5.3.7)

Statement showing the detailed position of delay and deposit of Property Tax by the Lokhra Zone during the period from Nov 2011 to March 2012

Sl. No.	Book no	Receipt no	Amount	Date of collection	Date of deposit	Delay in deposit (in days)
1	07	664	4,188.00	11.11.11	05.01.12	55
2	07	640	44,019.00	29.07.11	09.04.12	255
3	07	641	3,160.00	12.08.11	09.04.12	241
4	07	643	23,859.00	16.08.11	09.04.12	237
5	07	644	7,546.00	23.08.11	09.04.12	230
6	07	651	6,139.00	25.10.11	09.04.12	167
7	07	670	5,129.00	29.11.11	09.04.12	132
8	07	671	2,376.00	29.11.11	09.04.12	132
9	07	675	1,541.00	05.12.11	09.04.12	126
10	07	676	1,241.00	08.12.11	09.04.12	123
11	07	677	1,364.00	08.12.11	09.04.12	123
12	07	678	458.00	12.12.11	09.04.12	119
13	07	681	1,609.00	12.12.11	09.04.12	119
14	07	687	3,382.00	12.03.12	09.04.12	28
Total			1,06,011.00			

Appendix: XVII
(Para reference: 5.3.13.1)

Summarised position of expenditure incurred for other purposes by diverting the fund received under the award of 12th FC

(₹ in lakh)

Sl. No.	Government Sanction letter & date	Original purposes for which grants-in-aids was sanctioned	Amount received by the GMC	Actual expenditure made on other purpose by diverting the fund	Amount of diversion	Period of expenditure
1	2	4	5	6	7	8
1	UDD(M)65/2003/342 dt.29.3.06	₹117.76 as 1st instalment of 2005-06 for maintenance of accounts, creation of data base, cess pool clearance, Tractor tailor, Solid waste displacer & SWM.	117.76	1. Purchase of DMP Modules etc. from HCL for infrastructure development including ₹7.00 lakh paid to NEDFi for asset valuation 2. Repairing of Adabari Bus Parking field, purchase of laptop, electrical items etc.	(1) 21.86 (2) 6.27	24.6.06 to 27.6.06 23.11.06 to 27.6.07
2	FEA286/2008/46 dt.12.5.09	₹117.50 lakh as 2nd instalment of 2005-06 and ₹117.50 lakh as 1st instalment of 2006-07 for creation of data base, maintenance of accounts, SWM	235.00	1. Electrification of Adabari Bus Station, supply of street lights material, repairing and replacement of existing non-functional Streetlight etc. 2. Purchase of 4 Nos. Tata Diesel chassis Model 207 & 2nos. PIAGGIO three wheelers. 3. Purchase of 2 Nos. Ashok Leyland & 4 Nos. Tata Mobile Model No207 4. Purchase of computer, data entry for trade Tax of all Zones and mobilization adv for survey of house hold	(1) 58.70 (2) 26.88 (3) 31.59 (4) 7.89	9.5.07 to 10.11.10
3	FEA(SFC)102/2009/28 dt.14.9.09	₹117.76 lakh as 2nd instalment of 2006-07 for creation of data base, maintenance of accounts, SWM and income generating scheme etc.	117.76	M/s Intermix Marketing Consultancy for purchase of thermal fogging machine	4.99	6.11.09 to 5.8.10
4	FEA(SFC)102/2009/58 dt.1.12.09	₹ 219.80 lakh as 1st and 2nd Instalment of 2007-08 for creation of data base, maintenance of accounts, SWM etc.	219.80	12. M/s S A Construction for improvement of vehicle parking yard of GMC campus, Garage Branch	16.91	2.12.10
Grand Total			690.32		175.09	

Source: Records of GMC

Appendix-XVIII
(Para reference: 5.3.13.2)
Statement showing the detailed position of diversion of funds received under TASFC (Salary component)

Programme/scheme under which fund received	Sanction letter No & date under which received	Amount received (In crore)	Date of receipt as per GIA register	Purposes for which fund released by Govt. of Assam	Sl. No.	Bill No & date under which amount drawn	Expenditure incurred for the purposes other than the purposes for which it was sanctioned by the Govt of Assam	Amount paid (In ₹)	Cheque No. & date under which payment made
1	2	3	4	5	6	7	8	9	10
(A)TASFC for 2008-09	FEA(SFC)295/2008/111 dt. 30.12.08	16.44	9.1.09	Only for payment of salary for the period from 1.4.08 to 30.9.08	1	29 dt.22.1.07	CPF for GMC employees for the month of January 06	22,00,000	471963 dt. 18.4.08
					2	07 dt.27.6.08	CPF for GMC employees for the month of Sept 2007	22,58,058	838477 dt. 27.6.08
					3	08 dt. 10.7.08	CPF for GMC employees for October 07	23,20,442	838557 dt. 10.7.08
					4	124 dt. 26.9.08	Payment of Ex-gratia to employees for 2007-08	28,39,733	269171 Dt. 29.9.08
					5	125 dt. 26.9.08	Payment of Bonus to employees for 2007-08	70,00,000	259403 dt. 29.9.08
Sub-total (A)	FEA(SFC)295/2008/122 dt. 25.2.09	16.44	6.3.09	Salary for Oct. 08 onwards	6	Nil	Nil	1,66,18,233	Nil
Sub-total (B)	FEA(SFC)295/2008/325 dt. 15.9.09	19.63	18.9.09	Only for payment of salary of staff for the period from 1.4.09 to 30.9.09	7	152 dt. 12.10.07	Medical Reimbursement claim of Lt. Harendra Nath Dutta,	1,00,000	966772 dt. 13.5.09
					8	15 dt. 11.5.09	Medical Reimbursement bill of Md. Abdul Haslum	17,970	966788 dt. 22.5.09
					9	49 dt. 1.4.09	payment of CPF for employees for Feb and March 2009 (2nd & last Inst)	21,52,534	203209 dt. 10.6.09
					10	18 dt. 18.5.09	Medical Reimbursement bill of Md Asraf Ali , UDA	1,10,238	285146 dt. 14.7.09
					11	369(A) ...	Arrear Interim Relief to GMC employees w.e.f. 1.1.09 to 31.3.09 (out of total payment of ₹11619383 for the period 1.1.09 to 31.8.09)	43,57,268	738426 dt. 19.9.09
Sub-total (C)	FEA(SFC)295/2008/384 dt.3.3.10	19.63	17.3.10	Only for payment of salary of staff w.e.f. 1.10.09 to 31.3.10	12	GAC/764/04 Dt. 1.10.09	Deposit of GIS premium against drawal of salary of staff for Sep 2009	1,05,675	165775 dt. 5.10.09
(D)TASFC for 2009-10					13	34 dt 16.10.09	Pension contribution in respect of Manish Thakur,IAS to AG (A&E), Assam w.e.f. 1.1.09 to 30.9.09	29,549	165782 dt. 19.10.09

1	2	3	4	5	6	7	8	9	10
					14	GAC/49/83-90/5 dt 3.9.09	Deposit of CPF for July 09 ₹2183561.00 (Subsc.: ₹1036628.00 & Loan Reco.: ₹110305.00)	43,78,898	165783 dt. 21.10.09
					15	GAC/49/83-90/6 dt 3.9.09	Deposit of CPF for Aug 09 ₹2195337.00 (Subsc.: ₹1042816.00, Cont. ₹1042816.00 & Loan Reco.: ₹109705.00)		
					16	GAC/49/83-90 dt 3.9.09	Deposit of CPF for Sep 09 (Subsc.: ₹1048409.00, Cont.: ₹1048409.00 & Loan Reco.: ₹144155.00) from the salary of Aug 2009	22,40,973	165954 dt. 1.12.09
					17	36 dt 23.12.09	Arrear Leave salary contribution to AG(A&E), Assam in respect of Sri Rajesh Prasad, Ex.-Comm. w.e.f. 8.6.06 to 7.1.07	26,126	549890 dt. 8.1.10
					18	37 dt 23.12.09	Arrear Pension contribution to AG (A&E), Assam in respect of Sri Rajesh Prasad, Ex.-Comm. w.e.f. 8.6.06 to 7.1.07	26,579	549891 dt. 8.1.10
								68,07,800	
(E)/TASFC for 2010-11	Sub-total (D) FEA(SFC)295/2008/ 108 dt.27.9.10	19.63 26.14	4.10.10	Only for payment of salary of staff for the period from 1.4.10 to 30.9.10	19	Nil dt 11.5.10	TA paid to Sri Diganta Gogoi, AE for attending of training programme in New Delhi	10,000	004116 dt.11.5.10
					20	535 dt 3.5.10	Medical claim paid to Pratap Ch Das, UDA	1,13,186	433616 dt. 5.6.10
					21	536 dt 3.5.10	Medical claim paid to Md Asraf Ali, LDA	92,206	433651 dt. 14.6.10
					22	04 dt 19.6.10	Medical claim paid to Sri Anurag Goel, IAS, Comm. for May 10 and June 10	12,887	561157 dt. 19.6.10
					23	05 dt 23.6.10	TA paid to Sri Anurag Goel, IAS, Comm. for journey performed by train w.e.f. 17.6.10 to 19.6.10	3,537	561159 dt. 23.6.10
					24	07 (Medical) Dt.16.7.10	Medical claim paid to Sri S Thick, Addl. Comm. for his son	6,740	878580 dt. 21.7.10
					25	08 (Medical) dt 22.7.10	Medical claim paid to Sri Anurag Goel, Com w.e.f. 1.6.10 to 19.7.10	25,985	878600 dt. 22.7.10
					26	12 (TA Reim) dt 2.8.10	TA paid to Sri Anurag Goel, IAS, Comm. for journey performed by train w.e.f. 1.7.10 to 10.7.10	15,230	878645 dt. 2.8.10
					27	13 dt. 2.8.10	Medical claim paid to Sri Anurag Goel, IAS, Comm. w.e.f. 27.7.10 to 31.7.10	58,188	878650 dt. 2.8.10
					28	14 (Medical Reim) dt. 27.8.10	Medical claim paid to Sri Anurag Goel, Comm. for Aug 10	2,958	043769 dt. 3.9.10
					29	15 (TA Reim) dt. 31.8.10	Final TA paid to Sri Anurag Goel, IAS, Comm. for journey performed from Guwahati New Delhi, Dehradun Mussoorie for training	23,407	043770 dt. 3.9.10

1	2	3	4	5	6	7	8	9	10
					30	16 (TA Reim) dt. 3.9.10	TA paid to Sri Anurag Goel, IAS, Comm. for journeys performed from Guwahati to Ahmedabad via New Delhi and back to Guwahati 29.8.10 to 2.9.10	22,125	043777 dt. 3.9.10
					31	17 (TA Reim) dt. 18.9.10	TA paid to Sri Anurag Goel for workshop programme under JNNURM at Shillong <i>w.e.f.</i> 13.9.10 to 15.9.10	5,120	592716 dt. 23.9.10
					32	40 dt. 23.4.10	Arrear Pension Contribution paid to AG (A&E), Assam in respect of Palash Baruah, M. <i>Secy. w.e.f.</i> 11.3.08 to 10.3.10	56,399	592719 dt. 23.9.10
					33	18 (TA Reim) dt. 24.9.10	TA paid to Sri S Thick, Addl. Comm. for attending training on Project Finance Management <i>w.e.f.</i> 12.9.10 to 16.9.10	19,862	592763 dt. 29.9.10
								4,67,830	
(FT)ASFC for 2010-11	Sub-total (E) FEA(SFC)295/2008/PV/180 dt.4.1.11	*14.34	12.1.11	Only for payment of salary of staff for the period from 1.10.10 to 31.12.10	34	19 (Transfer TA) dt. 8.10.10	Transfer TA paid to Sri Anurag Goel, IAS, Comm. And his family from Goalpara to Guwahati on 15.2.10 & 24.2.10	76,067	726433 dt. 20.10.10
					35	20(T) dt. nil	Adv. TA to Sri Bhabesh Goswami, Nazir for official tour of Anurag Goel, Comm. and three others for attending meeting in New Delhi & Hyderabad	52,251	726441 dt. 25.10.10
					36	21(Medical Rei) dt. 29.10.10	Medical claim paid to Sri Anurag Goel, IAS, Comm for Aug 10 to Oct. 10	6,575	726466 dt. 2.11.10
					37	259 dt. 21.9.10	Gratuity bill of Sri Chandiram Mazumdar, Dy AO	2,32,642	726480 dt. 3.11.10
					38	327 dt. 29.10.10	Leave encashment bill of Sri Chandiram Mazumdar, Dy AO		
					39	23(TA Reim) dt 4.11.10	TA paid to Sri Anurag Goel, IAS, Comm. for his journeys performed outside the state	4,425	726540 dt. 6.11.10
					40	252 dt. 12.10.10	Gratuity bill of Smt Samratia Basfor, Mazdoor ₹55,050.00	55,050	726571 dt. 15.11.10
					41	24 (MediReim) dt. 12.11.10	Medical claim paid to Sri Anurag Goel, IAS, Comm. for Oct. 10 & Nov 10	1,816	726575 dt. 16.11.10
					42	25(MedicalReim) dt. 19.10.10	Medical claim paid to Sri Anurag Goel for treatment of his wife for Nov 2010 (10 Nos. Vouchers)	43,811	726589 dt. 19.11.10
					43	260 dt. 18.11.10	Gratuity to Dinnath Basfor ₹59,100.00	1,09,217	726604 dt. 22.11.10
					44	328 dt. 18.11.10	Leave encashment of Dinnath Basfor ₹50,117.00		
					45	42 dt. 29.7.10	Pension contribution in respect of Madhaw Pd. Sarmah, ACS <i>w.e.f.</i> 20.2.07 to 23.10.08 to AG (A&E), Assam	65,852	726612 dt. 23.11.10
					46	26(MedicalRei m) dt. 23.11.10	Medical claim paid to Sri Anurag Goel, IAS, Comm. for treatment of his wife for Nov 10(7 Nos medicine vouchers)	42,193	726615 dt. 25.11.10

					47	27(Medic Reim) dt nil	Medical claim paid to Sri Anurag Goel , IAS, Comm. for treatment of his wife for Nov 10 (9 Nos medicine vouchers)	82,500	726618 dt. 26.11.10
					48	29(TA Reim) dt 7.12.10	TA paid to Sri Anurag Goel , IAS, Comm. for attending conference on JNNURM in NeDelhi w.e.f. 2.12.10	15,078	059591 dt. 8.12.10
					49	329 dt 13.12.10	Leave encashment of Smt Samratiya Basfor , Mazdoor for 240 days	45,508	059672 dt 20.12.10
					50	30(Medi Reim) dt 22.12.10	Medical claim paid to Sri Anurag Goel , IAS, Comm. for Nov 10 and Dec 2010 (7 Nos vouchers)	9,417	059685 dt 22.12.10
(G)/TASF C for 2010-11	Sub-total (F)	14.12			51	GAC/49/83-09/22 dt 15.11.10	Deposit of CPF subscription and contribution for the month of Oct 2010 to SBI CPF A/c No 10823647040	22,62,625	169199 dt.10.1.11
					52	32(Medical Reim) dt 29.1.11	Medical claim paid to Sri Anurag Goel , IAS, Comm. for Dec 2010 & Jan 11 (10 Nos vouchers)	8,267	310385 dt .29.1.11
					53	33(TA Reim) dt 15.2.11	TA paid to Sri Anurag Goel, IAS for attending training programme at Mussoorie w.e.f. 6.2.11 to 13.2.11	25,694	310441 dt. 15.2.11
					54	34(Medical Reim) dt nil	Medical claim paid to Sri Anurag Goel , IAS, Comm. for Jan 11 & Feb 11 (12Nos vouchers)	3,824	310442 dt .16.2.11
					55	35(MedicalReim) dt 22.2.11	Medical claim paid to Sri Anurag Goel , IAS, Comm. for Oct 10 & Nov 10 (6Nos vouchers)	1,31,634	447665 dt. 22.2.11
					56	678 dt 16.2.11	Increment arrear salary of Lt Chandradhar Deka, LDA. w.e.f. 1.12.01 to 22.1.08	26,930	447713 dt .14.3.11
					57	TA Reim/36 dt 14.3.11	TA paid to Sri Anurag Goel for journeys performed from Guwahati to New Delhi w.e.f. 8.3.11 to 12.3.11	18,917	447725 dt .15.3.11
(H)/TASF C for 2010-11	Sub-total (G)	14.12			58		Adjustment made for Rs 482.47lakh which were earlier shown paid against receipt of ₹1433.67 lakh for payment of salary for the period from Oct.2010 to Dec.2010 at SI No 110,111,118 & 119 above	24,77,891 0	
	Sub- total (H)	4.89							
	G.Total (A+B+C+D+E+F+G+H) =	123.63						3.39.52.166	

Appendix: XIX
(Para reference: 5.4.1.7)

Details of exclusion of GMC's arrear amounts from subsequent year's demand

(In ₹)

Year	Unpaid amount for the year (cumulative)	Amount included in the subsequent year demand	Amount excluded from the subsequent year demand	Penalty (10% during 2007-11) (20% during 2011-12)	Total loss to Municipal Corporation (4+5)
1	2	3	4	5	6
2007-08	17,71,929.00	3,28,548.00	14,43,345.00	1,44,335.00	15,87,680.00
2008-09	16,60,891.00	10,75,221.00	5,85,670.00	58,567.00	6,44,237.00
2009-10	70,13,551.00	44,63,852.00	25,49,699.00	2,54,970.00	28,04,669.00
2010-11	52,39,661.00	23,32,871.00	29,06,790.00	2,90,679.00	31,97,469.00
2011-12	67,58,519.00	64,63,719.00	2,94,800.00	58,960.00	3,53,760.00
Total	2,24,44,551.00	1,46,64,247.00	77,80,304.00	8,07,511.00	85,87,815.00

Source: GMC's demand notices (2007-12)

Appendix-XX

(Para reference: 5.4.1.10)

Statement showing the detailed position of non-realisation of Scavenging charges from the owners/proprietors of the Private Markets running under GMC area and Lease money (Fancy Bazar Toilet) during the year 2007-08 to 2011-12 (as on 31.12.12) (In ₹)

Sl. No.	Name and location of the Private Market	Name of Owner/Proprietor of the market	Year	Rate of Scavenging fees per month	Order No.&date under which rate fixed	Outstanding balance as on 1 st April	Scavenging fees due to be realised for the year	Fines, if any for the year	Total fees and fines to be realised during the year including outstanding balance	Scavenging fees realised during the year	Amount outstanding to be realised at the end of the year	Remarks, if any
1	Narengi Timiali Private Market	Ghanashyam Deka Kanika Apartment Sankar nagar, Guwahati-20	2007-08	2,500.00	GMT/17/2004 Dt.8.2.05	65,000.00	30,000.00		95,000.00	55,000.00	40,000.00	
			2008-09			40,000.00	30,000.00		70,000.00		70,000.00	
			2009-10			70,000.00	30000.00		100000.00		100000.00	
			2010-11			100000.00	30000.0		130000.00		130000.00	
			2011-12			130000.00	30000.0		160000.00		1,60,000.00	
2	Dispur Baruwari Puja Sommittee aru Jyoti Kala Kendra, Ganesguri	Dispur Baruwari Puja Sommittee aru Jyoti Kala Kendra, Ganesguri	2007-08	15,000.00	GMT/38/95/Part -III/8833 Dt.31.5.03	N/A	1,80,000.00		1,80,000.00	1,35,000.00	45,000.00	
			2008-09			45,000.00	1,80,000.00		2,25,000.00	90,000.00	1,35,000.00	
			2009-10			1,35,000.00	1,80,000.00		3,15,000.00	15,000.00	3,00,000.00	
			2010-11			3,00,000.00	1,80,000.00		4,80,000.00	1,80,000.00	3,00,000.00	
			2011-12			3,00,000.00	1,80,000.00		4,80,000.00	1,80,000.00	3,00,000.00	
3	Bhetapara Private Market	Sri Sandhiram Boro	2007-08	2,100.00	GMT/33/95/984 9 Dt.7.4.04	Nil	25,200.00		25,200.00	18,900.00	6,300.00	
			2008-09			6,300.00	25,200.00		31,500.00		31,500.00	
			2009-10			31,500.00	25,200.00		56,700.00		56,700.00	
			2010-11			56,700.00	25,200.00		81,900.00		81,900.00	
			2011-12			81,900.00	25,200.00		1,07,100.00	Nil	1,07,100.00	
4	Machkhowa Vegetable Retailers Development Association	Machkhowa Vegetable Retailers Development Association	2007-08	60,000.00	N/A	Nil	7,20,000.00		7,20,000.00	7,20,000.00	Nil	
			2008-09			Nil	7,20,000.00		7,20,000.00	7,20,000.00	Nil	
			2009-10			Nil	7,20,000.00		7,20,000.00	7,20,000.00	Nil	
			2010-11			Nil	7,20,000.00		7,20,000.00	7,20,000.00	Nil	
			2011-12			Nil	7,20,000.00		7,20,000.00	Nil	7,20,000.00	
5	Fancy Bazar GMC Market Toilet	Bhanu Basfar(Lessee)	2007-08	0	0	0	0	0	0	0	0	NA
			2008-09	9000.00	GMT/18/2006/4 410dt.24.12.08		27,000.00		27,000.00	Nil	27,000.00	
			2009-10			27,000.00	1,08,000.00		1,35,000.00	Nil	1,35,000.00	
			2010-11			1,35,000.00	1,08,000.00		2,43,000.00	36,000.00	2,07,000.00	
			2011-12			2,07,000.00	1,08,000.00		3,15,000.00	Nil	3,15,000.00	
Total											16,02,100.00	

Appendix-XXI**(Para reference: 5.4.1.13)**

Statement showing the details of levy PF of highest or any one unit in case of construction of multiple units in a plot

Sl. No.	Year	Name of the Owner/Builder	File name and date	Nature of construction
1	2011	Smti. Nemai Teron and others Narakasur , Kahilipara, Ghy	No.GPL/22/728/20092011/21/283 Dt.10.10.12	<u>Block-1 & 2</u> G+4
2	2011	M/s JB Enclave (P) Ltd. Christianbasti, Ghy	No.GPL/13/806/11020211/53/227 Dt.10.10.12	<u>Block-1</u> G+7 <u>Block-2 to 6</u> G+8
3	2011	M/s Rishab Realtors (P) Ltd. Athgaon, Ghy	No.GPL/22/729/20092011/19/226 Dt.09.10.12	<u>Block- A1 to A4</u> BF+GF+8 <u>Block- A5 to A6</u> G+8 <u>Block-B</u> G+8 <u>Block-R1 to R10</u> BF+GF+2
4	2011	Smti. Mita Bose & Others Kamakhya Nagar, Adabari, Ghy	No.GPL/3/920/05120011/19/214 Dt.05.10.12	<u>Block- A & B</u> G+3
5	2011	M/s Subham Builders Lalganesh, Ghy	No.GPL/60/452/04072011/106/267 Dt.09.10.12	<u>Block- A & B</u> G+4
6	2011	M/s AAR Pee Industries (P) Ltd., Betkuchi	No.GPL/13/951/09122011/33/309 Dt.6.11.12	<u>Block-A</u> G+8 <u>Block-B</u> G+6
7	2011	M/s Suresh Kr. Agarwal Kamakhy Railway Station, Ghy	No.GPL/2/542/25072011/67/265 Dt.18.10.12	<u>Block-A</u> G+6
8	2011	M/s Majestic 21 Infra (P) Ltd. Betkuchi, Ghy	No.GPL/13/950/09122011/44/251 Dt.18.10.12	<u>Bloc-A, B, C</u> G+8
9	2012	Sri Srikanta Medhi and others Narengi, Ghy	No.GPL/49/327/03052012/30/301 Dt.30.10.12	<u>Block-A &B</u> G+2
10	2012	M/s Silver Oak Infratech Sarusaji, Ghy	No.GPL/60/501/13072011/93/380 Dt.27.11.12	<u>Block-A</u> BF+GF+MF+4 <u>Block-B</u> G+6
11	2012	M/s Tirupati Builders Nalapara, Ghy	No.GPL/17/965/13122011/75/417 Dt.10.12.12	<u>Block-A & B</u> G+8
12	2012	Sri Sanjib Goel Lakhra, Ghy	No.GPL/13/656/02092011/45/449 Dt.21.12.12	<u>Block-A & B</u> G+8

Appendix-XXII
(Para reference: 5.4.1.18)
Details of un-licensed private parking places

Sl. No.	Name of un-licensed parking places	Address
1	Tirupati Parking	Lalmati, N.H. 37
2	N.H. Truck Parking	Lalmati, N.H. 37
3	Nilachal Parking	Beharbari, N.H. 37
4	Aar Zee Parking	Beharbari, N.H. 37
5	Brahmputra Parking	Lalmati, N.H. 37
6	Shiva Parking	Lalmati, N.H. 37
7	Majha Parking	Lalmati, N.H. 37
8	Das Enterprise	Ward No. 10, 37 N.H.
9	Bora Parking	Ward No. 17, 37 N.H.
10	Kalita Parking	Ward No. 17, 37 N.H.
11	S.A.I. Parking	Ward No. 13, 37 N.H.
12	Bimal Car Parking	Ward No. 10, 37 N.H.
13	Gorolia Parking	Lokhara, 37 N.H.
14	Balaji Parking	Lokhara, 37 N.H.
15	Aakar Parking Yard	Pub Baragaon, 37 N.H.

Source: Results of Survey conducted by Audit team on 18 April 2013

Appendix-XXIII**(Para reference: 5.5.1.1)****Details of payments made for the works to M/S KBL****(In ₹)**

Sl. No.	Running bill no & date	Date of payment	Total bill value	Adjustment of MA	Bill value after adjustment	Progressive expenditure
	Mobilisation Advance (MA)	28.10.05 01.12.05	2,75,62,500 39,37,500	0	0	0
1	1st R/A dt.22.04.06	18.05.06	53,29,750	23,98,388	29,31,362	53,29,750
2	2nd R/A dt.03.07.06	11.09.06	61,44,750	27,65,137	33,79,613	114,74,500
3	3rd R/A dt.10.10.06	02.01.07	1,18,81,250	53,46,563	65,34,687	2,33,55,750
4	4th R/A dt.26.02.07	05.05.07	70,42,250	31,69,013	38,73,234	3,03,98,000
5	5th R/A dt.19.05.07	28.08.07	36,25,500	16,31,475	19,94,025	3,40,23,500
6	6th R/A dt.26.09.07	12.12.07	53,81,475	24,21,664	29,59,811	3,94,04,975
7	7th R/A dt.04.02.08	26.02.08	1,20,91,425	54,41,141	66,50,284	5,14,96,400
8	8th R/A dt.03.04.08	28.07.07	73,64,600	33,14,070	40,50,530	5,88,61,000
9	9th R/A dt.08.07.08	24.12.08	36,48,375	16,41,769	20,06,606	6,25,09,375
10	10 th R/A dt.03.11.09	11.03.10	36,80,375	16,56,169	20,24,206	6,61,89,750
Total			6,61,89,750	2,97,85,389	3,64,04,361	6,61,89,750

Source: Compiled data

Appendix-XXIV
(Para reference: 5.5.4)

Statement showing the details of extra additional expenditure incurred towards engagement of labour and purchase of POL in connection with SWM by the garage branch of GMC during 1.11.08 to 31.3.12

(i) Cleaning and Transportation of garbage

Sl. No.	Month in which expenditure incurred	No .of casual labours/ drivers engaged	Expenditure incurred for sweeping and transportation of garbage to the dumping site during the month		
			Engagement of casual labours/ drivers	Purchase of POL	Total
1	November, 2008	14	46,845	3,13,232	3,60,077
2	December, 2008	16	49,495	4,22,945	4,72,440
3	January, 2009	16	50,350	3,31,500	3,81,850
4	February, 2009	16	41,920	2,89,846	3,31,766
5	March, 2009	0	00	3,54,100	3,54,100
6	April, 2009	15	45,665	3,63,405	4,09,070
7	May, 2009	16	48,645	4,02,006	4,50,651
8	June, 2009	16	28,120	5,38,195	5,66,315
9	July, 2009	16	49,200	4,16,131	4,65,331
10	August, 2009	16	53,340	4,15,060	4,68,400
11	September, 2009	16	44,890	4,21,680	4,66,570
12	October, 2009	16	49,460	4,97,935	5,47,395
13	November 2009	16	46,375	3,76,056	4,22,431
14	December, 2009	17	53,445	3,32,000	3,85,445
15	January, 2010	16	48,920	2,82,646	3,31,566
16	February, 2010	16	41,093	2,83,502	3,24,595
17	March, 2010	16	49,425	3,76,403	4,25,828
18	April, 2010	16	49,845	4,57,600	5,07,445
19	May, 2010	16	49,440	4,66,385	5,15,825
20	June, 2010	16	52,950	5,86,511	6,39,461
21	July, 2010	30	99,720	6,43,325	7,43,045
22	August, 2010	30	91,565	5,80,503	6,72,068
23	September, 2010	30	95,475	6,05,154	7,00,629
24	October, 2010	30	93,370	7,09,370	8,02,740
25	November, 2010	30	86,955	6,46,339	7,33,294
26	December, 2010	30	91,660	5,18,200	6,09,860
27	January, 2011	30	1,12,570	5,11,691	6,24,261
28	February, 2011	0	00	5,60,730	5,60,730
29	March, 2011	30	1,10,745	6,17,372	7,28,117
30	April, 2011	30	1,20,625	6,19,834	7,40,459
31	May, 2011	30	1,24,555	6,65,923	7,90,478
32	June, 2011	30	1,25,925	7,72,066	8,97,991
33	July, 2011	30	1,19,520	7,50,892	8,70,412
34	August, 2011	30	1,39,620	7,23,452	8,63,072
35	September, 2011	0	00	8,42,779	8,42,779
36	October, 2011	30	1,04,550	9,94,353	10,98,903
37	November, 2011	30	1,08,280	9,94,000	11,02,280
38	December, 2011	30	1,27,865	6,25,510	7,53,375
39	January, 2012	30	1,18,550	6,05,569	7,24,119
40	February, 2012	30	98,640	5,35,028	6,33,668
41	March, 2012	30	1,34,535	5,36,095	6,70,630
Grand Total			30,04,148	2,19,85,323	2,49,89,471

(Para reference: 5.5.4)
(ii) Execution of desilting works

Year	Name of Division	Sl. No.	Name of work done	Work order No & date	Name of contractor	Period of execution	Expenditure incurred
1	2	3	4	5	6	7	8
2009-10	Div-I	1	C&D (C&D) of Kabarsthan inner drain from AT road new over bridge to river Bharalu in W/No.19	GER/D-1/341/09/35 dt.30.4.09	Dhananjay Baruah	30.4.09 - 20.5.09	2,03,281
Do	Do	2	Do	GER/D-1/341/09/36 dt.30.4.09	Jitendra Nath Saloi	6.5.09 - 8.6.09	2,15,470
Do	Do	3	C&D of Durgasarubar inner drain from W/No-11	GER/D-1/338/09/30-A dt.27.4.09	Nilim Jyoti Goswami	5.5.09 - 24.5.09	58,886
Do	Do	4	C&D of inner drain from Baripara to Green Velly in W/No.5	GER/D-1/337/09/26 dt.27.4.09	Abhinash Rava	27.4.09 - 8.5.09	93,178
Do	Do	5	C&D of inner drain from Ambari Tiniali to Nripen Bora path in W/No 14	GER/D-1/339/09/31-A dt.27.4.09	Sailen Mandal	13.5.09 - 20.5.09	91,078
Do	Do	6	C&D of Kali Mandir inner drain from Haren Kalita path to SS Road in W/No.29	GER/D-1/342/09/32-A dt.27.4.09	A.K.Enterprise	5.5.09 - 26.5.09	1,09,134
Do	Do	7	C&D of inner drain in KRC road both side drain from Pachali to RKC road in W/No.18	GER/D-1/340/09/26-A dt.21.4.09	Hrishikesh Talukdar	4.5.09 - 20.5.09	1,09,761
2010-11	Do	8	C&D for the year 2010-11	GER/D-1/367/10/87 dt.26.5.10	Kalipada Paul	28.5.10 - 13.7.10	11,57,410
Do	Do	9	C&D of drains under GMC D-1 Year 2011-12, G-1	GER/D-1/400/11/07 dt.30.2.11	Amal Ch. Das	5.3.11 - 18.4.11	11,39,845
Do	Do	10	C&D of drains under GMC D-1 Year 2011-12, G-2	GER/D-1/401/11/07 dt.28.2.11	M/s Z & Z Associate	3.3.11 - 18.4.11	10,31,352
Sub-total (A)							42,09,395
2009-10	Div-II	11	C&D of northern side Rly drain from Chandmari Fly over point upto UN Bazbarua Road Culvert in W/No.35 & 39	GER/Div-II/11/09/79-88 dt.9.4.09	S.K.Enterprise	22.4.09 - 6.10.09	7,27,468
Do	Do	12	C&D of northern side Rly drain from UN Bazbarua Road Culvert upto Salapara Rly Culvert below B.Barua overbridge in W/No.35.	GER/Div-II/13/09/89-98 dt.9.4.09	Amal Ch. Das	23.4.09 - 8.10.09	5,92,423
Do	Do	13	C&D of Salapara drain from Rly Culvert below B.Barua overbridge upto Borsola bill in W/No.33.	GER/Div-II/8/09/79-109-118 dt.9.4.09	Raj Kumar Dewan	24.4.09 - 12.10.09	9,99,600
Do	Do	14	C&D of All India Radio inner drain in W/No.38.	GER/Div-II/12/09/119-128 dt.9.4.09	Uddjab Saikia	10.4.09 - 26.9.09	3,13,232
Do	Do	15	C&D of Gospital Home inner drain at Lalmati in W/No.36.	GER/Div-II/10/09/169-179 dt.8.5.09	Rina Bhattacharjee	8.5.09 - 12.5.09	76,774
Do	Do	16	C&D of Happy Villa drain upto Sluice Gate near Satrakar temple in W/No.39.	GER/Div-II/14/09/129-138 dt.9.4.09	Biswajit Sarma	30.4.09 - 30.9.09	3,32,261
Do	Do	17	C&D of Ambari Box drain with its side drains including inner drains upto Jorpukhuri in W/No.33.	GER/Div-II/09/09/139-148 dt.9.4.09	Jyotish Talukdar	8.5.09 - 14.10.09	4,57,873
2010-11	Do	18	C&D of City drains under div-II (Group-II)	GER/Div-II/03/10/430-A dt.11.5.10	Madan Boro	12.5.10 - 11.10.10	12,19,891
Do	Do	19	C&D of City drains under div-II (Group-III)	GER/Div-II/02/10/240-A dt.11.5.10	Ujjal Choudhury	11.5.10 - 4.10.10	12,12,832
Do	Do	20	C&D of City drains under div-II (Group-4)	GER/Div-II/01/10/353-A	Ramen Hazarika	12.5.10 - 7.10.10	10,86,908

1	2	3	4	5	6	7	8
2011-12	Do	21	C&D works under div-II (Group-III)	GER/Div-II/01/2011 /07 dt.28.2.11	Jyoti Ranjan Kalita	3.3.11 - 17.10.11	12,19,891
Do	Do	22	C&D works under div-II (Group-IV)	GER/Div-II/02/2011 /12-19 dt.28.2.11	Ujjal Choudhury	3.3.11 - 17.10.11	12,89,606
Do	Do	23	C&D works under div-II (Group-V)	GER/Div-II/03/2011 /27-A dt.28.2.11	Star Construction Co.	NA	13,60,134
Sub-total (B)							1,08,88,893
2009-10	Divn-III	23	C&D of inner drain from Lichubagan Rd to Hengrabari main Rd	GER/DIV-III/79/09/5 dt 27.4.09	U C Thakuria	4.5.09 to 30.9.09	1,51,546
Do	Do	24	C&D of inner drain from Narikal Basti by No.4 to RGB Rd	GER/DIV-III/77/09/6 dt 27.4.09	P Deka	28.4.09 to 29.9.09	1,87,100
Do	Do	25	Cleaning and desilting of Rajgarh inner drain from Rly line to Pragati Path	GER/DIV-III/71/09/5 dt 27.4.09	A Bhattacharjya	1.5.09 to 30.9.09	2,72,968
Do	Do	26	Cleaning and desilting of inner drain from Mandir Path to Narikal basti Path	GER/DIV-III/76/09/5 dt 27.4.09	M/s PK Construction	22.5.09 to 22.9.09	1,20,530
Do	Do	27	Cleaning and desilting of inner drain of Krishnagar (Japorigog) to Bahini River	GER/DIV-III/78/09/9 dt 30.4.09	Sambhu nath Prasad	5.5.09 to 29.9.09	2,97,434
Do	Do	28	Cleaning and desilting of inner drain of Krishnagar (Japorigog) Kalimandir Silt Chamber at MRD Rd	GER/DIV-III/74/09/12 dt 30.4.09	B Kalita	2.5.09 to 29.9.09	2,88,660
Do	Do	29	Cleaning and desilting of inner drain from Dukhiya Store to MRD Rd	GER/DIV-III/75/09/9 dt 30.4.09	P Thakuria	3.5.09 to 30.9.09	2,69,640
Do	Do	30	Cleaning and desilting of Silt Chamber to MRD Rd near CPWD Office	GER/DIV-III/73/09/8 dt 30.4.09	B Kalita	4.5.09 to 29.9.09	1,57,414
2010-11	Do	31	Cleaning and desilting of works of drain for the year 2010-11 within the jurisdiction of GMC area Group No VI in W No 40 & 41	GER/DIV-III/109/10/14 dt 13.5.10	M/s G B Construction	16.5.10 to 30.9.10	11,03,590
Do	Do	32	Cleaning and desilting of works of drain for the year 2010-11 within the jurisdiction of GMC area Group No VI in W No 41 & 44	GER/DIV-III/110/10/14 dt 19.5.10	A K Jain	16.5.10 to 13.9.10	11,34,000
2011-12	Do	33	Cleaning and desilting of works of drain for the year 2011-12 within the jurisdiction of GMC area Group No 6	GER/DIV-III/150/11/8 dt 28.2.11	P Deka	1.3.11 to 12.5.11	11,41,900
Do	Do	34	Cleaning and desilting of works of drain for the year 2011-12 within the jurisdiction of GMC area Group No 7	GER/DIV-III/151/11/10 dt 28.2.11	M/s BM Enterprise	1.3.11 to 29.8.11	11,28,996
Sub-total (C)							62,53,778
2009-10	Divn-IV	35	Cleaning and desilting of Lakhtokia drain, Fency Bazar	GER/Div-IV/213/09/531 dt 20.4.09	B Haque	25.4.09 to 20.5.09	1,31,143
Do	Do	36	Cleaning and desilting of inner drain from Sati Jaymati Rd via Sarusala Beel	GER/Div-IV/214/09/541 dt 20.4.09	A K Das	21.5.09 to 18.6.09	1,99,638
Do	Do	37	Cleaning and desilting of drain by the side of B Baruah Cancer Institute	GER/Div-IV/208/09/571 dt 20.4.09	DC Deka	25.4.09 to 30.9.09	1,19,312
Do	Do	38	Cleaning and desilting of Barthakur Mill Rd drain	GER/Div-IV/207/09/581 dt 20.4.09	D Talukdar	24.4.09 to 30.9.09	61,570
Do	Do	39	Cleaning and desilting of drain from B Baruah Rd to Brahmachari Rd	GER/Div-IV/210/09/521 dt 20.4.09	HK Das	30.4.09 to 30.9.09	2,44,420
Do	Do	40	Cleaning and desilting of Horse Race Rd drain	GER/Div-IV/209/09/511 dt 20.4.09	K Tamuli	22.4.09 to 30.9.09	1,26,497
Do	Do	41	Cleaning and desilting of Birubari inner drain	GER/Div-IV/206/09/501 dt 20.4.09	K Mazumdar	21.4.09 to 30.9.09	1,46,265
Do	Do	42	Cleaning and desilting of drain at Industrial Estate, Kalapahar	GER/Div-IV/212/09/561 dt 20.4.09	U Dutta	23.4.09 to 30.9.09	69,123

1	2	3	4	5	6	7	8
Do	Do	43	Cleaning and desilting of Mahendranagar inner drain	GER/Div-IV/211/09 /551 dt 20.4.09	SK Sarkar	21.4.09 to 30.9.09	65,028
2010-11	Do	44	Cleaning and desilting of Birubari inner drain from Achiram Rava to Arya field	GER/Div-IV/227/10 /18 dt 13.5.10	Z Saloi	14.5.10 to 1.7.10	13,46,228
Do	Do	45	Cleaning and desilting of Barthakur Mill Rd	Do	Do	Do	
Do	Do	46	Cleaning and desilting of drain at	Do	Do	Do	
Do	Do	47	Cleaning and desilting of drain of horse race	Do	Do	Do	
Do	Do	48	Cleaning and desilting of drain from B Baruah Rd up to	Do	Do	Do	
Do	Do	49	Cleaning and desilting of Mahendra nagar	Do	Do	Do	
Do	Do	50	Cleaning and desilting of drain at Industrial estate, Kalapahar	Do	Do	Do	
Do	Do	51	Cleaning and desilting of Lakhtokia inner drain	Do	Do	Do	
Do	Do	52	Cleaning and desilting of Sarusol inner drain	Do	Do	Do	
Do	Do	53	Cleaning and desilting of Tokoubari inner drain	Do	Do	Do	
2011-12	Do	54	Cleaning and desilting of Birubari inner drain(Group 8)	GER/Div-IV/312/11 /10 dt 28.2.11	Do	1.3.11 to 18.4.11	9,28,735
Do	Do	55	Cleaning and desilting of Barthakur Mill Rd	Do	Do	Do	
Do	Do	56	Cleaning and desilting of Sani Mandir drain	Do	Do	Do	
Do	Do	57	Cleaning and desilting of drain at Horse Race Rd	Do	Do	Do	
Do	Do	58	Cleaning and desilting of drain from B Baruah Rd up to Brahmachari	Do	Do	Do	
Do	Do	59	Cleaning and desilting of Mahendra nagar inner drain	Do	Do	Do	
Do	Do	60	Cleaning and desilting of drain at Industrial estate, Kalapahar	Do	Do	Do	
Do	Do	61	Cleaning and desilting of lakhtokia footpath (Group 9)	GER/Div-IV/313/11 /7 dt 28.2.11	M/s N B Enterprise	4.3.11 to 16.4.11	11,46,155
Do	Do	62	Cleaning and desilting of Harisabha inner drain	Do	Do	Do	
Do	Do	63	Cleaning and desilting of Danish Rd drain	Do	Do	Do	
Do	Do	64	Cleaning and desilting of Sarusola inner drain	Do	Do	Do	
Do	Do	65	Cleaning and desilting of Tokoubari inner drain	Do	Do	Do	
Do	Do	66	Cleaning and desilting of Lachitnagar	Do	Do	Do	
Sub-total (D)							45,84,114
2009-10	Divn-V	67	Cleaning and desilting of Juripar drain , Darandha	GER/Div-V/11/09 /178 dt 20.4.09	BS Talukdar	20.4.09 to 2.5.09	3,71,662
Do	Do	68	Cleaning and desilting of Beltola inner drain behind KV, Khanapara up to Bahini	GER/Div-V/12/09 /181 dt 20.4.09	R RaiMedhi	21.4.09 to 30.9.09	2,22,392
Do	Do	69	Cleaning and desilting of Puberun Path drain at Hengrabari	GER/Div-V/10/09 /180 dt 20.4.09	J Tamuli	2.5.09 to 19.5.09	1,80,729
Do	Do	70	Cleaning and desilting of Patarkuchi inner drain	GER/Div-V/13/09 /182 Edt 9.4.09	S Deka	21.4.09 to 30.9.09	2,91,072
Do	Do	71	Cleaning and desilting at Silt chamber at Ganeshguri Market	GER/Div-V/08/09 /27/311-A dt 17.6.09	D Phukan	2.6.09 to 25.9.09	86,736
Do	Do	72	Cleaning and desilting of inner drain at Rukmini gaon	GER/Div-V/16/09 /68 /183 dt 20.4.09	A Thakuriya	22.4.09 to 16.5.09	1,15,904
Do	Do	73	Cleaning and desilting of Bashistha inner drain	GER/Div-V/15/09 /179 dt 20.4.09	D Sarma	1.5.09 to 30.9.09	2,64,533
Do	Do	74	Cleaning and desilting of Ganeshguri Bazar inner drain from Silt chamber to Kacharibasti Rd	GER/Div-V/09/09 /47/184 dt 20.4.09	G Kalita	22.4.09 to 18.5.09	44,700
2010-11	Do	75	Cleaning and desilting of Kundil nagar inner drain	GER/Div-V/14/09/ 150 /177-D dt 20.4.09	K Chakravarty	22.4.09 to 18.5.09	2,54,550
Do	Do	76	Cleaning of silt chamber at Ganeshguri Market (Package VIII)	GER/Div-V/36/ 2010 / 383/143 dt 13.5.10	M/s Borluit Enterprise	19.5.10 to 17.8.10	86,614
Do	Do	77	Ganeshguri Bazar inner drain (Package VIII)	Do	Do	19.5.10 to 28.6.10	50,198
Do	Do	78	Puberun Path drain at Hengrabari (Package VIII)	Do	Do	14.5.10 to 30.9.10	1,83,944
Do	Do	79	Juripar drain at Darandha (Package VIII)	Do	Do	Do	4,85,894
Do	Do	80	Beltola inner drain behind KV Khanapara up to Bahini(pt) (Package VIII)	Do	Do	Do	2,63,095

1	2	3	4	5	6	7	8
Do	Do	81	Patarkuchi inner drain (package IX)	GER/Div-V/37/2010/ 368 dt 19.5.10	N K Das	20.5.10 to 30.9.10	3,68,045
Do	Do	82	Rukmini gaon area drain (Package IX)	Do	Do	19.5.10 to 30.6.10	1,29,540
Do	Do	83	Kundil nagar inner drain (Package IX)	Do	Do	19.5.10 to 26.6.10	3,25,576
Do	Do	84	Basisthapur inner drain (Package IX)	Do	Do	20.5.10 to 30.9.10	3,44,166
2011-12	Do	85	Cleaning and desilting of inner drain at Nirala Bhavan at Beltola(Package X)	GER/Div-V/73/2011/ 55 dt 28.2.11	H Talukdar	2.3.11 to 13.4.11	2,60,043
Do	Do	86	Cleaning and desilting of Patarkuchi inner drain (Package 10)	Do	Do	2.3.11 to 13.4.11	3,59,410
Do	Do	87	Cleaning and desilting of Puberun Path drain at Hengrabari (Package 10)	Do	Do	5.3.11 to 29.4.11	1,81,886
Do	Do	88	Cleaning and desilting of Kundil nagar inner drain at Hengrabari (Package 11)	GER/Div-V/74/2011 / 40 dt 28.2.11	M/s GB Construction	4.3.11 to 11.4.11	3,24,494
Do	Do	89	Cleaning and desilting of Rukmini nagar area drain(Package 11)	Do	Do	Do	1,28,211
Do	Do	90	Cleaning and desilting of Basisthapur inner drain (Package 11)	Do	Do	5.3.11 to 20.5.11	3,35,400
Sub-total (E)							56,58,794
2009-10	Divn VI	91	Cleaning and desilting of Raghunath Path inner drain	GER/DIV-VI/21/09/09 dt 18.4.09	N Choudhury	22.4.09 to 17.5.09	69,241
Do	Do	92	Cleaning and desilting of Senmela drain (near the residence of Gogoi)	GER/DIV-VI/22/09/07 dt 18.4.09	M Poddar	20.4.09 to 15.5.09	2,84,282
Do	Do	93	Cleaning and desilting of Odalbakra inner drain from Lakhra Rd cross culvert towards east	GER/DIV-VI/23/09/08 dt 18.4.09	U Choudhury	21.4.09 to 16.5.09	1,69,926
Do	Do	94	Cleaning and desilting of inner drain by the side of VIP Hotel	GER/DIV-VI/24/09/11 dt 18.4.09	D Dutta	19.4.09 to 18.5.09	59,506
Do	Do	95	Cleaning and desilting of 4th APBN road side drain (Both sides)	GER/DIV-VI/25/09/10 dt 18.4.09	M Deka	19.4.09 to 18.5.09	1,48,147
2010-11	Do	96	Cleaning and desilting of Kula Basumatery Rd Souther drain	GER/DIV-VI/31/2010 /13 dt 6.5.10	A Das	7.5.10 to 23.6.10	8,94,636
Do	Do	97	Cleaning and desilting of Senmela drain (near the residence of Gogoi)	Do	Do	Do	
Do	Do	98	Cleaning and desilting of Odalbakra inner drain from Lakhra Rd cross culvert towards east	Do	Do	Do	
Do	Do	99	Cleaning and desilting of Lakhra Rd cross culvert opposite to Telephone Exchange & VIP Hotel	Do	Do	Do	
Do	Do	100	Cleaning and desilting of 4th APBN road side drain (Both sides)	Do	Do	Do	
2011-12	Do	101	Cleaning and desilting of Kula Basumatery Rd Souther drain	GER/DIV-VI/54/2011 /9 dt 28.2.11	S Deka	1.3.11 to 18.4.11	10,19,522
Do	Do	102	Cleaning and desilting of Senmela drain (near the residence of Gogoi)	Do	Do	Do	
Do	Do	103	Cleaning and desilting of Odalbakra inner drain from Lakhra Rd cross culvert towards east	Do	Do	Do	
Do	Do	104	Cleaning and desilting of 4th APBN road side drain (Both sides)	Do	Do	Do	
Do	Do	105	Cleaning and desilting of Banabasu Path side drain at Champak nagar, Ganeshpara	Do	Do	Do	
Do	Do	106	Cleaning and desilting of inner drain from Netaji Path to Sri Kanta Dutta Path at Udalbakra	Do	Do	Do	
Sub-total (F)							26,45,260
Grand Total (A+B+C+D+E+F)							3,42,40,234

(Para reference: 5.5.4)
(iii) Purchase of vehicles etc.

Month/Year of purchase	Sl. No.	Type of Vehicle/ Machinery purchased	Registration No of vehicle/machinery	Scheme/programme under which purchased	Cost value	Purposes for which vehicle/machinery utilized
Jan 2009	1	Tipper Truck Ashok Iylend 6.0 CUM	AS-01-CC-6688	TASFC under non-salary component, 2008-09	10.1	Conservancy works
Do	2	Do	AS-01-CC-7619	Do	9.60	Do
Do	3	Do	AS-01-CC-6690	Do	10.10	Do
April 2009	4	Do	AS-01-CC-6684	Do	10.10	Do
Do		Do	AS-01-CC-6686	Do	10.10	Do
Jan 2010		Do	AS-01-CC-6683	Do	10.10	Do
April 2009	5	Tipper Truck Ashok Iylend 4.0 CUM	AS-01-CC-7620	Do	9.60	Do
Do	6	Do	AS-01-CC-7621	Do	9.60	Do
Do	7	Do	AS-01-CC-7622	Do	9.60	Do
Do	8	Do	AS-01-CC-7657	Do	9.60	Do
Do	9	Do	AS-01-CC-7658	Do	9.60	Do
April 2010	10	Tipper Truck Ashok Iylend 6.0 CUM	AS-01-CC-6682	Do	10.10	Do
2010	11	Mini Skid Steer loader, JCB	(i) ROBOT- II	Do	17.82	Do
	12	Do	(ii) ROBOT- III	Do	17.82	Do
	13	Do	(iii) ROBOT- IV	Do	17.82	Do
	14	Do	(iv) ROBOT- V	Do	17.82	Do
Grand Total					189.48	

Appendix-XXV**[Para reference: 5.6.5 (C); 5.6.6 (A)]**

Statement showing the details of short deduction of AVAT/Income Tax by the GMC authority on payments of bills in r/o execution of BSUP Project

(In ₹)

Sl. No.	Project	Name of the firm/party	Particular	Gross amount	VAT @ 4%	IT @ 1%	Labour Cess
1	BSUP Phase-II	Nyimi Enterprises	1 st RA	2,71,07,780	10,84,311	2,71,079	--
Total				2,71,07,780 (A)	10,84,311 (A)	2,71,079	
1	BSUP Phase-I (Package-I)	Nyimi Enterprises	1 st RA	7,77,31,390	31,09,256	7,77,314	--
2		Nyimi Enterprises	2 nd RA	2,05,21,870	8,20,875	2,05,219	--
3		Nyimi Enterprises	3 rd RA Bill	2,64,30,962	10,57,238	2,64,310	--
4		Nyimi Enterprises	1 st RA electrical	26,08,992	1,04,360	26,090	--
5		Nyimi Enterprises	4 th RA Bill	1,20,22,018	4,80,881	1,20,220	--
6		Nyimi Enterprises	5 th RA Bill	1,59,15,204	6,36,608	1,59,152	
7		Nyimi Enterprises	6 th RA Bill	82,64,894	3,30,596	82,649	
8		Nyimi Enterprises	7 th RA	1,12,32,750	4,49,318	1,12,330	
9		Nyimi Enterprises	3 rd RA Bill of Elec	90,65,056	3,62,602	90,651	90,651
10		Nyimi Enterprises	8 th RA Bill	2,33,51,049	9,34,040	2,33,510	2,33,510
Total				20,71,44,185 (B)	82,85,774 (B)	20,78,696	3,24,161
1	BSUP Phase-I (Package-II)	Hi-Rise Infratech Pvt. Ltd.	1 st RA	50,28,256	2,01,130	50,283	--
2		Hi-Rise Infratech Pvt. Ltd.	2 nd RA Bill	45,88,477	1,83,540	45,885	--
3		Hi-Rise Infratech Pvt. Ltd.	3 rd RA Bill	40,00,220	1,60,009	40,002	--
4		Hi-Rise Infratech Pvt. Ltd.	1 st RA Bill for Electrification	23,21,946	92,878	23,220	--
5		Hi-Rise Infratech Pvt. Ltd.	BOQ items	77,72,086	3,75,020	93,755	---
		Non BOQ items	16,03,436				
Total				2,53,14,421 (C)	10,12,577(C)	2,53,145	
Gross Total (A+B+C)				25,95,66,386	1,03,82,662	25,95,669	3,24,161

To be deducted AVAT @ 5% on ₹25,95,66,386= ₹1,29,78,319.30 (M)

Actually deducted AVAT @ 4% on ₹25,95,66,386= ₹1,03,82,662.00 (N)

Short deducted (M-N) = ₹ 25,95,657.30

To be deducted IT @ 2% on ₹25,95,66,386= ₹51,91,327.72 (O)

Actually deducted IT @ 1% on ₹25,95,66,386= ₹ 25,95,669.00 (P)

Short deducted (O-P) = ₹25,95,658.72

Appendix-XXVI
[Para reference 5.6.6 (B)]

Statement showing the detailed position of short deduction of AVAT and Income Tax against the payment made to Guwahati Solid Waste Management Company Pvt. Ltd. for the period from 1.11.08 to 31.3.12

SL.N o	Bill No & date	Purposes for which payment made	Month for which payment made	Gross Amount of the bill	Income Tax to be deducted at source (2.266%)	Income Tax deducted at source (2.06%)	Short deduction of Income tax	Non deduction of AVAT (4%, 5% w.e.f. 30.10.09)	Net amou nt paid
1	2	3	4	5	6	7	8	9	10
1	496 dt .21.1.09	For transportation of garbage from Secondary collection point to existing landfill site for 11/08	Nov-08	1711500.00	38782.59	35257.00	3525.59	68460.00	16762 43.00
2	497 dt .2.2.09	Do for 12/08	Dec-08	2445000.00	55403.70	50367.00	5036.70	97800.00	21346 33.00
3	499 dt .2.3.09	Do for 1/09	Jan-09	2445000.00	55403.70	45217.00	10186.70	97800.00	21497 83.00
4	03 dt .10.6.09	Final bill transportation of garbage from Secondary collection point to existing landfill site for 2/09		2241454.00	50791.35	0.00	50791.35	89658.16	35546 .00
5	04 dt .10.6.09	Final bill for 3/09		2274583.00	51542.05	0.00	51542.05	90983.32	8543. 00
6	05 dt .10.6.09	Transportation of garbage from Secondary collection point to existing landfill site for 4/09	Apr-09	2261502.00	51245.64	139617.00	-88371.36	90460.08	18295 53.00
7	06 dt. 3.7.09	Do for 5/09	May-09	2445000.00	55403.70	41852.00	13551.70	97800.00	19897 97.00
8	07 dt.31.7.09	Do for 6/09	Jun-09	2445000.00	55403.70	44242.00	11161.70	97800.00	21034 30.00
9	08 dt. 17.8.09	Do for 7/09	Jul-09	5667437.00	128424.12	109730.00	18694.12	226697.48	52169 48.00
10	10 dt 17.9.09	Final payment for Secondary collection & transportation of garbage for 8/09		4900000.00	111034.00	94596.00	16438.00	196000.00	48054 04.00
11	11 dt 16.10.09	Payment for Primary collection & transportation of garbage for 9/09	Sep-09	4900000.00	111034.00	100940.00	10094.00	196000.00	47990 60.00
12	14 dt 12.11.09	Final payment for Secondary collection & transportation of garbage for 10/09	Oct-09	5237980.00	118692.63	107902.00	10790.63	261899.00	51300 78.00
13	16 dt 16.12.09	Payment for Secondary collection & transportation of garbage for 11/09	Nov-09	5291340.00	119901.76	109002.00	10899.76	264567.00	51823 38.00
14	21 dt 16.3.10	Final bill for the Pilot Project of door to door collection of bio-degradable solid waste		118000.00	2673.88	0.00	2673.88	5900.00	11800 0.00
15	20 dt 3.3.10	Payment for Primary & Secondary collection & transportation of garbage for 12/09	Dec-09	5300465.00	120108.54	109190.00	10918.54	265023.25	51912 75.00
16	22 dt 5.4.10	Final Payment for Primary & Secondary collection & transportation of garbage for 1/10	Jan-10	5419387.00	122803.31	132340.00	-9536.69	270969.35	52870 47.00
17	23 dt 5.4.10	Payment for Primary & Secondary collection & transportation of garbage for 2/10	Feb-10	5460996.00	123746.17	112497.00	11249.17	273049.80	53484 99.00
18	24 dt 11.5.10	Payment 78% of Rs 45,00,000.00 for Primary collection and Secondary collection of 9172 MT garbage @ Rs135.20 MT for 3/10	Mar-10	4750054.00	107636.22	97851.00	9785.22	237502.70	46522 03.00
19	25 dt 8.6.10	Payment 83% of Rs 45,00,000.00 for Primary collection and Secondary collection of 9447.5MT garbage @ Rs135.20 MT for 4/10	Apr-10	5012302.00	113578.76	100246.00	13332.76	250615.10	49120 56.00
20	28 dt 22.7.10	Payment for Primary collection(Rs 35,32,500.00) and Secondary collection(13,35,979.00) of garbage for 5/10	May-10	4868479.00	110319.73	100290.00	10029.73	243423.95	47681 89.00
21	30 dt 4.9.10	Final bill for Primary & Secondary collection of garbage for 6/2010	Jun-10	5148270.00	116659.80	105919.00	10740.80	257413.50	50423 51.00
22	31 dt 4.9.10	Payment for Primary collection(Rs36,00,000.00) and final payment on Secondary collection(13,27,649.00) for 101197 MT garbage @ Rs 135.20 for 7/2010	Jul-10	4927649.00	111660.53	98553.00	13107.53	246382.45	48290 96.00
	32 dt 24.9.10	Payment 80% of Rs 45,00,000.00 for Primary collection of garbage for 8/10	Aug-10	3600000.00	81576.00	74160.00	7416.00	180000.00	35258 40.00

1	2	3	4	5	6	7	8	9	10
24	33 dt 24.9.10	Payment for Secondary collection of garbage for 8/10		1395940.00	31632.00	28756.00	2876.00	69797.00	1367184.00
25	34 dt 27.9.10	Final payment of Primary collection of garbage for 7/10	Jul-10	225000.00	5098.50	4635.00	463.50	11250.00	220365.00
26	35 dt 12.10.10	Adv payment 80% of Rs 45,00,000.00for Primary collection of garbage for 9/2010	Sep-10	3600000.00	81576.00	74160.00	7416.00	180000.00	3525840.00
27	36 dt 12.10.10	Payment for Secondary collection of garbage for 9/10		1397089.00	31658.04	28780.00	2878.04	69854.45	1368309.00
28	37 dt 3.11.10	Final payment for Primary collection of garbage for 8/2010	Aug-10	225000.00	5098.50	4635.00	463.50	11250.00	220365.00
29	38 dt 19.11.10	Payment 80% of Rs 45,00,000.00for Primary collection of garbage for 10/2010	Oct-10	3600000.00	81576.00	72000.00	9576.00	180000.00	3528000.00
30	39 dt 19.11.10	Payment for Secondary collection of garbage for 10,900MT @ Rs 135.20/MT for 10/2010		1473680.00	33393.59	29474.00	3919.59	73684.00	1444206.00
31	40 dt 4.12.10	Final payment for Primary collection of garbage for 9/2010	Sep-10	112500.00	2549.25	2250.00	299.25	5625.00	110250.00
32	41 dt 18.12.10	Payment 80% of Primary & Secondary collection of garbage for 11/2010	Nov-10	4777047.00	108247.89	95541.00	12706.89	238852.35	4681506.00
33	II/F/42 dt 12.1.11	Final payment of Secondary collection of garbage for 10/2010	Oct-10	104850.00	2375.90	2097.00	278.90	5242.50	102753.00
34	Adv bill No 43 dt 18.1.11	Adv. payment of Primary & Secondary collection of garbage for 12/10	Dec-10	4815571.00	109120.84	96311.00	12809.84	240778.55	4719260.00
35	Final/44 dt 7.5.11	Final payment of Primary & Secondary collection of garbage for 11/10	Nov-10	744262.00	16864.98	14885.00	1979.98	37213.10	729377.00
36	1 st adv /45 dt 7.3.11	Adv. payment of Primary & Secondary collection of garbage for 1/11	Jan-11	5076862.00	115041.69	101573.00	13468.69	253843.10	4975325.00
37	II/F/46 dt 21.3.11	Final payment of Primary & Secondary collection of garbage for 12/10	Dec-10	753893.00	17083.22	15078.00	2005.22	37694.65	738815.00
38	Ad/47 dt 8.4.11	Adv. payment of Primary & Secondary collection of garbage for 2/11	Feb-11	4933940.00	111803.08	98679.00	13124.08	246697.00	4835261.00
39	Final/48 dt 18.4.11	Final payment of Primary & Secondary collection of garbage for 1/11	Jan-11	450000.00	10197.00	90000.00	-79803.00	22500.00	441000.00
40	Ad/49 dt 3.5.11	Adv. payment of Primary collection of garbage for 3/11	Mar-11	3600000.00	81576.00	72000.00	9576.00	180000.00	3528000.00
41	Final/50 dt 28.5.11	Final payment of Primary & Secondary collection of garbage for 2/11	Feb-11	450000.00	10197.00	9000.00	1197.00	22500.00	441000.00
42	Ad/51 dt 28.5.11	Adv. payment of Primary collection of garbage for 4/11	Apr-11	3600000.00	81576.00	72000.00	9576.00	180000.00	3528000.00
43	RC/F/52 dt 1.6.11	Reconsideration of Primary collection bill of garbage for 6/09 by Govt.	Jun-09	2310309.00	52351.60	46206.00	6145.60	115515.45	2264103.00
44	Average bill no53 dt 7.6.11	Primary collection of garbage for the month of 3/11	Mar-11	1476862.00	33465.69	29538.00	3927.69	73843.10	1447324.00
45	Average bill no54 dt 7.6.11	Secondary collection garbage bill for the month of 4/11	Apr-11	1429221.00	32386.15	28584.00	3802.15	71461.05	1400636.00
46	Final Payment /55 dt 4.7.11	Final payment against Primary collection for the month of 3/ 11	Mar-11	442350.00	10023.65	8847.00	1176.65	22117.50	433503.00
47	Ad/56 dt 4.7.11	Adv payment of Primary collection of garbage for the month of 5/11	May-11	3600000.00	81576.00	72000.00	9576.00	180000.00	3528000.00
48	Ad/57 dt 27.7.11	Adv payment of Primary collection of garbage for the month of 6/11	Jun-11	3600000.00	81576.00	72000.00	9576.00	180000.00	3528000.00
49	Ad/F/58 dt 9.8.11	Final payment against Primary collection for the month of 4/ 11	Apr-11	435150.00	9860.50	8703.00	1157.50	21757.50	426447.00
50	FF/59 dt 16.8.11	Secondary collection garbage bill for the month of 5/11	May-11	1840318.00	41701.61	36806.00	4895.61	92015.90	1803512.00
51	FF/59 (A) dt 3.11.11	Secondary collection garbage bill for the month of 6/11	Jun-11	1548709.00	35093.75	30974.00	4119.75	77435.45	1517735.00
52	59 (B) dt 15.11.11	Final payment against Primary collection for the month of 7/ 11	Jul-11	3517200.00	79699.75	70544.00	9155.75	175860.00	3446856.00

1	2	3	4	5	6	7	8	9	10
53	Adv/60 dt 28.10.11	Adv payment of Primary collection of garbage for the month of 8/11	Aug-11	3375000.00	76477.50	67500.00	8977.50	168750.00	3307500.00
54	Adv/61 dt 15.11.11	Adv payment of Primary collection of garbage for the month of 9/2011 (113661 No House hold @ Rs45 per House hold)	Sep-11	3375000.00	76477.50	67500.00	8977.50	168750.00	3307500.00
55	62 dt 15.11.11	Final payment against Primary collection for the month of 6/ 11	Jun-11	30150.00	683.20	603.00	80.20	1507.50	29547.00
56	Adv/63 dt 22.11.11	Adv payment of Primary collection of garbage for the month of 10/11	Oct-11	3375000.00	76477.50	67500.00	8977.50	168750.00	3307500.00
57	FF/64 dt 29.11.11	Secondary collection of garbage bill for the month of 7/11,8/11 & 9/11	Jul/Au g/ Sep 2011	4895976.00	110942.82	97920.00	13022.82	244798.80	4798056.00
58	Adv/65 dt 30.12.11	Adv payment of Primary collection of garbage for the month of 11/11	Nov-11	3375000.00	76477.50	67500.00	8977.50	168750.00	3307500.00
59	FF/66 dt 4.1.12	Secondary collection garbage bill for the month of 10/2011& 11/11	Oct/ Nov 2011	3169740.00	71826.31	63395.00	8431.31	158487.00	3106345.00
60	Adv/67 dt 1.2.12	Adv payment of Primary collection of garbage for the month of 12/11	Dec-11	3375000.00	76477.50	67500.00	8977.50	168750.00	3307500.00
61	FF/68	Secondary collection of garbage bill for the month of 12/2011		1691765.00	38335.39	33835.00	4500.39	84588.25	1657930.00
62	Adv/69 dt 13.3.12	Adv payment of Primary collection of garbage for the month of 1/12	Jan-12	3375000.00	76477.50	67500.00	8977.50	168750.00	3307500.00
63	FF/70 dt 13.3.12	Secondary collection of garbage bill for the month of 1/12		1535710.00	34799.19	30714.00	4085.19	76785.50	1504996.00
64	FF/71 dt 13.3.12	Final payment against Primary collection for the month of 8/ 11 & 9/11	Aug/Se p 2011	479700.00	10870.00	9594.00	1276.00	23985.00	470106.00
65	Adv/72 dt 2.4.12	Adv payment of Primary collection of garbage for the month of 2/12	Feb-12	3375000.00	76477.50	67500.00	8977.50	168750.00	3307500.00
66	FF/73 dt 2.4.12	Secondary collection of garbage bill for the month of 2/12	Feb-12	1628870.00	36910.19	32577.00	4333.19	81443.50	1596293.00
67	Adv/74 dt 5.5.12	Adv payment of Primary collection of garbage for the month of 3/12	Mar-12	3375000.00	76477.50	67500.00	8977.50	168750.00	3307500.00
68	Adv/75 dt 15.5.12	Secondary collection of garbage bill for the month of 3/12		1660925.00	37636.56	33218.00	4418.56	83046.25	1627707.00
69	FF/76 dt 24.5.12	Final payment against Primary collection for the month of 10/ 11, 11/ 11 & 12/11	Oct/ Nov/ Dec 2011	1080000.00	24472.80	21600.00	2872.80	54000.00	1058400.00
Grand Total				193579987.00	4386522.51	3989283.00	397242.51	9341634.50	183346224.00
Say (in lakh)				1,935.80	43.87	39.89	3.97	93.42	1,833.46