CHAPTER-I
SOCIAL SECTOR

1.1 Introduction

The findings based on audit of State Government units under Social Sector feature in this chapter.

During 2014-15, against total budget provision of ₹30,110.34 crore, total expenditure of ₹19,932.38 crore was incurred by 16 departments inclusive of Bodoland Territorial Council (BTC) covered under Welfare of Plain Tribes and Backward Classes (WPT&BC) under Social Sector. Department-wise details of budget provision and expenditure incurred thereagainst are shown in ***Appendix – 1.1.*** Hill Areas department incurred expenditure of ₹1389.90 crore (6.52 *per cent* of the total expenditure – Social Sector) during 2014-15 mainly for sixth schedule areas (NCHAC and KAAC) against budget provision of ₹1,936.89 crore **(*Appendix – 1.2*)** under the Sector.

1.1.1 Planning and conduct of Audit

Compliance audit is conducted in accordance with annual audit plan. The units are selected on the basis of risk assessment. Areas taken up are selected on the basis of topicality, financial significance, social relevance, internal control system of the units, occurrence of defalcation/misappropriation/embezzlement as well as findings of previous Audit Reports. Apart from the above parameters, all important departmental directorates and district level units are audited annually.

Inspection Reports are issued to the heads of unit as well as heads of departments after completion of audit. Based on the replies received, audit observations are either settled or further action for compliance is advised. Important audit findings are processed for inclusion in the Audit Report of C&AG of India.

The audits were conducted during 2014-15 involving expenditure of ₹23,114.13 crore (including expenditure of earlier years) of the State Government under Social Sector. This chapter contains two Performance Audits on "Functioning of Industrial Training Institutes (ITIs)" and "Implementation of Welfare Programmes for Scheduled Tribes (STs) and Other Backward Classes (OBCs) by the Directorate of Welfare of Plain Tribes and Backward Classes (WPT&BC)" and 16 Compliance Audit Paragraphs.

The major observations made in audit during the year 2014-15 are discussed in succeeding paragraphs.

Performance Audit

Labour and Employment Department

1.2 Functioning of Industrial Training Institutes (ITIs)

Government of India (GoI) introduced the Craftsmen Training Scheme (CTS) in 1950 to ensure a steady flow of skilled workers in different trades for the domestic industry. The objectives of CTS were to raise the industrial production both quantitatively and qualitatively through imparting systematic training, to reduce unemployment among the educated youth by providing them employable training and to cultivate and nurture a technical and industrial attitude in the minds of the younger generation. The scheme, the most important in the field of vocational training, had been shaping craftsmen to meet the existing as well as future manpower needs of the industry through the vast network of Industrial Training Institutes (ITIs) in the States/Union Territories of the country. The State Government departments deliver vocational training to school-leavers through ITIs. The administration of ITIs under CTS was transferred to the State from the year 1956. The performance audit of functioning of ITIs covering period 2010-15 was carried out in selected ITIs located in various districts of Assam. The performance audit of ITIs revealed various irregularities in their functioning. The objectives of the CTS for imparting skills in various vocational trade to meet the skilled manpower requirement for industrial growth had not been achieved to the desired extent in the State due to inadequate infrastructural facilities such as building, lack of class room, workshop etc. in the existing ITIs. Huge deficiency of tools and equipment with reference to the norms prescribed by the NCVT were noticed in test checked ITIs. Shortage of required technical staff resulting in discontinuance of the existing trades in few ITIs also came to notice. The department failed to provide hostel facilities in most of the ITIs. Construction of new ITIs was initiated without ensuring their timely completion and operationalisation. Consequently, expansion and operationalisation of new ITIs in uncovered area remained unachieved since 2006 The apprenticeship scheme was not being implemented effectively in coordination with industry. Shortfall in the inspection of the ITIs at directorate level and non-existence of internal audit system indicated poor internal control mechanism in the department. Some of the significant findings are as under:

Highlights

The Assam Skill Development Mission (ASDM) responsible for the convergence of all Government departments and other stake holders for skill development by way of quality skill training leading to meaningful employment was not made functional due to inaction on the part of the department. Also, the departmental plan of setting up ITIs under PPP mode could not take-off despite availability of funds.

(Paragraph 1.2.6.1)

The old building, class room and furniture in the existing ITIs, particularly those of Srikona, Jorhat, Bongaigaon, Nagaon, Tezpur, Dhemaji and Nalbari ITIs were in dilapidated condition and needed immediate attention to make them at par with the norms/standards prescribed by NCVT.

(Paragraph 1.2.8.2)

In eight out of the nine test-checked ITIs, there was shortage of classrooms ranging between 3 to 15 in numbers affecting imparting quality training by the ITIs concerned.

(Paragraph 1.2.8.3)

All the nine test-checked ITIs were lacking in availability of basic amenities for trainees such as potable water supply, play grounds, trade related magazines, doctor, Fire safety equipment, Computer lab facilities etc.

(Paragraph 1.2.8.6)

Eight out of nine test-checked ITIs did not have hostel facilities for their trainees.

(Paragraph 1.2.8.7)

In all the nine test-checked ITIs, audit noticed shortfall (ranging between 22 *per cent* and 80 *per cent*) in availability of tools and equipment required with reference to the prescribed norms for the trades.

(Paragraph 1.2.8.8)

Of the 231 operational trades altogether, training in 90 trades was being imparted by 28 existing ITIs without affiliation of concerned trades with the NCVT in the state. In nine test-checked ITIs, out of 114 trades 29 trades were found to be operational without their affiliation by the NCVT. The trades were popular trades of the market such as electrician, motor vehicle technician, refrigerator and AC mechanic, hair and skin care, dress making, draughtsman etc. The employability of the trainees learning these non-affiliated trades was considerably reduced as no national level certificate could be awarded to them despite successful completion of their training.

(Paragraph 1.2.9.1)

Due to delay in completion of works, non-availability of tools and equipment and for want of creation of post of faculties, 14 ITIs could not be made functional despite of incurring an expenditure of ₹21.22 crore.

{Paragraph 1.2.11.1(B)}

The department failed to impart apprenticeship training envisaged as per the Apprentices Act, 1961 effectively depriving the trainees of the advantage of having practical training in an industrial environment. The absorption of the apprenticed trainees was also poor. The placement cell of the institutes were ineffective in securing jobs for trainees and the "follow up" on trainees performance in the industry, was absent.

(Paragraphs 1.2.13.1 and 1.2.14)

1.2.1 Introduction

The Craftsmen Training Scheme (CTS) launched in 1950 by GoI was to ensure a steady flow of skilled workers in different trades for the domestic industry. The day-to-day administration of ITIs under the CTS was transferred to the State Government/Union Territories (UTs) with effect from the year 1956. The objectives of CTS were to raise the industrial production both quantitatively and qualitatively through imparting systematic training, to reduce unemployment among the educated youth by providing them employable training and to cultivate and nurture a technical and industrial attitude in the minds of the younger generation. The scheme, the most important in the field of vocational training, had been shaping craftsmen to meet the existing as well as future manpower needs, through the vast network of Industrial Training Institutes (ITIs) in the States/Union Territories of the country. The State Government departments deliver vocational training to school-leavers through ITIs.

The financial control of ITIs in the State as well as in the Union Territories was transferred (April 1969) to the respective State Governments/Union Territories. Financial assistance is granted to the ITIs in the form of bulk grant in consultation with the Planning Commission and the Ministry of Finance.

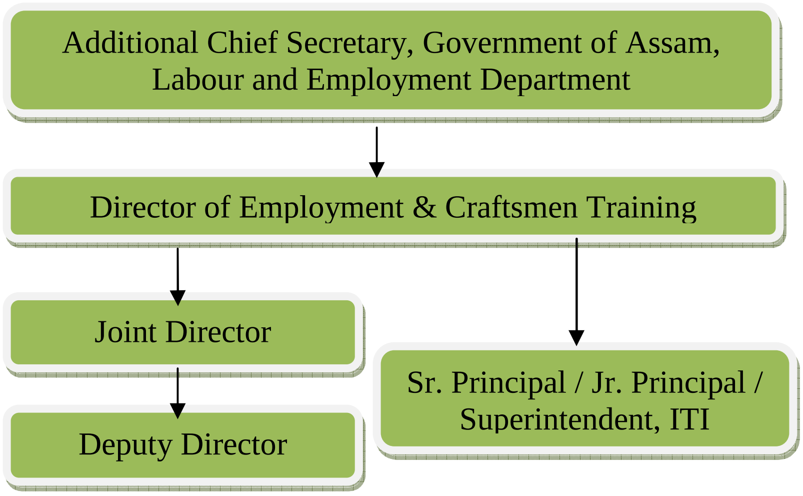
1.2.2 Organisational structure

In Assam, as of November 2015, there were 28 ITIs with a total intake capacity[1] of 7851 seats including Supernumerary seats. Out of 28 ITIs, five[2] were exclusively for women. The Additional Chief Secretary to the Government of Assam (GoA), Labour and Employment Department is the administrative head of the department. The ITIs function under the control of the Director of Employment and Craftsmen Training (DECT). The DECT is assisted by a Joint Director, Deputy Director and Assistant Director. The Additional Chief Secretary to GoA, Labour and Employment Department is responsible for policy-making and monitoring of the activities of the Department of Employment and Training (Department). The organizational set up of the Craftsmen Training of the department is given in Chart-1.1.

[1] Intake capacity: Number of seats available for admission including 30 per cent additional seats (Supernumerary) over the seats available for admission. This is to take care of dropout and ensure optimum utilization of the available infrastructure created for training.

[2] Guwahati (W), Silchar (W), Tinsukia (W), Lakhimpur (W) and Mazbat (W).

Chart-1.1
Organisational structure



Source-DECT.

The National Council of Vocational Training (NCVT), an advisory body set up by GoI in 1956, prescribes standards in respect of syllabi and equipment, scale of accommodation, duration of courses and methods of training. Trade tests are conducted on all India basis by the NCVT and successful trainees are awarded the National Trade Certificates in the trades concerned under the seal and authority of NCVT.

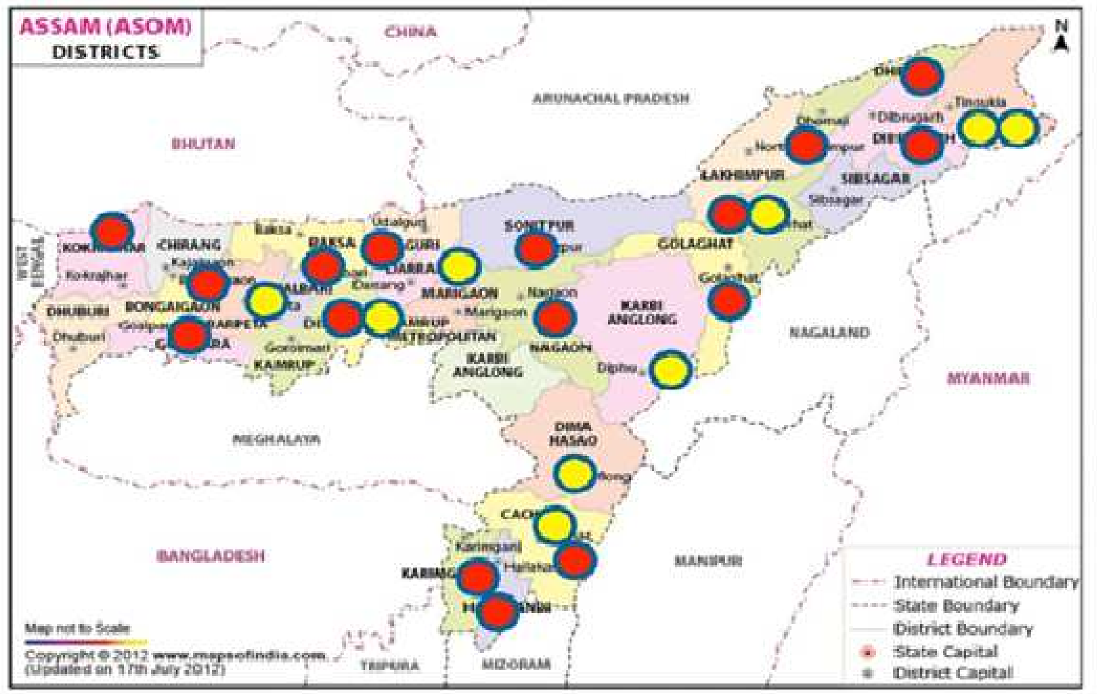
Besides, a State Council of Vocational Training (SCVT) affiliated to NCVT functions as a State agency to advise the State Government in carrying out the training policy laid down by NCVT and to coordinate the Vocational Training Programme throughout the State.

1.2.3 Scope and Methodology of Audit

The performance audit covering the period 2010-11 to 2014-15 commenced with an entry conference held on 22 April 2015 with the Director, Employment and Craftsmen Training (DECT), Government of Assam wherein the audit objectives, scope and criteria were discussed and inputs of the department obtained. During the course of audit, records of the DECT and the selected ITIs were scrutinised. Physical verifications regarding implementation of the programmes were done and photographic evidences were obtained to substantiate the audit observations.

The audit findings were discussed in the exit conference held (01 October 2015) with the Secretary to the GoA, Labour and Employment Department wherein Director of Employment and Craftsmen Training, Joint Director, Training were also present. Based on the discussion held and the replies to the observations received, the response of the department has been incorporated in the Report appropriately, wherever applicable.

The 27 districts of Assam were stratified into four strata geographically *viz.*, Sixth Schedule Area, Lower Assam, Upper Assam and Southern Assam. From the four strata, nine[3] ITIs (30 *per cent* ITIs from each of the stratum*)*, including one Women only ITI, were selected by using Simple Random Sampling without Replacement (SRSWOR) method. The location of ITIs covered in audit is indicated in the pictograph given below:



ITI Covered (1) Barpeta (2) Diphu, (3) Guwahati, (4) Haflong, (5) Jorhat, (6) Morigaon, (7) Srikona, (8) Tinsukia(G), (9) Tinsukia (W)

1.2.4 Audit Objectives

The objectives of the performance audit were to assess whether:

- Management of various skill development training programmes and sponsored activities were efficient and effective and was in consonance with latest industrial/market requirement and technology and a proper system to ensure placement of trainees was available;
- Management of financial resources was efficient, based on proper assessment of requirements, adequate funds were provided for the required infrastructure facilities and those were released timely and utilised in conformity with the applicable rules and regulations;
- Human resources were adequate, utilized optimally, performance evaluation and skill upgradation were done properly in respect of both academic and non-academic staff;

[3] Diphu, Haflong ,Barpeta, Morigaon, Guwahati, Tinsukia, Tinsukia(Woman), Jorhat and Srikona.

- Infrastructure facilities like class rooms, hostels, labs, libraries, medical facilities etc., were adequate, utilized optimally and maintained effectively;

- Efficient and effective information and communication regarding community mobilisation towards vocational training, monitoring and evaluation system including the position of employment/self employment as a result of training imparted by the ITIs were put in place.

1.2.5. Audit Criteria

The audit findings were benchmarked against the following sources of criteria:

- Training Manual for ITIs prescribed by the Director General of Employment and Training (DGET);
- GoI/GoA guidelines on imparting industrial training to trainees;
- Norms prescribed by NCVT;
- The Apprentices Act, 1961;
- The Assam Financial Rules;
- Assam Treasury Rules;
- Assam Contingency Manual; and
- Prescribed monitoring and evaluation mechanism.

1.2.6 Audit Findings

1.2.6.1 Planning

During the Eleventh Five Year plan, a three tier institutional arrangement for skill development in India was set up consisting of Prime Minister's National Council on Skill Development for apex level policy directions, a National Skill Development Coordination Board for coordinating Skill Development activities across stake holders and National Skill Development Corporation for fostering private participation in skill development.

In Assam, the State Skill Development Council (SSKDC) headed by the Chief Minster was constituted in 2009. A State Skill Development Board (SSDB) headed by the Chief Secretary, Assam was formed in 2011 to implement the approved schemes and skill plans of the state.

In keeping with the mandate of the National Skill Development Agency, it was decided (2011-12) to set up a Skill Development Mission namely the Assam Skill Development Mission (ASDM). It was envisaged that the ASDM shall be the single umbrella organization to bring about successful convergence of all Government departments and other stake holders in skill development. It was also decided that

ASDM shall prepare a skill training plan to increase the capacity and capability of the system to deliver quality skill training leading to meaningful employment.

The DECT stated that GoA had approved the formation of ASDM (September 2015) and the registration of the ASDM under Registration of Society's Act, 1860 was under process. The society was yet to be made functional (November 2015) as the Skill Development Mission was not yet set-up due to inaction on the part of the department.

In order to abridge the widening skill gap between market demand and actual availability, it was decided (2011-12) to set up new ITIs in all uncovered Blocks to help the youths acquire relevant employable skills in different trades.

GoA provided an amount of ₹10 crore in the Budget during the financial year 2011-12 for setting up of 10 new ITIs in Assam under Public Private Partnership (PPP) mode. As of November 2015, neither any action plan was prepared for the purpose nor any fund released. However, to abridge the gap, the DECT, in reply to an audit query, stated that the department was conducting short term courses as per the demand to meet the local need of the industries, stake holder and other government departments. Thus, due to inaction on the part of the department, the plan of setting up ITIs under PPP mode could not take-off despite availability of funds.

During the 12th plan period[4], 50 new ITIs were planned to be setup in blocks, for which an amount of ₹75 crore was proposed for the financial year 2013-14 with the objective of creating additional intake capacity of 2000 seats under CM's Special scheme. The department, however, neither identified the 50 uncovered blocks for setting up of the proposed ITIs nor the GoA released the amount of ₹75 crore as proposed for the purpose. Consequently, the department failed to create any additional intake capacity for Craftsmen Training in the State the existing capacity of 7851seats, which was created till the end of 2009-10.

Though ITIs were to be setup in each block as per the policy of the GoA, there were functional ITIs in only 15[5] blocks out of 219 Development Blocks in the state. Besides, there were 12[6] functional ITIs in Municipality area. The department initiated (April 2007-June 2015) setting up of ITIs in another 43 blocks, which were yet to be made functional (November 2015). In the case of 26 ITIs, there was a delay of more than three months to four years from the schedule date of their being functional, for the reasons of delay in release of funds, non-sanction of post of faculties, land dispute, non-procurement of tools and equipment etc., whereas the remaining 17 ITIs were new initiatives and the status of their construction [establishment] was not on records.

[4] Tenth Plan: 2002-2007; Eleventh Plan : 2007-2012; Twelfth Plan: 2012-2017.

[5] Majuli, Guijan, Shalchapra, Tapang, Dotma, Debitola, Pub Nalbari, Sarupathar, Bhergaon, Barbarua, Kapili, Katlicherra, Chapawongi Nazira, R.K. Nagar, Mazbat, (Guijan having two ITIs). Balance 12 (28-16) ITIs are located in Municipal areas.

[6] Kamrup(M),Nagaon,Bongaigaon,Tezpur,Barpeta,Diphu,Haflong,Lakhimpur,Jorhat,Dhemaji and Goalpara (Kamrup(M) having two ITIs)

Thus, out of 219 Blocks only 58 blocks (15+43) either had ITIs or was in the process of having them. Setting up of ITIs in the balance 161 (219-58) blocks was yet to be initiated, as of November 2015.

1.2.7 Financial Management

1.2.7.1 Budget Allocation and Expenditure

The annual budget allocation and expenditure during 2010-15 by the department are shown in Table-1.1:

Table-1.1
Budget allocation and expenditure

(₹ in lakh)

Year	Budget Allotment	Expenditure	Savings	Percentage of savings
2010-11	8177.05	4929.64	3247.41	39.71
2011-12	8423.66	6102.18	2321.48	27.56
2012-13	5976.24	5081.74	894.50	14.97
2013-14	9897.80	8087.67	1810.13	18.29
2014-15	8631.41	7473.51	1157.90	13.41
Total	**41106.16**	**31674.74**	**9431.42**	

Source: Departmental records.

Against the budget allocation of ₹41,106.16 lakh the department incurred an expenditure of ₹31,674.74 lakh (77.06 *per cent*) during the period 2010-15. Savings occurred mainly due to inability of the department to utililse the fund received under centrally[7] sponsored as well as state sector schemes[8]. As a result, the objective of imparting quality training to craftsmen as well as to provide vocational training to school leavers utilizing the available infrastructure, was frustrated.

1.2.7.2 Rush of expenditure

Assam Financial Rules stipulate that expenditure should be evenly distributed throughout the year and rush of expenditure in the closing month of the financial year should be avoided. Further, to avoid the rush of expenditure towards the fag end of the year, the Chief Minister of Assam, in the budget speech 2013-14, had mentioned to fix quarterly targets of plan expenditure for each department. It was, however, noticed in audit that at the Directorate level, 81.87 to 93.89 *per cent* of the total expenditure was spent in the month of March in each financial year during 2010-15 as shown in Table-1.2:

[7] Skill Development Initiative Scheme, Vocational Training Improvement Project (VTIP), Setting up of Skill Development Authority

[8] Setting up of one Mini ITI in each Block for Development of skill in various trade, Skill Development Mission

Table-1.2
Rush of expenditure

(₹ in lakh)

Year	Total expenditure	Expenditure in March	Percentage of expenditure in March
2010-11	3457.83	3126.02	90.40
2011-12	4267.30	3493.52	81.87
2012-13	5990.01	5158.48	86.12
2013-14	7130.09	6694.31	93.89
2014-15	6152.33	5709.17	92.80

Source: Departmental records.

Rush of expenditure at the fag end of the financial year was not only indicative of inefficient financial management, but also against the spirit of the financial rules on incurring expenditure. On being pointed out in audit the DECT stated (November 2015) that major portion of the fund was received at the fag end of the year.

1.2.7.3 Parking of fund in Civil Deposit

Assam Treasury Rule 16 read with Supplementary Order 50, stipulates that money should not be drawn from the treasury unless it is required for immediate disbursement. Further, Regular Contingency (RC) bill may be drawn in Form 29 supported by sub-vouchers and full details of expenditure. Rule 21 of Assam Contingency Manual also envisaged submission of Detailed Countersigned Contingent (DCC) bills in adjustment of Abstract Contingent (AC) bills drawn, to the sanctioning authority within 25 days of the following month.

Scrutiny of records revealed that between March 2011 and March 2013, the DECT drew a total amount of ₹25.27 crore from treasury through two RC Bills (₹23.27 crore) and one AC bill (₹2.00 crore). The RC bills were drawn on the basis of the list of contractors showing the value of works allotted against each instead of original sub-vouchers. In case of AC bill, no DCC bill against the utilization of the fund was submitted to the sanctioning authority within 25 days of the following month, as required. The amounts so drawn in RC bills and AC bill were kept in Revenue Deposit (RD) account, out of which ₹18.31 crore was withdrawn and utilised leaving a balance of ₹6.96 crore as of June 2015. The details are shown in Table-1.3:

Table-1.3
Position of fund kept in Revenue Deposit

(₹ in crore)

Bill No. & Date	Purpose for which sanctioned	Amount drawn	Amount kept in RD with date	Amount utilised	Balance as on June2015
RC bill no. 465 dt 30.03.11	Establishment of Mini ITI at Boko, Ghilamara, Badarpur etc	9.28	9.28 Date.31.03.2011	7.61	1.67
RC bill no. 466 dt 30.03.2011	Construction of Boys Hostel, Girls Hostel etc	13.99	13.99 Date.31.03.2011	10.70	3.29
AC bill no. 569 dt.29.03.2013	Setting up of Shill development Authority.	2.00	2.00 Date.31.03.2011	0	2.00
Total		**25.27**	**25.27**	**18.31**	**6.96**

Source: Departmental figures.

Audit observed that laid down Rules and procedures were not observed in drawal of above fund from the Treasury with the obvious intention to avoid the lapse of budget grants. Parking the funds in RD account amounted to misleading the Legislature as the amount was shown as spent without actually spending for the purpose for which it was sanctioned and led to overstatement of expenditure. Thus, there was a transfer of fund from the Consolidated Fund to the Public Account unauthorisedly, which tantamounts to fiscal indiscipline and should be strongly discouraged.

1.2.8 Implementation

1.2.8.1 Infrastructure deficiencies

ITIs are required to follow the infrastructure requirements as laid down by NCVT guidelines for providing basic infrastructure in ITIs such as classrooms and workshops. A proper building with adequate space for classrooms, workshops, hostel should be available. Machinery and Equipment for each trade should be as per norms prescribed and Power supply as per requirements of each trade. Besides, basic amenities like Doctor/Pharmacist, drinking water, canteen, play ground etc., should be available in ITIs.

Test-check of records of DECT and selected ITIs however, revealed lack of infrastructure facilities in ITIs as discussed in the succeeding paragraphs.

1.2.8.2 Dilapidated Buildings

As per the information furnished by the DECT, 21 out of 28 ITI buildings (detailed in ***Appendix-1.3***) in the State were between 28 and 59 years old. The old building, class room and furniture in all the ITIs particularly those of Srikona, Jorhat, Bongaigaon, Nagaon, Tezpur, Dhemaji and Nalbari ITIs are in dilapidated condition and needs immediate attention to make them at par with the norms/standards prescribed by NCVT.

- In the test-checked ITI at Srikona it was observed that present building constructed in the year 1957 was in a dilapidated condition. The poor condition was attributed by the Senior Principal, ITI, Srikona to the damage caused by the flood (date not on record) and needed immediate reconstruction, repairs and renovation.

Although the DECT had sent (May 2013) a proposal to the GoA for sanction of ₹2250.00 lakh for carrying out the necessary civil construction, repair and renovation of administrative block, workshop building, principal and staff quarters etc., but no steps had been taken by GoA to address the issues so far.

Dilapidated building of ITI Srikona (18 June 2015)

A non-functional Class room of ITI Srikona (18 June 2015)

1.2.8.3 Inadequate Classrooms

According to NCVT norms, the number of classrooms required for an ITI depends upon the number of students and trades being operated in that ITI. The norms provide for classrooms measuring 30 sq.m. for each trade[9].

In eight out of the nine test-checked ITIs, there was shortage of classrooms ranging between 3 to 15 in numbers as detailed in Table-1.4:

Table-1.4
Shortage of classroom in test-checked ITIs

Name of ITI	No of Trade	Class Rooms required[10]		Class room actually available		Shortage	
		Nos.	Area in sq. m (No of class rooms x 30)	Nos.	Area in sq. m.	Nos.	Area in sq. m
Barpeta	11	11	330.00	3	95.85	8	234.15
Morigaon	5	5	150.00	2	79.50	3	70.50
Jorhat	22	22	660.00	7	548.70	15	111.30
Srikona	16	16	480.00	9	346.36	7	133.64
Tinsukia	13	13	390.00	8	328.00	5	62.00
Tinsukia (W)	6	6	180.00	3	191.00	3	NIL
Diphu	12	12	360.00	9	1102.30	3	NIL
Haflong	7	7	210.00	7	550.00	0	NIL
Guwahati	22	22	660.00	18	903.77	4	NIL

Source: Information furnished by test checked ITIs.

Physical verification of selected ITIs revealed that in the absence of required class room, single class room was used for theory classes of two trades at a time and classes were being conducted in the workshops, which did not have proper sitting arrangement for the trainees.

[9] (2 Units in I & II shift)
[10] One Classroom of 30 Sq.m. for each trade

	
Classes of two trades in a single room at ITI, Jorhat **(11 June 2015)**	***Combined class room and workshop at ITI, Barpeta*** **(27 May 2015)**

As a result, training as envisaged in NCVT norms was not being imparted.

1.2.8.4 Poor Workshop Facilities

The workshop building of ITI should satisfy the trade-wise carpet area norms as prescribed in the DGET training manual. In seven out of nine test-checked ITIs, inadequacies in workshop in respect of 17 trades were noticed as shown in Table-1.5:

Table-1.5
Shortage of space for workshop

Name of ITI	Name of the trades	Requirement of space as per norms (in sq mts)	Space actually available (in sq mts)	Shortage (in sq mts)	Percentage of shortage
Jorhat	Surveyor	84	55.51	28.49	33.92
	Stenography(E)	63	42.84	20.16	32
	Draughtsman	84	71.89	12.11	14.42
	ICTSM.	210	167.9	42.10	20.05
Tinsukia (W)	Draughtsman (Civil)	114	104	10	8.77
Srikona	Cutting &Sewing	64	35.4	28.6	44.69
	Electronics mech	56	53.55	2.45	4.38
Barpeta	Sewing Technology	70	60.4	9.6	13.71
	Stenographer & Secretarial Assistant	48	31.3	16.7	34.79
	Mechanic. Refrigeration and Air-Conditioning.	80	68.34	11.66	14.58
Morigaon	Mechanic Motor Vehicle	210	88.2	121.8	58
	Electrician	98	75.6	22.4	22.86
Tinsukia	Mechanic Motor Vehicle	210	192.72	17.28	8.23
	Draughtsmen (mechanical)	64	38.11	25.89	40.45
	Stenograph & Secretarial Assistant	48	40.58	7.42	15.46
Diphu	Mechanic Diesel	210	99.82	110.18	52.47
	Cutting & sewing	56	40.4	15.6	27.86

Source: Information furnished by selected ITIs.

Shortfall of areas of workshop ranged between 4.38 *per cent* (Trade: Electronics Mech., Srikona) to 58 *per cent* (Trade: Motor Vehicle, Morigaon).

Failure to provide adequate space for workshops affected the imparting of proper training in the ITIs.

Un-hygienic condition of workshop at ITI Haflong (18 June 2015)

Dilapidated workshop under skin care trade at IT Barpeta (27 May 2015)

1.2.8.5 Availability of power supply

NCVT had prescribed power supply requirements based upon the power requirements for each trade. Audit, however, noticed shortages of power supply ranging between 13 KW (Tinsukia-W) to 180 KW (Guwahati) in three[11] out of the nine test-checked ITIs as detailed in Table-1.6:

Table-1.6
Shortage of power supply

(In KW)

Name of ITI	Total requirement of power	Power availability	Shortfall
Barpeta	63.22	119	Nil
Morigaon	21.49	63	Nil
Tinsukia	160	44.44	115.56
Tinsukia(W)	30	17	13
Jorhat	153.12	315	Nil
Diphu	63	63	Nil
Srikona	100	107	Nil
Haflong	25	30	Nil
Guwahati	300	120	180

Source: Information furnished by selected ITIs.

NCVT also prescribed provision of backup diesel generator sets to keep training activities continuing at the time of load-shedding/power-cuts. Audit, however, noticed that two[12] out of nine test-checked ITIs did not have power backup facility at all in the event of power cut/load shedding. The remaining seven test-checked ITIs

[11] Tinsukia, Tinsukia (W), Guwahati
[12] Tinsukia (Women) and Haflong

had backup diesel generator sets, but the same were not sufficient enough to continue training activities during power cut/load shedding. To overcome the problem, the possibilities of considering availability of alternative sources of energy like solar power, etc., which could be possible in a Technical Institute, were not explored. Thus, continuance of proper training during load-shedding/power-cuts was not ensured in all the nine test-checked ITIs.

1.2.8.6 Lack of basic amenities

In the nine test-checked ITIs, basic amenities for trainees such as potable water supply, play grounds, trade related magazines, Doctors, Fire safety equipment, Computer lab facilities etc., were not available as could be seen from details in Table-1.7:

Table-1.7
Non availability of basic amenities

Sl. No.	Basic amenities	Name of test checked ITI where basic amenities not available
1	Potable water facilities	Srikona,Tinsukia,
2	Compound wall	Srikona, Haflong, Tinsukia, Barpeta, Tinsukia(W)
3	Play ground	Haflong
5	Trade related magazine	Srikona,Jorhat,Haflong, Tinsukia, Diphu, Morigaon ,Barpeta, Tinsukia(W)
6	Fire safety equipment	Tinsukia(W)
7	Doctor/Pharmacist	Srikona, Haflong, Tinsukia, Diphu, Barpeta, Morigaon, Tinsukia(W)
8	Quarter/accommodation for staff	Srikona Haflong, Tinsukia, Barpeta, Morigaon,
9	Computer lab	Morigaon, Tinsukia(W)
10	Website	Morigaon, Diphu, Tinsukia(W)
11	Canteen facility	Barpeta, Marigaon , Diphu

Source: Information furnished by selected ITIs.

The above table illustrates the state of unsatisfactory affairs as regards providing of basic facilities as per norms in the ITIs of the State, which would be adversely affecting the educational atmosphere in the institutions.

1.2.8.7 Hostel facilities

The DGET Training Manual provides that hostel facilities should be made available for 50 *per cent* of the trainees in each ITI. It was, however, noticed in audit that except ITI, Tinsukia (Women), none of the test-checked ITIs had hostel facilities for their trainees at present. Besides, the hostel at ITI Tinsukia (Women) had no basic facilities like potable water supply, boundary wall, common mess /food, TV , proper bathroom facilities etc.

Though ITI, Srikona earlier had a hostel, the same became dilapidated and unfit for habitation and had to be closed since 2012 while in ITI, Diphu, though a hostel was constructed in April 2014, the same was not made functional as of November 2015. The Superintendent, ITI, Diphu stated (November 2015) that the hostel could not be made functional due to unavailability of furniture, LPG connection, etc.

In the absence of hostel, the deserving trainees were deprived of the facilities associated with the hostels, including decent accommodation, regulated diet and access to study and play facilities beyond working hours and were left to fend for themselves.

1.2.8.8 Shortage of tools and equipment

The ITIs are required to maintain tools and equipment required as per the trade-wise lists[13] of tools and equipment of the trades concerned as prescribed by NCVT. In the nine test-checked ITIs, audit noticed shortfalls[14] ranging between 22 *per cent* (Diphu) and 80 *per cent* (Tinsukia-Women) in availability of tools and equipment with reference to the standard list of tools and equipment required for the trades as shown in Table-1.8:

Table-1.8
Non availability of tools and equipments

Name	Availability of tools and equipment (in percentage)	Shortfall (in percentage)
Barpeta	42	58
Morigaon	56	44
Tinsukia	60	40
Tinsukia (Women)	20	80
Jorhat	23	77
Diphu	78	22
Haflong	60	40
Srikona	53	47
Guwahati	24	76

Source: Departmental records.

Thus, in the absence of sufficient tools and equipment, proper conduct of practical exercises in the ITIs was questionable and might lead to depriving the trainees from acquiring necessary trade skills and gainful employment. This practice also carries the risk of existing NCVT trades run by these ITIs being de-affiliated.

Some examples of inadequacies in tools and equipments noticed in audit are discussed in the succeeding paragraphs:

(i) ITI, Srikona was running the trade "Mechanic Agricultural Machinery" affiliated under SCVT. As against the intake capacity of 21, only 9 trainees were on roll. Remaining 12 trainees were declared as absconder. Only 30 *per cent* Tools and

[13] A list containing the names of the tools and equipment considered as the basic minimum requirement for a trade.
[14] Average shortfall taking into account shortfall of tools and equipment in all trades in term of percentage.

Equipment were available for practical training. On this being pointed out the Senior Principal, ITI, Srikona, attributed the large scale dropout to lack of motivation on the part of the trainees due to poor infrastructure and acute shortage of tools and equipment for the practical training. Though the matter was taken up by the ITI with the department (June 2012), no action was taken to address the problem (November 2015).

(ii) In ITI Jorhat, audit observed that Tools and Equipment for Stenography trade were obsolete and out of order. There were no facilities for imparting practical training due to non-availability of computers. The trainees (21 numbers) were left to perform their practical training either at home by arranging their own computers or at private coaching centres.

(iii) In ITI, Tinsukia (Women), audit observed that 'Embroidery and Needle Work' trade was upgraded as 'Surface Ornamentation Technique' (NCVT trade), but old tools and equipment were not replaced by the new tools and equipment as required under the new syllabus.

(iv) Computer Numerical Controlled (CNC) machines are essential for imparting training in respect of the turner trade[15]. NCVT, while prescribing the syllabus for the Turner trade, allowed the ITIs either to have their own CNC machine for training or to have a Memorandum of Understanding (MoU) with nearby factories to utilise their facilities. However, the test-checked ITIs at Tinsukia and Jorhat did not have CNC machine though they were running Turner trade. At ITI, Srikona CNC machine was installed during 1999 but the machine remained non-operational since 2000 due to hydraulic pressure failure and subsequent damage of the machine by flood water in 2007. As of November 2015, the ITIs had not entered into any MoU with factories, to use their facilities by the trainees. Thus imparting training for the 'Turner Trade' without CNC machine in the ITI was questionable.

(iv) Under the trade "Refrigerator and Air Conditioning", the trainees among others, are required to undergo practical training on functioning of 'Car Air Conditioning' system. The required equipment for practical training were, however, not available in ITIs at Jorhat, Srikona and Guwahati where the "Refrigerator and Air Conditioning trade" were running.

The non-availability of crucial tools and equipment discussed above indicated the severe limitation under which trainees were performing practical job in selected ITIs.

[15] A trade where the trainees are trained to use special tools to make shape out wood or metal

Obsolete and idle equipment for the trade "Agriculture Machinery" in ITI, Srikona

(18 June2015)

Obsolete sewing machines for use by the trainees under "Surface Ornamentation Technique" trade at ITI, Tinsukia Women
(08 June 2015)

Three trainees using single computer for practical training under stenography trade at ITI Barpeta

(27 May 2015)

The obsolete and non functional typewriter meant for practical training under stenography trade in ITI Jorhat
(11 June 2015)

1.2.9 Trades and affiliation

1.2.9.1 Unaffiliated trades

National Trade Certificate (NTC) is issued by NCVT on successful completion of the training on affiliated trades of the NCVT, which is pre-requisite condition for recruitment to the subordinate posts and services under GoI. Scrutiny, however, revealed that of the 231 operational trades altogether, training on 90 trades had been operated by 28 existing ITIs without affiliation of NCVT in Assam. In nine test-checked ITIs, out of 114 trades 29 trades were found to be operational without affiliation of NCVT. Further, all five trades being operated by ITI, Morigaon were without affiliation by NCVT ***(Appendix-1.4).*** Some of the important non-affiliated trades were electrician, motor vehicle technician, refrigerator and AC mechanic, hair and skin care, dress making, draughtsman etc. The position of non-affiliated trades in test checked ITIs is shown in Table-1.9:

Table-1.9
Non-affiliated trades in test-checked ITIs

Sl. No	Name	No. of trade	No. of trade not affiliated by NCVT
1	Barpeta	11	05
2	Morigaon	05	05
3	Tinsukia	13	04
4	Tinsukia(Women)	06	03
5	Jorhat	22	04
6	Diphu	12	03
7	Haflong	07	01
8	Srikona	16	02
9	Guwahati	22	02
Total		**114**	**29**

Source: Departmental records.

The DECT stated (June 2015) that trades were yet to be affiliated under NCVT due to non-availability of tools and equipment as per NCVT norm and the process of procurement of Tools and Equipment had been undertaken and proposal submitted (November 2015) to the government, which was still awaited.

The reply was silent about why trades such as hair and skin care and dress making etc., which did not require investment in heavy machinery or tools, could not also secure affiliation. Since the trades were not affiliated, the career prospects of the trainees of the concerned trades completing the courses under SCVT were rather dim, particularly with reference to getting the jobs under GoI, as they were not eligible for getting NTC. In the absence of affiliation, it is likely that the standards of teaching would also suffer and the entire industry would be deprived of a large source of skilled manpower.

1.2.9.2 Trades under SCVT

ITIs are provisionally allowed to open trades under SCVT subject to the condition that all such trades opened under SCVT will be affiliated to NCVT in due course of time on fulfillment of conditions prescribed by NCVT. Audit scrutiny, however, revealed that minimum criteria with regard to availability of infrastructure, equipment etc., were not prescribed for allowing ITIs to open trade even under SCVT.

In nine test-checked ITIs, though 29 trades were running under SCVT for a period ranging from 6 to 26 years ***(Appendix-1.4)***, but the records relating to the informal affiliation by SCVT allowing them to run trades could not be produced to audit. Thus, the fact of the affiliation of the trades by SCVT subject to fulfillment of minimum norm/standard could not be ascertained in audit.

Audit scrutiny revealed that operational trades running under SCVT were lacking standard norms of affiliation with NCVT as either existing plant and machinery were obsolete or deficient to the requirement. This was coupled with the shortage of availability of qualified faculties with reference to the scale fixed as per NCVT norms. Though the SCVT trades were to be affiliated to NCVT in due course, the same could not be achieved despite elapse of more than 5 to 18 years of their introduction, which deprived the trainees of seeking jobs under GoI.

1.2.9.3 Registration of SCVT

As per guideline issued (March 2011) by the DGET, the State Government was to ensure that SCVT was registered as a Society in the State, with separate website and bank account. It was, however, observed that neither SCVT was registered as a Society nor a separate bank account and website was opened for SCVT.

1.2.10 Administration of ITIs

1.2.10.1 Trends in admission and dropout

The admission of the trainees in the ITI is to be made purely on merit, based on the marks secured by the candidates in the public examination relevant to the minimum qualification prescribed for the respective trade. Wherever there is no public examination for the minimum qualification level, the selection will be made on merit, based on the marks obtained by the candidates in the examination conducted by the State Directorate through open competitive test for Admission to ITIs**.** The duration of training varies from one year to two years depending upon the trade. The minimum educational qualification for admission to the ITIs is from 8th Standard to Higher Secondary according to the trades. Students of 14 years of age or more are eligible to seek admission in ITIs.

The position relating to sanctioned strength, admission and vacant seats in ITIs of the State during 2010-15 is given in the Table-1.10:

Table-1.10
Admission of trainees in ITI

Admission during	Seats available for admission	Admission sought	Shortfall	Percentage of shortfall
August 2010	4611	4318	293	6.35
August 2011	4608	4563	45	0.98
August 2012	4792	4547	245	5.11
August 2013	4617	4592	25	0.54
August 2014	4828	4734	94	1.95

Source: Information furnished by the department.

The seats available for admission ranged between 4608 and 4828 during 2010-15. The shortfall in admission with reference to availability of seats ranged between 6.35 *per cent* and 0.54 *per cent*. On this being pointed out, the DECT stated (July 2015) that shortfall was mainly due to vacancy of post of trade instructors and low enrolment in non- popular trades[16].

However, in nine test-checked ITIs, increasing trend in enrolment was noticed. The

[16] Dressmaking, Embroidery and Needle Works under SCVT.

percentage of vacant seats decreased from 9.30 in 2010-11 to 3.21 during 2014-15 as given in Table-1.11:

Table-1.11
Admission and vacant seats in test checked ITIs

Admission During	Seats available for admission	Admission sought	Shortfall	Percentage of Shortfall
Aug-10	2698	2447	251	9.30
Aug-11	2730	2503	227	8.32
Aug-12	2519	2412	107	4.25
Aug-13	2671	2582	89	3.33
Aug-14	2489	2409	80	3.21

Source: Information furnished by test-checked ITIs.

Number of candidates who were eligible and appeared for examination in test-checked ITIs during 2010-14 is detailed in Table-1.12 showing number of dropouts:

Table-1.12
Details of Admission and dropout in test-checked ITIs

Year	Nos. of candidates eligible to appear in the examination	Appeared in the examination	Dropout	Percentage of dropouts
2010-11	2166	1824	342	15.79
2011-12	2053	1741	312	15.20
2012-13	2262	1848	414	18.30
2013-14	2057	1723	334	16.24

Source: Information furnished by test checked ITIs.
*****The candidates of two year courses appeared in exam alternately every two years.

The percentage of dropouts in test checked ITIs during the period 2010-14 was ranged between 15.20 to 18.30 percent showing inter year variation.

On this being pointed out, DECT in reply stated that the recruitment for ITI passed candidates in ONGC, OIL, BPCL etc., and other organisations was taking place regularly and as a constant effort ITI authorities were trying hard to provide better environment with a view to reduce dropout rates.

1.2.10.2 Training Grants

According to DGET Manual, Training Grant should be allowed to each Institute @ ₹400 per month per trainee for engineering trades and @ ₹300 per month per trainee for non-engineering trades to cover the cost of the following:

1. Raw material.
2. Consumable stores such as oil, steel, cotton, waste etc.
3. Replacement of hand tools.
4. Repairs to equipment on account of wear and tear.

5. Cost of stationery for training purpose.
6. Cost of light, water and power.

Test-check of records of nine selected ITIs revealed that as against the requirement of ₹643.17 lakh on account of training grants for the period 2010-15, only ₹102.34 lakh was received by the ITIs. The shortfall in release of grants ranged between 28 and 92.04 *per cent* and in 7 out of 8 cases it was well above 60 *per cent* as shown in Table-1.13:

Table-1.13
Shortfall in release of Training Grants during 2010-15

Sl. No.	Name of ITI	Training grant required (₹ in lakh)	Training Grant received (₹ in lakh)	Shortfall (₹ in lakh)	Percentage of shortfall
1	Barpeta	65.25	14.13	51.12	78.34
2	Morigaon	23.04	4.45	18.59	80.69
3	Tinsukia	91.72	9.19	82.53	89.98
4	Tinsukia (W)	21.24	7.06	14.18	66.76
5	Jorhat	239.99	19.10	220.89	92.04
6	Haflong	10.00	7.20	2.80	28.00
7	Srikona	79.10	19.18	59.92	75.75
8	Guwahati	112.83	22.03	90.80	80.48
Total		**643.17**	**102.34**	**540.83**	

Source: Information furnished by test checked ITIs.

The DECT attributed the shortfall in distribution of Training Grant to inadequate funds released by the GoA.

Thus, inadequate Training Grant had hampered ITIs in smooth conduct of training courses as the raw materials and consumables were not available to the required extent for the trades for want of funds.

1.2.10.3 Award of stipend to trainees

DGET Training Manual provides that a stipend of ₹100 per month per trainee will be awarded to all the trainees. However, the state Government was at liberty to increase the rate of stipend in view of the stipend payable under other scheme of GoA.

Test-check of records of DECT and information furnished by the eight out of nine selected ITIs (except Haflong) revealed that the department was adopting the practice of allowing stipend to 50 *per cent* trainees on merit basis instead of awarding stipend to all. As against the enrolment of 11597 trainees, only 6606 trainees (57 *per cent*) were given stipend and balance 4991 trainees were not extended the benefit of stipend as shown in Table-1.14:

Table-1.14
Position of award of stipend to trainees by the eight ITIs during 2010-15

Sl. No.	Name of ITI	No. of Trainees eligible for stipend	No. of trainees to whom stipend was paid	No. of trainees to whom stipend was not paid
1	Barpeta	1005	576	429
2	Morigaon	313	143	170
3	Tinsukia	1108	205	903
4	Tinsukia (W)	423	315	108
5	Jorhat	3544	2003	1541
6	Diphu	809	256	553
7	Srikona	1860	573	1287
8	Guwahati	2535	2535	0
Total		**11597**	**6606**	**4991**

Source: Information furnished by test checked ITIs.

Thus, 4991 trainees were deprived of stipend amounting to ₹248.58 lakh, which they were entitled to.

1.2.10.4 Non-refund of caution money

In order to guard against the loss or damage to equipment, tools and other articles entrusted to his charge, each trainee was required to deposit with the head of the institute/centre, a sum of ₹250 as Caution Money at the time of joining the institute/centre, which was required to be refunded to them as soon as they complete the institutional training and hand over the tools and other articles entrusted to them.

Test-check of records and information furnished by nine selected ITIs revealed that an amount of ₹29.61 lakh was collected as caution money during 2010-15 in respect of 11844 trainees out of which ₹17.39 lakh was refunded to 6956 trainees on completion of their training course and balance ₹12.22 lakh in respect of 4888 trainees retained in the form of cash since 2010-11. The details are shown in the Table-1.15:

Table-1.15
Non-refund of caution money

Sl. No.	Name of ITI	No. of student who completed the course between 2010-15	Caution money collected (₹ in lakh)	Caution money refunded (₹ in lakh)	Balance (₹ in lakh)
1	Barpeta	1005	2.51	0.93	1.58
2	Morigaon	313	0.78	0.40	0.38
3	Tinsukia	1108	2.77	1.42	1.35
4	Tinsukia women	423	1.06	0.60	0.46
5	Jorhat	3544	8.86	6.34	2.52
6	Diphu	809	2.02	1.39	0.63
7	Haflong	247	0.62	0.62	0.00
8	Srikona	1860	4.65	3.05	1.60
9	Guwhati	2535	6.34	2.64	3.70
Total		**11844**	**29.61**	**17.39**	**12.22**

Source: departmental records and information furnished by test checked ITIs

To an audit query in this regard, the DECT stated (November 2015) that caution money, if not claimed after three years, is to be deposited to the government exchequer. This was, however, not followed by the ITIs.

Thus, the retention of caution money in hand by the ITIs without refunding to the trainees or depositing to government account was irregular and fraught with the risk of misutilisation.

1.2.10.5 Centre of Excellence scheme

The broad objective of the centrally-coordinated Vocational Training Improvement Project (VTIP) is to produce high quality craftsmen from publicly funded ITIs, enhance knowledge and skills of ITI instructors and trainers, promote innovations and bring about systematic reforms. The project has three components (i) improving the quality of Vocational Training (ii) Promoting systematic reforms and innovation, and (iii) project management, monitoring and evaluation. Under the component at (i) above, there is a sub-component viz., strengthening of ITIs which aims at strengthening the capacity of ITIs for providing quality training in trades that are in demand in the economy. In most cases, strengthening will occur by establishing Centres of Excellence (CoEs) that focus on individual trade sectors covering multiple trades. Within their specified trade sectors, CoEs provide courses that meet the need for high quality craftsmen by the dominant local industries. The objective of CoEs is to produce a multi-skilled workforce of world standard.

Scrutiny of records of the Superintendent ITI, Diphu revealed that the Director of employment and Craftsman training, Assam awarded (March 2009) the work of construction of workshop building of Center of Excellence at ITI, Diphu under VTIP to a Government contractor at an estimated cost of ₹0.45 crore. The objective of construction of the workshop building was to impart training and organize workshop for students in various fields viz., food preservation, bakery and confectionary, milk and dairy production, agro processing, food beverages, processed food products etc. The contractor had been paid ₹0.42 crore (excluding taxes) between June 2009 and August 2010 and the building was handed over to the Superintendent ITI, Diphu on 16 February 2010 by the contractor.

Further scrutiny disclosed that between March 2010 and March 2015, the DECT procured equipment worth ₹1.34 crore (including VAT) for the above food processing unit at ITI, Diphu from three Guwahati based firms, to whom supply orders were issued between March 2009 and March 2013. Audit observed that the workshop building could not be put to use as of June 2015, for want of specialized faculty/instructor. The Superintendent ITI, Diphu submitted proposals to DECT in June 2012 i.e., two and half years after completion (February 2010) of the building, seeking sanction of six instructors at ITI, Diphu. However, the required staff had not been provided as of November 2015 due to non-sanction of post by the GoA. Consequently, equipment supplied was kept idle in sealed condition in the workshop building and would have lost the coverage of warranty.

Thus, the expenditure of ₹1.79 crore (₹0.45 crore + ₹1.34 crore) incurred on establishment of workshop building and procurement of equipment had not served the intended purpose and the desired benefit contemplated while establishing the workshop building could also not be achieved.

1.2.10.6 Upgradation of ITI through Public Private Partnership

The objective of the scheme was to upgrade the selected ITIs into Centres of Excellence through Public Private Partnership. For each ITI to be covered under this Scheme, one Industry Partner identified by the State Government in consultation with Industry Associations was to lead the process of upgradation. A Memorandum of Agreement (MoA) was to be signed amongst the Central Government, State Government and the Industry Partner in which the terms and conditions for participating in this Scheme and the roles and responsibilities of different parties were to be set out.

Test-check of records of Superintendent, ITI, Tinsukia (Women) revealed that M/s Gold Star Holding, Tinsukia was selected as Industry Partner on the basis of Expression of Interest, to lead the process of upgradation of the ITI under the scheme. The Institute Management Committee (IMC) comprising the representative of Industry Partner and the State Government was constituted (February 2008) with Mr. Willle Ho of Gold Holding, Tinsukia and Superintendent, ITI, Tinsukia (Women) as Chairman and the Member Secretary respectively. The bank account of IMC was to be operated jointly by the Chairman and the Member Secretary.

The Ministry of Labour & Employment, Government of India released (March 2008) ₹250 lakh directly to IMC for upgradation of the ITI, which was not utilised except for an amount of ₹43.36 lakh, which was paid (20 August 2011) to M/s AB Enterprise, Kolkata by a cheque jointly signed by the Chairman and the Member Secretary, IMC, Tinsukia (Women). The purpose for which the amount was paid to the said firm was not available as record relating to IMC, PPP formation, Registration certificate, MOU, Bank Cheque etc.; was not handed over by the then Superintendent ITI, Tinsukia (Women), to the new Superintendent on his transfer despite repeated communication (by the new Superintendent) for handing over the record. Audit scrutiny further revealed that the cheque was fraudulently issued at a later stage (20 August 2011) to M/s AB Enterprise, by the former Superintendent cum Member Secretary and Chairman IMC, with full knowledge of the fact that the new Superintendent had already unilaterally taken over the charge (14 December 2010) of ITI, Tinsukia (Women) as per Government order. The matter regarding fraudulent withdrawal of fund from the IMC account came to light when the new superintendent collected (12 September 2011) the bank Statement of the IMC wherein it was found that the amount was debited on 10.09.2011 fraudulently from Bank account. An FIR was filed in this regard by the existing Superintendent against the Ex-Chairman, IMC and the Ex-Member Secretary and subsequently police recovered the amount (₹43.36 lakh) from the firm, which was returned to IMC account on 30.03.12. Till

June 2015, the entire fund of ₹250.00 lakh released by GoI along with the interest accrued thereon remained unutilized as no step was taken to upgrade the ITI as per the Institute Development Plan already prepared, due to inaction on the part of the department to re-constitute the IMC (November 2015).

Apart from filing FIR, departmental action if any, taken against the erring officials was not found on record. Besides, due to fraudulent withdrawal of fund the department had to incur a loss of ₹95,532[17] on account of interest, which would have been earned had the amount remained in IMC account.

1.2.11 Establishment of new ITIs

1.2.11.1 Construction of ITIs/Mini ITIs

(A) During 2010-11 to 2013-14, the department took initiative to set up three new ITIs at Mangaldai, Kohora and Karimganj under "Additional Central Assistance (ACA)", a 100 *per cent* centrally sponsored scheme. The works (Civil and Electrical) were awarded to three different contractors between February 2011 and March 2014 at a total estimated cost of ₹6.60 crore with a stipulation to complete the works within six months (*i.e.*, by February 2011, March 2012 and March 2014 respectively) from the date of issue of the work orders. As of July 2015, construction of all the ITIs remained incomplete with physical progress of 30 to 60 *per cent* and a total amount of ₹3.54 crore was paid to the contractors. The details are shown in Table-1.16:

Table-1.16
Status of construction of ITIs/ Mini ITIs under ACA

Sl. No.	Location of ITIs / Mini ITI	Year of sanction	Estimated cost (₹ in crore)	Date of commence-ment of works	Target date of comple-tion	Physical progress in *per cent* as on June 2015	Up to date payment made as on June 2015 (₹ in crore)
1	Mangaldai	2010-11	2.00	25-02-2011	24-08-2011	60	1.21
2	Kohora	2011-12	2.50	12-03-2012	11-09-2012	60	2.33
3	Karimganj	2013-14	2.10	25-03-2014	24-09-2014	30	Nil
Total			**6.60**	**Total**			**3.54**

Source: Information furnished by the department.

The reason for delay in completion of works was attributed to land dispute resulting in stoppage of construction works in two cases **(**Kohora and Karimganj**)**, while the reason for delay in the case of Mongaldai was not on record. However, action if any, taken by the department to settle the land dispute was not found on record. Besides, the Directorate could not furnish the related Measurement Books, Contractor Ledger, Register of Works, Utilisation Certificates, RA/Final Bill, Technical Sanction etc., in

[17] From10.09.2011 to 30.03.2012)=201days @ 4 *per cent* interest p.a. applicable for savings accounts.
$$₹\frac{4336990 \times 201 \times 4}{365 \times 100}$$

the absence of which detailed analysis of works could not be done in audit.

(B) During 2010-11 to 2013-14, the department took initiative for setting up of 11[18] new Mini ITIs under "CM's Special Schemes". The works were awarded to seven different contractors between February 2010 and February 2012 at a total estimated cost of ₹21.98 crore. As per the tender agreement and other related records, 11 works for 11 mini ITIs were to be completed by the firm/contractors within a stipulated period of six months (i.e., by 06.08.2011 in the case of five ITIs and by 12.08.2012 for six ITIs) from the date of issue of the work orders. As of June 2015, construction of 11 ITIs remained incomplete despite the delay of more than three to four years. A total amount of ₹17.68 crore (detailed in ***Appendix-1.5***) was paid to the contractors/firms against the above 11 works as of March 2015. The reasons for delay in completion of works were attributed to land dispute resulting in stoppage of construction works in two cases. However, the department did not furnish any document regarding extension of time allowed to the contractors or action taken against them for delay in completion of the works. In the absence of Measurement Books, Contractor Ledger, Register of Works, Technical Sanction, RA/Final Bill etc., detailed analysis of works could not be made in audit. The department stated (June 2015) that two works[19] could not progress due to dispute of land after physical progress of 60 *per cent* and four[20] other works were nearing completion while works relating to remaining five ITIs got completed.

Out of five completed ITIs, two ITIs viz., "Mini ITI at Titabor" (taken over on 16.09.2014) and "Mini ITI at Pathsala" (date of taking over not on record) were completed by the department but remained non-functional till the date of audit (June 2015) due to non-creation of post of faculties and non-installation of tools and machineries. The remaining three Mini ITIs, though completed, were yet to be taken over by the department.

(04 June 2015)

[18] Badarpur, Ledo, Boko, Ghilamara, Titabor, Golaghat, Sadia, Biswanath Chariali, Rangia, Pathsala, Dudhnoi

[19] Badarpur and Sadia.

[20] Ledo,Boko,Gilamara and Golaghat.

(17 June 2015)

(10 June 2015)

Thus, due to delay in completion of works, non-availability of tools and equipment and non-creation of post for faculties, 14 (3+11) ITIs could not be made functional even after incurring an expenditure of ₹21.22 crore (₹17.68 crore + ₹3.54 crore) and the objective of extension of benefit of skill development programme to the school leaving students remained unachieved.

1.2.11.2 Unfruitful Expenditure on ITI building

The construction of ITI at Kajalgaon was taken up during the year 2008-09 at an approved cost of ₹4.57 crore under the centrally sponsored scheme "Establishment of new ITIs in the North Eastern States". The target date for completion of works of the ITI was 10.11.2010. The GoI released the whole amount of ₹4.57 crore between February 2008 and March 2010 out of which ₹3.29 crore was spent for the construction. The balance amount of ₹1.28 crore was not released by the State Government. The reason for non- release of funds by GoA was not on record. As per progress report submitted by the Public Works Department on 02 July 2009, the physical progress of the work was only 40 *per cent*. No up to date progress report of the works was furnished to audit, though called for. The DECT stated (June 2015) that the building was not yet completed due to funds not being released as well as of post not being created for faculties by the State Government.

Thus, the department failed to make the ITI functional even after elapse of more than four years period from the target date and consequently, the entire expenditure of ₹3.29 crore incurred for the purpose remained unfruitful (November 2015).

1.2.11.3 Unfruitful Expenditure on construction of ITI Suklai

The construction of ITI at Suklai in Baksa district was taken up under State Plan Scheme during the year 2007-08 at an approved cost of ₹0.81 crore. Though the target date of completion of the building was 19 September 2007, the building was completed on 26 April 2012 after a delay of more than four years. The scrutiny of records at the Directorate level revealed that the ITI was yet to be made functional. The DECT stated that the ITI was not functional due to failure of the State Government to create posts.

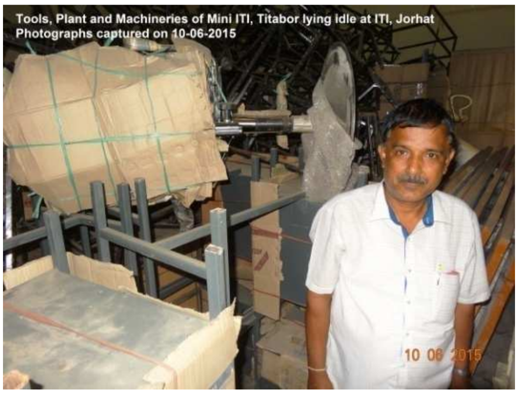
Thus, due to delay in completion of work coupled with non-creation of post of faculties, the ITI, Suklai could not be made functional despite elapse of more than four years period from the target date of completion.

1.2.12 Procurement of Tools and equipment and furniture in advance of requirement

Scrutiny of records revealed that between March 2012 and March 2014, the DECT issued supply order worth ₹20.37 crore to different suppliers for supply of tools and equipment for installation at 12 new ITIs. As the construction of the new ITIs was not completed, the materials so procured were delivered to different existing ITIs for storage till their transfer to the new ITIs. The material were supplied and payment of ₹20.37 crore was made to the suppliers between September 2013 and August 2015 (***Appendix-1.6***). The dates of supply of the materials were neither mentioned in suppliers' bills nor on the delivery challans.

The department failed to initiate steps to complete the construction of any of the new ITIs and get the equipment shifted there for their actual use (November 2015).

This resulted not only in procurement of materials without immediate requirement but also blocking of fund amounting to ₹20.37 crore for more than 11 to 21 months besides the risk of deterioration of quality of material due to prolonged storage, pilferage etc.



(10 June 2015)

(10 July 2015)

(05 June 2015)

(18 June 2015)

1.2.12.1 Short supply of material

It was noticed that the DECT paid an amount of ₹0.19 crore to M/s Karma Enterprise for supply of tools and equipment for Electrician Trade (Unit I & II) on 26 September 2013 for installation at ITI, Ledo. As the construction of ITI, Ledo was not completed, the material was stored at ITI, Tinsukia as a stop gap arrangement.

During joint physical verification (June 2015) of store site at ITI, Tinsukia it was noticed that the supplier did not supply tools and equipment worth ₹ 0.09 crore (***Appendix-1.7***) although the payment for the same was already made. This resulted in overpayment of ₹0.09 crore made without actual supply of material. During exit meeting (October 2015), DECT stated that the matter would be examined and result intimated to audit, which was awaited (November 2015).

1.2.13 Post ITI-Follow up measures

1.2.13.1 Apprenticeship training scheme

The ITIs produce semi-skilled workers. In order to improve their skills and expose them to industrial environment, the trainees who successfully complete their training are sponsored to industrial establishments and are given apprenticeship training under the Apprentices Act, 1961. The period of apprenticeship training varies from six months to four years depending upon the trade. The Apprenticeship scheme is to be implemented in the State through State Apprenticeship Advisor.

As per the provisions of the Apprentices Act, 1961, it is obligatory on the part of an employer to train a certain number of apprentices assigned by the State Apprenticeship Advisor in designated trade. Further, the department has the power under the Apprentices Act to take penal action against industries which failed to provide apprenticeship training to the ITI passed candidates under the Apprentices Act.

The department, in co-ordination with Chief Inspector of Factories (CIF) of the State, has to identify the industries and also the seats in each identified industry to provide apprenticeship training to the trainees on successful completion of training in ITIs., Scrutiny of records, however, revealed that the department could neither identify the industries nor the number of seats for the placement of trainees for the apprenticeship training.

Three[21] out of nine test-checked ITIs were not implementing apprenticeship training at all. Test-check of records of remaining selected ITIs revealed that placement of trainees were made based on the requirement from the industries instead of placement of trainees against seats identified by the department based on the survey.

The number of candidates registered for apprenticeship training and their placement in different industries during 2010-11 to 2014-15 in nine test-checked ITIs are shown in Table-1.17:

[21] Barpeta,Marigaon and Tinsukia(Women)

Table-1.17
Trainees registered for apprenticeship and their placement in selected ITIs

Year	No of trainees registered	No of placement into apprenticeship	Percentage of placement
2010-11	905	162	17.90
2011-12	956	182	19.04
2012-13	840	127	15.12
2013-14	875	109	12.46
2014-15	901	87	9.66

Source: Departmental records.

From the above table, it would be evident that even the percentage of placement in apprenticeship training *vis-a-vis* trainees registered was very low and ranged between 9.66 *per cent* and 19.04 *per cent* during 2010-15 in six test-checked ITIs[22].

Thus, The DECT, responsible for implementing the scheme being the nodal officer, failed to implement the apprenticeship training to be imparted as per Apprentices Act, 1961 effectively and as a result, trainees were deprived from the advantage of gaining experience through practical training under industrial environment.

1.2.14 Ex-trainees follow-up

ITIs are to maintain 'Record cards' of ex-trainees as a follow-up measure to ensure that the ITI trainees on successful completion of the training have been able to secure employment. If employed, the name of the employer should be given; failing which, the whereabouts of unemployed trainees should be shown in the record cards. The trainees should also be asked to report periodically to the respective ITI till they get employed.

Scrutiny of records, however, revealed that no such record cards in respect of ex-trainees were maintained in any of the test-checked ITIs, thereby failing to follow-up the employment status of ex-trainees.

Some of the it is, however, stated that henceforth record cards would be maintained.

1.2.15 Human resources management

DGET had prescribed a specific scale of technical staff admissible for ITIs. The number of posts admissible for an ITI depends upon the seat capacity of the institute and the number of various trades wherein the training is being imparted in that ITI. The State Government sanctioned technical posts for ITIs, based on the above criteria. Audit noticed that vacancies in the technical cadre in the State as on June 2015 ranged from 19 to 100 *per cent* as given in Table-1.18:

[22] Tinsukia, Jorhat, Diphu, Srikona, Haflong,Guwahati

Table-1.18
Vacancy position in technical cadre as on May 2015

Sl. No.	Name of the post	Sanctioned Post	Man on roll	Vacancies	Percentage of vacancies
1	Deputy Director	5	0	5	100
2	Senior Principal/	4	3	1	25
3	Sr Supervisor	20	1	19	95
4	Supervisor	41	9	32	78
5	Superintendent	20	16	4	20
6	JAA	9	0	9	100
7	Technical Assistant (Sr)	2	1	1	50
8	Technical Assistant (Jr)	5	2	3	60
9	AVTS Instructor	4	0	4	100
10	Sr Instructor	125	96	29	23
11	Jr Instructor	411	331	80	19

Source: Departmental records.

In test-checked ITIs of Diphu and Haflong, six trades were discontinued and one trade[23] could not be operationalised due to non-availability of instructors as shown in Table-1.19:

Table-1.19
Position of non-operative trades

Name of ITI	Name of the trade	Year of introduction	Year from when the trade remained non-operative	Reason for non-operative
Diphu	1.Cutting & Sewing	1964	2006	Non availability of Instructor
	2.Steno English	1964	2012	Non availability of Instructor
	3.Food Processing under COE	2009-10	2010	Non availability of Instructor
	4.COPA	Not operational	--	Non availability of Instructor
Haflong	5.Wireman	1986	2010	Non availability of Instructor
	6.Dress making	1986	2011	Non availability of Instructor
	7.Plumber	1986	2002	Non availability of Instructor

Source: Information furnished by the ITIs.

Thus, the shortage of technical personnel had adversely affected the smooth conduct of training classes in the ITIs.

[23] Computer Operator and Programming Assistant (COPA).

1.2.16 Training

The Craft Instructors' Training Scheme is operational since inception of the Craftsmen Training Scheme. The objective of the Craft Instructors' Training is to train Instructors in the techniques of transferring hands-on skills, in order to train manpower for industry. Structure of training programme is such that comprehensive training, both in skill development and training methodology, is imparted to the trainees.

During the year 2010, GoI also allowed setting up of the Instructor Training Institute by the State/UT Governments. In order to maintain quality and standards of Instructor Training, NCVT had approved separate standards for infrastructure and course curriculum. The institutes meeting the standards would be affiliated with NCVT. Such institutes are named as Institute for Training of Trainers (ITOT). However, scrutiny of records revealed that no such training institute was established in the state as of June 2015. Also the department could not furnish the status of training imparted to the instructors.

In nine test-checked ITIs, it was observed that only 65 out of 230 instructors were trained under craftsmen training scheme at different ITOTs outside the state during 2014-15 and the remaining 165 (71.74 *per cent*) instructors were yet to be imparted comprehensive training both in skill development and training methodology.

1.2.17 Internal control and monitoring

1.2.17.1 Internal audit

For efficient management of any organisation, an effective internal control mechanism should be in place to avoid/minimise errors, tap instances of misappropriation, fraudulent payment etc. As a part of internal control, an effective internal audit arrangement should be in place to ensure compliance with the provision of the financial Rules and regulations. Audit observed that there was no internal audit wing set up by the department and no internal audit was conducted during 2010-15 by the department.

1.2.17.2 Inspection of ITI

The Inspecting Officer of the State Directorate of training should visit the training institute under their charge as frequently as possible and inspect and advise the ITIs on the training and work of the trainees. They should conduct trade test for the trainee from time to time, check the efficiency of the instructors and assist the Principals of training institutes in all matters relating to the training classes. NCVT prescribed that each training centre in the State should be inspected at least once a quarter by an Inspecting Officer of the State Directorate of Training. Besides, at least one centre in the state should be inspected once a year by a tripartite team consisting of representatives of Director of Training and the industries which are running training schemes and the representative of labour organization. The position of inspection in nine test-checked ITIs during 2010-15 is shown in Table-1.20:

Table-1.20
Inspection of Test-checked ITIs

Year	Minimum target for inspection		Actual inspection		Shortfall (in *per cent)*	
	Directorate (9X4)	Tripartite team	Directorate	Tripartite team	Directorate	Tripartite team
2010-11	36	01	06	0	30 (83)	01 (100)
2011-12	36	01	05	0	31(86)	01 (100)
2012-13	36	01	05	0	31(86)	01 (100)
2013-14	36	01	10	0	26(72)	01 (100)
2014-15	36	01	05	0	31(86)	01 (100)

Source: Information furnished by test checked it is.

The above table indicated shortfall in respect of inspection at directorate level ranging between 72 and 86 *per cent.* No tripartite and DG & ET level inspection was carried out in any of the test-checked ITIs during the above period. Further, no inspection was carried out in ITI, Haflong by the Directorate during the above period. This indicated poor monitoring over the functioning of ITIs in the State.

On this being pointed out, the DECT stated (June 2015) that no target for inspection was fixed during the period as timeline could not be maintained due to shortage of officers.

1.2.18 Beneficiary Survey

During the course of audit, the audit team conducted beneficiary survey on 20 trainees in each of the test-checked ITIs to assess the satisfaction level of the beneficiaries on different parameters relevant to imparting training on skill development and availability of infrastructural facilities at the institutes. A large number of students opined that the institutions did not provide employment/ entrepreneur friendly environment by organising campus recruitment etc. They were not satisfied both with the role of the "Placement Cell" of the institution and the amount of curricular activities at the institution. Many of the students were not satisfied with the condition of the classrooms and stated that the practical rooms/raw material/laboratories were not equipped with sufficient tools/apparatus/computers/ power supply, etc. Further, many of them mentioned that no exposure trips to factories/manufacturing units were organised ever. Besides, lack of availability of basic facilities like safe drinking water, library facility, play grounds, first aid box/ other medical facilities and canteen facilities in the ITI campus also came to light during the survey. The detailed findings are included in ***Appendix-1.8.***

The response clearly illustrated that a large number of the beneficiaries were not satisfied with the training on skill development and infrastructural facilities provided in the ITIs.

The audit team also interacted with the heads (Senior Principals/Principal/ Superintendent) of the nine test-checked ITIs to ascertain their views on the facilities made available and other constraints on various issues faced by the institutions towards their functioning. The important feedbacks were as under:

- Seven[24] of the nine heads of institutions were not satisfied with the condition of the existing infrastructural facilities.
- Eight[25] of the nine heads of institutions opined that the practical rooms/ laboratories were not equipped with adequate tools/apparatus/computers/ power supply etc.
- Six[26] heads of institutions were not satisfied with the functioning of the "Placement Cell" while in the remaining three institutions, no Campus recruitment was held during 2010-15.
- All the heads of institutions opined that the shortage of tools and equipment, inadequate fund provided for the purchase of raw material, repairs and renovation of the building, shortage of staff etc., were the main bottlenecks towards smooth functioning of the institutes.

1.2.19 Conclusion

Though the GoA had approved the formation of ASDM (September 2015) and its registration under Registration of Society's Act, 1860, the ASDM was yet to be made functional (November 2015) due to poor planning on the part of the department. The objectives of the Craftsmen Training Scheme for imparting skills in various vocational trade to meet the skilled manpower requirement for industrial growth of the country had not been achieved to the desired extent in the State due to inadequate infrastructural facilities such as building, lack of class room, workshop etc., in the existing ITIs. Huge deficiency of tools and equipment with reference to the norms prescribed by the NCVT were noticed in test-checked ITIs which in effect not only barred affiliation of 29 trades by NCVT but also invited risk of de-affiliation of sizeable number of trades being run under NCVT. Shortage of required technical staff resulting in discontinuance of the existing trades was also noticed in audit. The apprenticeship scheme was not being implemented effectively in coordination with industry. The department failed to provide hostel facilities in most of the ITIs. Adequate training grant was not provided and shortage of power supply was noticed in the test checked ITIs. Shortfall in the inspection of the ITIs at directorate level and non-existence of internal audit system indicated poor internal control mechanism in

[24] Diphu, Haflong, Guwahati, Marigaon, Barpeta, Srikona, Tinsukia.
[25] Diphu, Jorhat, Guwahati, Marigaon, Barpeta, Srikona, Tinsukia and Tinsukia (W).
[26] Diphu, Haflong, Guwahati, Barpeta, Tinsukia and Tinsukia (W).

the department**.** Deficiencies in terms of infrastructure, equipment etc., was also noticed in respect of the lone test-checked women ITI (ITI, Tinsukia) due to failure on the part of IMC, Tinsukia, to utilise the fund released (March 2008) by GoI under PPP for upgradation of the institute. Besides, deficiencies were also noticed in respect of women-centric trades like Hair and Skin Care, Cutting and Sewing, Embroidery and Needle Works, etc., in other test-checked ITIs. The department initiated construction of new ITIs without ensuring their timely completion and operationalisation. Consequently expansion and operationalisation of new ITIs in uncovered area remained unachieved since 2006. Increasing trend of enrolment of trainees both in nine test-checked ITIs (except in 2012-13 and 2014-15) as well as other ITIs in the State (except in 2012-13) was noticed during 2010-14.

1.2.20 Recommendation

- The ASDM should be operationalised immediately.
- The department should take concrete and time-bound action for the completion of ongoing construction of new ITIs and make them operational by providing required tools and equipment and equip them with adequate staff.
- Apprenticeship training scheme should be implemented effectively in coordination with industry to supplement acquisition of skills needed for actual work place to increase the scope of employment opportunity.
- The existing placement cells of the ITIs may be strengthened and campus interviews in line with the IIMs/IITs may be ensured for better prospect of employability.
- Infrastructure facilities like buildings, classrooms, workshops of the existing ITIs should be strengthened to make them at par with the norms fixed by NCVT. Efforts should be made to provide hostel facilities to the deserving trainees by constructing hostel as per the requirement in a time-bound manner.
- The department should take concrete action for the procurement of tools and equipment as required under NCVT norms so as to ensure affiliation of all the trades being run by the ITIs and to increase employability in GoI also through grant of National Trade Certificate to the trainees.
- The instructors needed to be trained periodically to keep them up to date to the changing skills and technology.

Welfare of Plain Tribes and Backward Classes (WPT&BC) Department

1.3 Implementation of Welfare Programmes for Scheduled Tribes (STs) and Other Backward Classes (OBCs) by the Directorate of Welfare of Plain Tribes & Backward Classes (WPT&BC)

Government of India (GoI) has taken various measures to improve the socio economic conditions of downtrodden sections of the society including STs and OBCs since independence. Government of Assam (GoA) also actively contributed to help the cause of these underprivileged communities of the State. Although considerable progress has been achieved in this front, but still a lot needs to be done. The Performance Audit of welfare programmes for STs and OBCs was carried out and all the major Central Sector/Centrally Sponsored and State Plan schemes implemented by the Director of WPT & BC during 2010-15 for the welfare of STs and OBCs were covered. The Performance Audit of welfare schemes in the State revealed deficiencies in planning, release and utilisation of funds and programme implementation. Besides, instances of excess/doubtful/unfruitful/ wasteful expenditure were also noticed. Some of the significant audit findings are highlighted below.

Highlights

Planning was not need based. Emphasis was given in annual plan only for spending the allocated funds. Neither field level inputs were considered in formulating the annual plan nor was any area specific physical target set for the welfare of STs and OBCs.

(Paragraph-1.3.3)

Plan funds totalling ₹295.93 crore were withdrawn during 2010-15 from Government exchequer and kept in Revenue Deposit (₹194.32 crore) and in Deposit at Call Receipts (₹101.61 crore).

(Paragraph-1.3.4.2.1)

Funds amounting to ₹29.62 crore under Article 275 (1) of the Constitution of India for the years 2013-15 were not released by GoI for not following the norm of allocation of funds to the Integrated Tribal Development Projects (ITDPs) by the State Government.

(Paragraph-1.3.5.1.2)

Delay in release of funds resulted in number of works remaining incomplete including hostel buildings taken up under different schemes depriving the

intended benefits to eligible ST & OBC beneficiaries/students from remote areas from availing of better educational opportunities.

(Paragraphs-1.3.5.1.3, 1.3.5.2.1 and 1.3.5.3.1)

Excess expenditure of ₹2.26 crore was incurred by the Director of WPT & BC towards procurement of Cotton Yarn at a higher rate disregarding the lowest available rate.

(Paragraph-1.3.5.6.1)

Expenditure of ₹73.50 lakh incurred for the Bamboo Plantation in Bodoland Territorial Council (BTC) areas under North Eastern Council (NEC) scheme for generating income by beneficiaries proved wasteful due to plantation of Chinese variety of bamboo having no market value.

(Paragraph-1.3.5.6.4)

Expenditure of ₹90 lakh incurred for providing Computer training to unemployed youths of BTC areas by an NGO to generate employment proved unfruitful since Diploma Certificates were not issued to successful candidates by the NGO.

(Paragraph-1.3.5.9.2)

1.3.1 Introduction

The Department for Welfare of Plain Tribes and Backward Classes (WPT & BC), GoA is vested with the responsibilities of formulation and implementation of programmes for the welfare of STs, Scheduled Castes and OBCs in the State under the provisions of the Assam SC/ST Reservation Act, 1978 and Rules framed thereunder. Accordingly, GoA with the financial assistance from GoI, had been implementing various schemes through its three[27] directorates for economic and social upliftment of STs, SCs and OBCs of the State.

The Performance Audit on the implementation of welfare programmes for STs (Plains)[28] and OBCs covered the performance appraisal of the welfare programmes for STs and OBCs implemented by the Department of WPT & BC through the Director, WPT & BC.

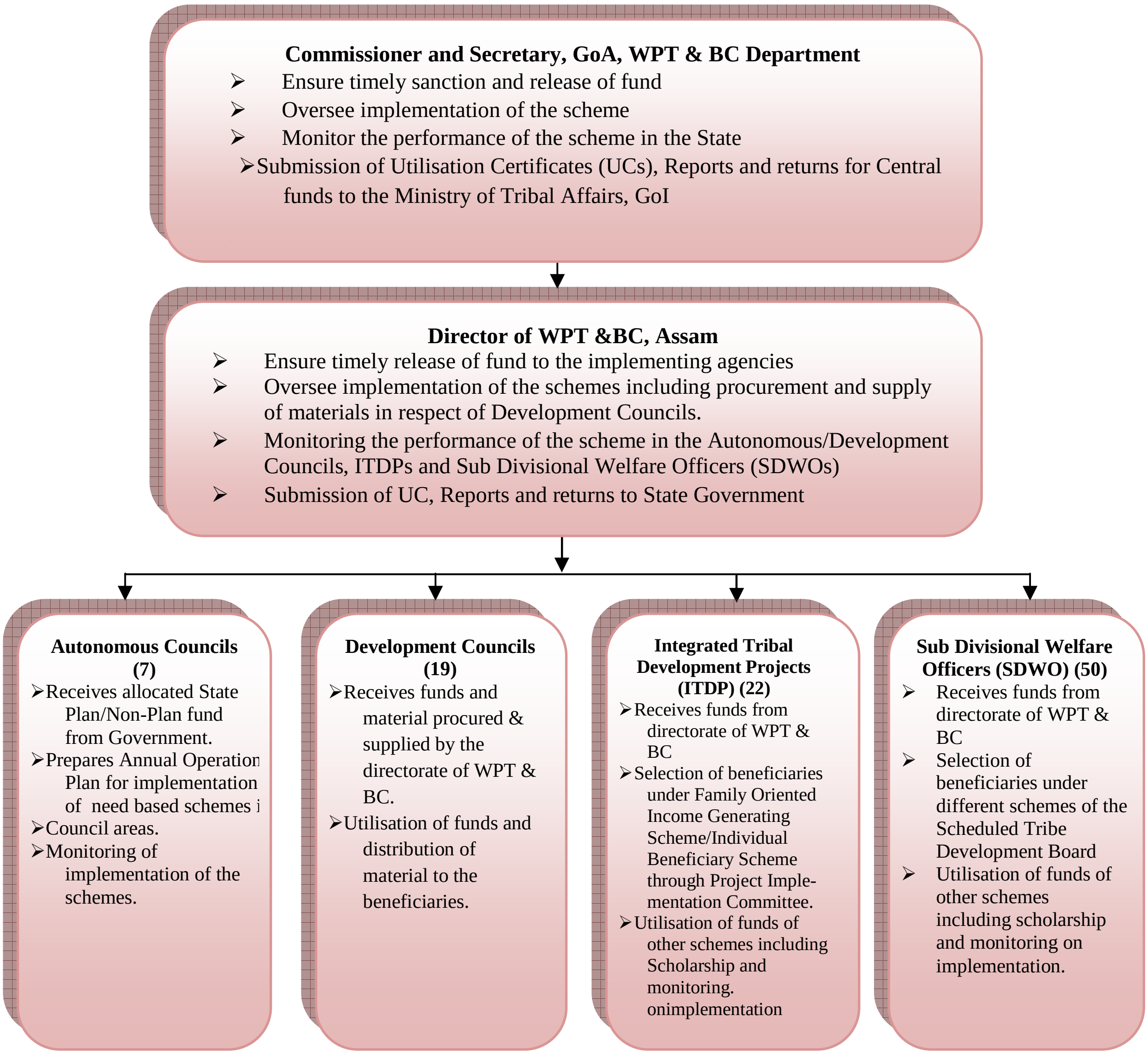
1.3.2. Framework of audit

1.3.2.1 Organisational Structure

Organizational set up of the Department of WPT & BC is shown in the Chart 1.2:

[27] (i) The Directorate of the Welfare of Plain Tribes and Backward Classes, Assam; (ii) The Directorate of the Welfare of Scheduled Castes, Assam and (iii) The Directorate of Assam Institute of Research for Tribal & Scheduled Castes.
[28] Scheduled Tribes people living in plain areas.

Chart 1.2: Organisational structure of WPT & BC Department



Source: Departmental records.

1.3.2.2 Audit objectives

The objectives of the Performance Audit were to assess whether:

- Planning process for implementation of various welfare programmes was well designed, need based and relevant to the operational environment.
- Funds allocated were adequate, releases were in time and utilization was economical, efficient and effective.
- Implementation of welfare programmes for the development of STs/OBCs was effective.
- Monitoring and evaluation mechanism of the schemes/programmes in place was effective.

1.3.2.3 Scope of audit

The Performance audit covering the period 2010-15 was carried out during April-July 2015 through detailed scrutiny of records maintained in the offices of the Commissioner and Secretary, WPT & BC Department, GoA, Director of WPT & BC, Assam, seven[29] Project Directors of Integrated Tribal Development Projects (ITDPs), eight[30] Sub Divisional Welfare Officers (SDWOs), two[31] Autonomous Councils and five[32] Development Councils. During audit, besides conducting physical verification and beneficiary survey, information collected from Autonomous Councils, ITDPs and SDWOs was cross checked with reference to the records of the Director of WPT & BC.

1.3.2.4 Audit sampling

30 *per cent* of the ITDPs, Autonomous Councils and Development Councils were selected by using Probability Proportional to Size Without Replacement (PPSWOR) with size measurable as the total amount sanctioned/released during the period of audit coverage. Under the geographical area of selected ITDPs/Autonomous Councils/Development Councils, 25 *per cent* of SDWOs were selected by using Simple Random Sampling Without Replacement (SRSWOR) method.

Within each selected SDWOs, 20 beneficiaries were selected by Systematic Random Sampling method for carrying out the beneficiary survey.

1.3.2.5 Audit criteria

The criteria for the performance audit were benchmarked against the following sources:

- Guidelines of the respective schemes.
- Circulars/Instructions/orders contained in the Sanction orders/release of fund.
- Rules/Acts/Manuals regulating utilization of Government fund.
- Periodical reports/returns prescribed by the State Government.

1.3.2.6 Audit methodology

The Performance Audit of welfare schemes in the State was undertaken after conducting feasibility studies and preparation of guidelines. The performance audit commenced with an entry conference held (21 April 2015) with the Commissioner and Secretary to the GoA, WPT & BC Department and Director, WPT & BC, Assam, wherein the audit objectives, scope and criteria were discussed and inputs of the

[29] (i) Barpeta (ii) Dhemaji (iii) Guwahati (iv) Jorhat (v) Kokrajhar (vi) Majuli and (vii) Rangia.

[30] (i) Barpeta (ii) Gohpur (iii) Bajali (iv) Kokrajhar (v) Majuli (vi) Jorhat (vii) Tamulpur and (viii) Udalguri.

[31] (i) Bodoland Territorial Council and (ii) Mising Autonomous Council.

[32] (i) Amri Karbi (ii) Koch Rajbongshi (iii) Moria (iv) Nath Yogi and (v) Sarania Kachari.

departmental officers were obtained. During field Audit (May - July 2015), apart from examination of records of selected offices, responses to audit questionnaires and the information obtained through beneficiaries' survey were analysed. Physical verifications regarding implementation of the programmes were undertaken and photographic evidences were also obtained to substantiate the audit observations. At the conclusion of audit, the findings were discussed in the exit conference (08 October 2015) with the Additional Chief Secretary to the Government of Assam, WPT&BC Department, Secretary to the Government of Assam, WPT&BC Department, Principal Secretary, BTC and Director of WPT&BC, Assam and their replies have been incorporated in the Report appropriately.

1.3.2.7 Acknowledgement

The office of the Accountant General (Audit), Assam acknowledges and appreciates the cooperation extended by the Secretariat of GoA, WPT & BC Department, Directorate of WPT & BC, Assam, PDs of ITDPs, SDWOs, Principal Secretaries of Autonomous Councils and Chairpersons of Development Councils during the course of the Performance Audit.

1.3.3 Planning and capacity building

1.3.3.1 Annual Plan

Planning is an integral part of programme implementation. The department implemented number of schemes ranging from 32 to 38 each year during 2010-15[33] under Central Sector, Centrally Sponsored and State Plan Schemes (besides release of funds to Autonomous Councils for utilisation as per their Annual Operation Plan) but Annual plans for the period 2010-15 were found prepared by the department only after funds were earmarked, which disclosed that planning was restricted mainly to utilizing the funds allocated by GoI/GoA. Further, funds totaling ₹295.93 crore could not be utilized during 2010-15 as per Annual Plans and kept in Revenue Deposits (RDs)/Deposit at call Receipts (DCRs) etc. The Census Report 2011 contained the data in respect of STs but did not provide population data of OBCs of the State. The department, however, neither did conduct any survey to prepare a database nor prepared a roadmap to bring all the families of the OBC community under the purview of welfare programmes so that holistic development of these communities could be accomplished.

33

Year	No. of schemes implemented (CSS)		No. of schemes implemented (CS)		No. of schemes implemented (State Plan)		Total
	ST	OBC	ST	OBC	ST	OBC	
2010-11	1	-	3	1	21	6	32
2011-12	2	2	3		22	7	36
2012-13	2	3	4		21	8	38
2013-14	3	3	3		20	5	34
2014-15	3	-	3	3	20	6	35

Source: Departmental records.

There were two separate Advisory Councils for STs and OBCs both headed by the Hon'ble Minister of WPT&BC and all MPs and MLAs of the State (Plain district) of the respective communities as the members of the State Level Advisory Councils for giving suggestions and recommendations for proper implementation of programmes and to review the progress of the various schemes/programmes. The Committee for STs met only once (2010-11) during the entire plan period of 2010-15. Recommendations of the committee, if any, were, however, not found on record. There was no record regarding any meeting of Advisory Council for OBC held since its constitution in February 2012. Thus, value addition in the Plan from the recommendations/suggestions of this expert group was absent.

Neither any area specific physical targets were set seeking necessary inputs from the field level by conducting surveys nor were any strategy evolved to incorporate need based programmes in the annual plans by the Director of WPT&BC. The planning also lacked setting targets for completing the number of incomplete works undertaken under different schemes relating to the welfare programmes of STs & OBCs.

1.3.3.2 Infrastructural facilities in Development Councils

In order to optimise participation of different communities of the backward classes for their Socio-economic, Educational, Cultural and Ethnic advancement, GoA established 19 Development Councils (DCs)[34] during 2010-11 but any Act or regulation to govern the DCs was, however, not framed as yet. Although instructions/guidelines were issued from time to time for continuing the activities of the DCs, required infrastructure and manpower were not provided with the DCs. It was noticed that the offices of the test-checked DCs were being run from the rented houses. Since the required infrastructure and manpower was not available, the smooth functioning of the DCs was hampered. They failed to maintain basic records like cash book etc. The earmarked funds for the DCs under State Plan were being utilised through the Director, WPT & BC *(hereafter "the Director")* entrusted by GoA (March 2013) on their behalf. Thus, the intended objectives of creation of the DCs remained unfulfilled affecting smooth implementation of the welfare programmes in the State.

1.3.3.3 Human Resources in ITDPs and SDWOs

In the test-checked ITDPs (7) and SDWOs (8), the posts of the Project Director of ITDP and Sub Divisional Welfare Officer were either lying vacant or never filled up. These offices were being run/looked after by the Project Director of District Rural Development Agencies (DRDAs), Extra Assistant Commissioners (EACs) or Additional Deputy Commissioners (ADCs) of local stations except the office of the

[34] (i) Adivashi (ii) Koch Rajbangshi (iii) Chutia (iv) Gorkha (v) Sarania Kachari (vi) Amri Karbi (vii) Tai-Ahom (viii) Motok (ix) Tea Tribe (x) Moran (xi) Nath Jogi (xii) Bishnupriya Manipuri (xiii) Moria (xiv) Maimal (xv) Manipuri (xvi) Singpho (xvii) Sadharan Jati (xviii) Mech Kachari and (xix) Barak Valley Tribe Development Council.

SDWO, Tamulpur which was being looked after by the PD, DRDA, Baksa, Mushalpur, a place 60 Km away from Tamulpur. Thus, in the absence of the posting of regular PD, ITDPs and SDWOs in these offices, monitoring and evaluation of the programmes/schemes to be implemented through ITDPs and SDWOs, by the officers holding additional charges could not be effective and would have adverse impact on the implementation of welfare schemes for STs/OBCs in the State.

On this being pointed out, the Director, WPT&BC stated (November 2015) that the matter had been taken up with the Government for regular posting of PD, ITDPs and SDWOs.

1.3.4 Financial Performance

1.3.4.1 Financial Position

For welfare of STs and OBCs, GoA, WPT & BC department implemented various programmes through different implementing agencies during 2010-15. The summarised financial positions of all the schemes are shown separately in **Table-1.21** and **Table-1.22**.

Table-1.21
Position of budget provision, fund released and expenditure incurred for ST (Plains) (2010-15)

(₹in lakh)

Year	Budget provision		Fund released against the Budget provision	Previous balance	Fund available	Expenditure incurred w.r.t. funds available	Closing balance
2010-11	State Plan	15947.00	7831.15	4769.89	12601.04	8153.15	4447.89
	CSS[35]	60.80	6.00	-	6.00	6.00	-
	CS[36]	19114.91	10585.22	4009.46	14594.68	12980.22	1614.46
2011-12	State Plan	25499.77	24894.02	4447.89	29341.91	19098.02	10243.89
	CSS	5686.80	4209.95	-	4209.95	4209.95	-
	CS	17259.84	10497.89	1614.46	12112.35	11541.37	570.98
2012-13	State Plan	41125.39	39882.26	10243.89	50126.15	22815.41	27310.74
	CSS	6164.80	3402.63	-	3402.63	3402.63	-
	CS	23954.05	9193.05	570.98	9764.03	9193.05	570.98
2013-14	State Plan	36197.40	32619.78	27310.74	59930.52	37734.49	22196.03
	CSS	6754.80	2347.02	-	2347.02	2347.02	-
	CS	15632.00	2124.71	570.98	2695.69	1771.19	924.50
2014-15	State Plan	45434.02	29293.57	22196.03	51489.60	32933.81	18555.79
	CSS	13810.00	4846.54	-	4846.54	4846.54	-
	CS	45427.00	2494.33	924.50	3418.83	2542.41	876.42
Total		**318068.58**	**184228.12(58%)**		**260886.94**	**173575.26(66%)**	

Source: *Departmental records/information furnished.*

[35] Centrally Sponsored Schemes (on sharing basis between GoI and the State).

[36] Central Sector (fully funded by GoI).

Table-1.22
Position of budget provision, fund released and expenditure incurred for OBCs (2010-15)

(₹in lakh)

Year	Budget provision		Fund released against the Budget provision	Previous balance	Fund available	Expenditure incurred w.r.t. funds available	Closing balance
2010-11	State Plan	2640.00	2233.92	-	2233.92	1597.54	636.38
	CSS	543.24	543.24	-	543.24	543.24	-
2011-12	State Plan	944.28	782.33	636.38	1418.71	782.33	636.38
	CSS	1250.00	350.67	-	350.67	350.67	-
2012-13	State Plan	1625.32	1161.12	636.38	1797.50	1286.67	510.83
	CSS	1581.00	1293.13	-	1293.13	1293.13	-
2013-14	State Plan	1420.58	883.40	510.83	1394.23	1394.23	-
	CSS	2250.00	2050.51	-	2050.51	2050.51	-
2014-15	State Plan	8618.02	468.23	-	468.23	468.23	-
	CSS	4450.00	2058.94	-	2058.94	2058.94	-
Total		**25322.44**	**11825.49(47%)**		**13609.08**	**11825.49(87%)**	

Source: *Departmental records/information furnished.*

From the tables above, it can be seen that for implementation of welfare programmes for STs, GoA released only 58 *per cent* (₹1,842.28 crore) fund of the total budget allocation (₹3,180.69 crore) during 2010-15. Against this low allocation, the Director could utilize only 66 *per cent* (₹1,735.75 crore) of the total funds available (₹2,608.86 crore). In effect only 55 *per cent* of the total budgetary provisions was utilized during 2010-15. For OBCs, although 87 *per cent* of the available funds (₹136.09 crore) were utilised, fund release (₹118.25 crore) against the budget provision (₹253.22 crore) was, however, significantly low (47 *per cent).* As a result, the targeted people were deprived of the benefit of the programmes. The low utilisation of funds was due to parking of funds in Revenue Deposit and DCRs in the directorate.

Significant audit findings in respect of release and utilisation of funds have been discussed in succeeding paragraphs.

1.3.4.2 Release and utilisation of funds

1.3.4.2.1 Parking of funds in Revenue Deposit/DCRs/Demand Drafts (DDs)/Bankers Cheque (BCs)

(i) The Director withdrew ₹350.05 crore meant for welfare programmes for STs and OBCs from Government exchequer during 2009-10 to 2013-14 and kept in Revenue Deposit (RD) under the head of account "8443-Civil Deposit" as per instruction of the GoA, WPT & BC department. Out of ₹350.05 crore, ₹155.73 crore was withdrawn during 2010-15 from the RD and released to the different implementing agencies leaving the balance fund of ₹194.32 crore (as of May 2015) in RD as indicated in ***Appendix-1.9.***

(ii) It was, further, noticed that during 2010-15, based on the sanctions accorded by GoA, the Director withdrew ₹427.24 crore, of which, ₹325.63 crore was utilised and balance ₹101.61 crore was kept in the form of DCRs/DDs/BCs ***(Appendix-1.10)***

instead of depositing the same into Government account as required under the financial rules and despite the direction of the Finance Department, GoA against such practice.

Parking of funds in Revenue Deposit/DCRs/DDs/BCs had not only adversely affected the implementation of different welfare programmes for STs and OBCs in the State but also misled GoI/State Legislature by projecting inflated expenditure by the directorate.

1.3.4.2.2 Parking of funds in fixed deposits

Based on the sanction accorded by GoA, the Director released (March 2014) ₹53.69 crore to Mising Autonomous Council (MAC) for implementation of welfare programmes in Council areas during 2013-14. Terms of the sanction order stipulated utilization of funds by observing all financial rules including Assam Financial Rules (AFR) and Assam Fiscal Responsibility and Budget Management (AFRBM) Act, 2005, which disallow parking of funds in Fixed or Term Deposit in order to avoid disrupting implementation of developmental schemes. Disregarding the codal provisions/executive instruction, the MAC deposited ₹53.42 crore into a Corporate Linked Term Deposit Account opened (17 June 2014) with the SBI, Gogamukh branch leaving the balance fund of ₹0.27 crore in the Savings Bank account being operated with the same bank. Competitive bids from various banks invited, if any, were not on record. Further, ₹10 crore out of the Corporate linked account was transferred (July 2014) into a Flexi Fixed Deposit (FFD) linked account opened with Assam Grameen Vikash Bank (AGVB), Gogamukh branch by the MAC.

The parking of the funds was not only irregular but also adversely affected the implementation of the schemes taken up in the Annual Operational Plan. Further, total interest of ₹150.60 lakh[37] accrued was neither accounted for in the cash book of MAC nor was utilized. This was fraught with the risk of financial mismanagement/misappropriation of funds.

1.3.4.2.3 Utilisation Certificate not submitted

During 2010-13, the Directorate released total ₹8,435.04 lakh to different implementing agencies for implementation of various welfare schemes for ST (P) and OBCs. The implementing agencies[38], however, had not submitted the requisite Utilisation Certificates (UCs) against the funds released even after lapse of more than two to five years. Resultantly, the Director had neither submitted UCs to GoA/GoI nor ascertained the actual position of utilisation of the funds so released for the

[37] **Position of account wise interest earned**

Sl.	Bank/Branch	Type of bank account	Account No.	Amount of interest accrued (₹)
1	SBI, Gogamukh	Corporate Linked Term Deposit	0033881335994	103,35,241
2	AGVB, Gogamukh	FFD Linked	7009050002066	47,25,005
Total				**150,60,246**

[38] Public Works Department, Social Forestry department, BTC, ITDPs, SDWOs and Assam State Housing Board, etc.

extension of benefits to the intended beneficiaries. The directorate ought to stop further assistance to the defaulters till submission of the UCs.

1.3.4.2.4 Central aid not released to BTC

As a means of Prime Minister's special package to riot victims, Planning Commission, GoI allocated ₹100 crore for Kokrajhar (₹45.82 crore), Chirang (₹44.18 crore) and Dhubri (₹10 crore) districts and released these amounts in March 2013. Of this, GoA through the Director released (November 2014) ₹45 crore to the Principal Secretary, BTC, Kokrajhar retaining ₹45 crore in RD while the balance amount of □10 crore was not released by GoA. The BTC released the entire amount to different implementing agencies for executing the approved works and submitted (February 2015) UCs to GoA for releasing the balance fund.

The balance fund of ₹45.00 crore was, however, not released to BTC as of May 2015. Due to non-release of fund fully, the implementation of the approved programmes (as it was noticed from the UC submitted by BTC) suffered. A few of them are discussed below.

- Only ₹56.44 lakh was released (September 2014) to the Director of Education, BTC, which was utilized for procurement and providing furniture to 64 schools under Kokrajhar (22) and Chirang (42) districts against allocation of ₹386.46 lakh for constructions. The construction works of these schools as approved by GoI was not yet commenced.

- 10 works (both Civil works and furniture) under Kokrajhar (6) and Chirang (4) districts though undertaken, remained incomplete after incurring expenditure of ₹59.25 lakh due to non-receipt of balance fund of ₹33.73 lakh.

- Execution of 11 approved works (Roads/Bridges) under Kokrajhar (9) and Chirang (2) at an estimated cost of ₹22.06 crore was not commenced due to non-release of fund.

- 23 approved road works though taken up for execution in Kokrajhar (8) and Chirang (15) districts, remained incomplete after incurring expenditure of ₹6.67 crore (against provision of ₹13.86 crore) due to non-receipt of balance funds.

Reason for non-release of ₹55 crore (₹45 crore + ₹10 crore) was neither on record nor stated to audit, though called for. Thus, despite availability of funds, the riot victims of the districts were deprived of the relief provided by GoI through the PM's special package by GoA.

On this being pointed out, the Director stated (November 2015) that □45.00 crore was kept in RD as per instruction of Government and Government would be moved to release the same to BTC.

1.3.4.2.5 Diversion of fund

(A) BTC purchased (June 2012) two Hi-Tech buses worth ₹60.45 lakh by diverting funds available under the head of account "2225–Welfare Programmes for STs" and included in the fleet of buses of Bodoland Transport Services (BTS). The diversion of fund meant for welfare programme not only was irregular but also hampered the implementation of welfare programmes in BTC areas as funds diverted from the welfare account still remained to be recouped (November 2015).

The Principal Secretary, BTC while admitting the irregularity had stated (October 2015) in the Exit Conference that the funds would be recouped during 2016-17.

(B) In the test-checked MAC, plan fund of ₹152.72 lakh (including interest earned) was transferred to Non-plan account for payment of salary to staff and office contingency during 2014-15, of which ₹43.40 lakh was not yet recouped (June 2015). Diversion of plan fund for making payment of staff salary etc., not only was unauthorized and irregular but also effected the implementation of welfare programmes to be undertaken under MAC areas.

(C) Grants-in-aid (General Plan) of ₹23.63 lakh under the head of account "2225-Welfare of SC/ST/OBC" was unauthorisedly earmarked by the MAC for the renovation of MAC building/campus by keeping provision in Annual Operational Plan (AOP)-2013-14. It was further noticed that as against the provision of ₹23.63 lakh, the Council spent ₹25.96 lakh (excess met from unutilized funds) for the purposes as shown in **Table-1.23**.

Table-1.23
Irregular utilisation of Plan fund

Sl. No.	Date of payment	To whom paid	Purpose of payment	Amount paid (₹)
1	23.05.14	M/s Florica Nursery, Ghy	Supply of plants	300000
2	31.05.14	Ananda Narah	Tree plantation	264000
3	12.06.14	M/s Florica Nursery, Ghy	Supply of plants	471200
4	17.06.14	Jugeswar Borang	Field Development of MAC complex	150000
5	19.08.14	Dipan Doley	Repair/renovation of Member Hostel No.2&4 at Silimpur	300000
6	19.08.14	Dipankar Misong	Supply of utensils/furnishing to Member hostel at Silimpur	205309
7	19.08.14	Multipurpose Productive Centre, Dhemaji	Supply of furniture to Member hostel at Gogamukh	486708
8	19.08.14	M/s Florica Nursery	Supply of plants	418980
Total				**2596197**

Source: Records of MAC.

Inclusion of the activities in AOP beyond the terms of sanction/release order and diverting funds by the MAC to meet the cost of other expenses was, thus, irregular and required to be recouped to the respective head of account.

1.3.4.2.6 Utilisation of interest fund

The MAC Act, 1995 do not clearly spelt out as to where the funds received from GoA shall be kept for further utilisation.

During audit, it was observed that the Director based on the sanction accorded by GoA, released (February 2011) ₹31.76 crore for the implementation of the developmental schemes in Council areas during 2009-10. The amount was kept in United Bank of India (UBI) and Assam Grameen Vikash Bank (AGVB), Gogamukh and interest of ₹161 lakh was earned over the period upto October 2013. Of this, an amount of ₹133 lakh was utilized by the Council in the activities/programmes other than welfare programmes of the SC/ST/OBC as shown in ***Appendix-1.11***.

It needs to be mentioned that GoA had not given any instruction with regard to utilisation of the interest accrued on the deposit of plan funds. However, GoI had issued instructions in respect of implementation of flagship programmes in the State, that interest accrued out of the plan/scheme funds would form part of the scheme fund and should be utilized for the scheme purpose after observing all formalities.

Thus, failure to issue similar instructions and not-utilising the accrued interest for the scheme purpose deprived the beneficiaries of the intended benefits under the welfare programmes in MAC areas.

1.3.4.2.7 Non-maintenance of cash book by Development Councils

The Director, based on sanction accorded by GoA, released a total amount of ₹28.20 crore **(Table-1.24)** to the Chairperson of the five test-checked DCs for implementation of various developmental schemes during 2010-15.

Table-1.24
Position of fund released to test checked DCs during-2010-15

Sl. No.	Name of the development council	Amount released during 2010-15 (In ₹)
1	Amri Karbi Development Council	4,63,16,185
2	Moria Development Council	2,67,15,670
3	Koch Rajbongshi Development Council	3,70,54,637
4	Nath Jogi Development Council	8,90,16,070
5	Sarania Kachari Development Council	8,29,14,068
	Total	**28,20,16,630**

Source: Records of the directorate.

As per rules, the Councils were required to maintain the cash books, books of accounts etc., and to submit audited statement to GoA through the Director along with UCs and Statements of Expenditure (SOE). It was, however, noticed that the Councils neither maintained cash books nor submitted UCs and SOEs against the grants received. Thus, in the absence of the vital records, the actual position of utilisation of funds remained unascertained in audit. This was indicative of maintenance of poor financial discipline.

1.3.5 Programme Implementation

1.3.5.1 Schemes for infrastructure development for STs and OBCs

1.3.5.1.1 Schemes under Article-275 (1) of the Constitution of India

This being a Central Sector scheme, 100 *per cent* fund is provided by the GoI to bridge the gap in infrastructure in tribal areas. Grants under Articles 275 (1) are essentially to be used for creation and upgradation of critical infrastructure required to bring the tribal areas at par with the rest of the country. Under the scheme, due emphasis is to be given to upgrade infrastructure in the sectors critical to enhancement of human development indices such as in health, education, income generation, etc. Provision of maximum two *per cent* of the grant is earmarked for the project management, training, Management Information System (MIS), administrative expenses and monitoring and evaluation.

1.3.5.1.2 Non-release of fund by GoI

The Director submitted (22 April 2013) proposal for the release of ₹4,656 lakh under Article 275 (1) for the year 2013-14 to GoI (through GoA), which was subsequently revised (25 April 2013) for the release of ₹4,587 lakh to cover 10 districts as per the instructions of the then Minister of State for Tribal Affairs (MOTA), GoI. The revised proposal was approved by MOTA, GoI which released (July 2013) ₹3,440.25 lakh to GoA as first instalment. The fund was, however, not released to the Director by GoA due to pending court case filed by the Chairman, Project Implementation Committee, ITDP, Dhemaji with Hon'ble Gauhati High Court alleging excess allocation of funds to ITDPs of Lakhimpur (₹2,070 lakh) and Jorhat (₹1,395 lakh) despite not having the highest tribal population. The Hon'ble High Court in its interim order stated (5 September 2013) that the Commissioner and Secretary to GoA, Department of WPT&BC would be responsible for the utilisation of the funds and directed to avoid undue haste in releasing the funds. GoI also did not release the balance fund of ₹1,146.75 lakh earmarked for 2013-14 for non submission of UCs by the directorate against the fund released as first instalment.

During 2014-15, no fund was released by GoI under Article 275(1), though allocation for ₹1,815.73 lakh (₹1,206.73 lakh for 19 ITDPs and ₹609 lakh for BTC) was made, for the reason of non-transfer of the funds released during 2013-14 by the Director to the implementing agencies/ITDPs and non-submission of UCs to GoI against the funds already released in the past.

Thus, due to submission of revised proposal by the Director/GoA as per direction of the then Minister of State for Tribal Affairs (MOTA) with anomalies in allocation of funds for the ITDPs and resultant court case, execution of works under Article 275(1) for infrastructure development in tribal areas suffered during 2013-15 thereby depriving the beneficiaries from the intended benefits of the infrastructure development under the scheme.

On this being pointed out, the Director stated (November 2015) that UCs for ₹3440.25 lakh could not be submitted, as the matter was subjudice in the Hon'ble Gauhati High Court, for which GoI had not released the fund for the year 2014-15. However, step had been taken to transfer the sanctioned fund to the implementing agencies.

1.3.5.1.3 Works not completed

Scrutiny of records of selected ITDPs/SDWOs/Councils and joint physical verification conducted (June-July 2015) alongwith departmental Officers revealed that seven works taken up during 2010-12 and one work taken up in 2008-09 (as detailed in ***Appendix-1.12***) remained incomplete despite elapse of four to six years period since sanction of these works.

Construction of a Tribal Rest House at Barpeta town (8 July 2015)

Construction of Boys' Hostel at Narikal Basti, Guwahati (25 June 2015)

Due to non-completion of the works for such a long period, the objective of taking up the works remained unachieved and the expenditure incurred was unfruitful.

On this being pointed out, the Director while accepting (November 2015) audit observation stated that instructions have been issued to PD, ITDPs/SDWOs for early completion of the works.

1.3.5.1.4 Other irregularities

Apart from non-completion of works, other irregularities on works under Article 275 (1) noticed during audit have been discussed in the succeeding paragraphs.

(i) Irregular expenditure and improper selection of work

As per revised guidelines issued by GoI on 02.07.2012, the schemes, which could be undertaken under Article 275(1) of the Constitution of India, are (i) strengthening the infrastructure in the sectors critical to enhancement of human development such as education, income generation, health, etc; (ii) providing skilled teaching including tribal language; (iii) nutritional support to the needy children, mothers and elderly people, community grain storage; and (iv) other activities meant for welfare of Tribal population different from conventional development.

The department, however, undertook and executed the following works/schemes not covered under the guidelines of Article 275 (1):

- GoA, WPT&BC department accorded (March 2010) sanction of ₹15 lakh for the "Construction of Sub-Divisional Welfare Office building at Titabor" under Article 275(I) - 2009-10. Selection of the work for execution out of funds released under Article 275(1) was in contravention of the scheme guidelines, which envisages that the works/schemes meant for strengthening/upgradation of infrastructure for welfare of tribal population only could be undertaken under Article 275(1) of the Constitution of India. In the instant case, the work was not related to strengthening/upgradation of infrastructure for welfare of tribal people and therefore it was not authorised to be undertaken under Art.275 (1). The work though commenced in February 2013 remained incomplete till July 2015, with total expenditure of ₹7,43,346[39] (excluding deductions towards VAT, IT, FR, SD).

- Similarly, selection of the work - "Improvement and Renovation of Jengraimukh PWD Inspection Bungalow" under Article 275(1) - 2011-12 was also not in order as neither the work was designed to develop infrastructure for the welfare of tribal population nor was it linked to tribal development. The work, which was valued at ₹18.75 lakh, though commenced in December 2013 remained incomplete till July 2015, after incurring expenditure of ₹5.88 lakh. On joint physical verification (16 July 2015), it was seen that 24 pillars upto base slab and base slab casting was done as could be seen from the photographs below.

"Improvement and Renovation of Jengraimukh PWD Inspection Bungalow"
(16 July 2015)

[39] ₹2,28,565 vide cheque No.296942 dated 5.06.2013, ₹3,48,940 vide cheque No. 495807 dated 4.01.2014 and ₹1,65,841 vide cheque No.495815 dated 18.07.2014.

- Based on administrative approval and sanction of ₹40 lakh accorded (March 2012) by GoA, the Director released[40] ₹40 lakh to the PD, ITDP, Majuli for the construction of a Tribal Guest House at Nayabazar, Majuli. The work was completed in July 2013 and ₹40 lakh was paid to the contractor. Till July 2015, the guest house was, however, not handed over to the ITDP. Instead, the building was being used for holding political meetings. Thus, it is transpired that the requirement for construction of the guest house was not need based as the same was not put to use for the purpose for which it was constructed under the scheme.

Thus, sanctions totaling ₹73.75 lakh accorded by GoA, for execution of works, which were not related to tribal welfare, out of allocated funds under Article-275 (1), were not only irregular but also against the spirit of the scheme objectives/guidelines.

(ii) Sub-standard work

The work - "Construction of Mising Language and Cultural Research Centre at Gogamukh" was executed by PD, ITDP, Dhemaji through a Construction Committee (CC) at an approved cost of ₹8 lakh under Article 275 (1)-2010-11. The construction was, however, sub-standard as defects like pot holes and disruption in floor, poor plastering and colouring of walls, doors, ventilators etc., were reported (6 February 2013) by the Assistant Executive Engineer, PWD, Dhemaji Building Sub-division. Though the defects were not rectified, the CC was released (July 2013) full payment of ₹7.84 lakh (excluding 2 *per cent* contingency) by the PD, which was irregular.

(iii) Unauthorised usage of assets created under Article 275 (1)

Following buildings executed under Article 275 (1) 2011-12 were not put to use for the purpose for which the same were constructed-

- "ST hostel at Dhemaji Rest House" constructed at the approved cost of ₹8 lakh by PD, ITDP, Dhemaji was being used for holding meeting of different tribal unions.

- "Moina Parijat Sishu Bikash Kendra" constructed at a total cost of ₹4 lakh by PD, ITDP, Dhemaji was being used as teachers' common room of nearby Dhemaji Collegiate ME School.

Thus, due to usage of the assets created out of funds released under Article 275 (1) 2011-12 for other purposes, the objective of the scheme was frustrated.

[40] ₹28.00 lakh on 12.07.2012 and ₹12.00 lakh on 27.05.2013

1.3.5.2 Schemes under Additional Central Assistance (ACA) to All Weather Roads

This being a central sector scheme, 100 *per cent* funds are released to the State under the scheme for the construction of all weather roads to bridge the gap in infrastructure.

1.3.5.2.1 Non-completion of road works due to non-release of fund by GoA

GoI sanctioned 37 roads under ACA to All Weather Roads during 2008-09 (22) and 2009-10 (15) and released ₹7,322 lakh to GoA. The GoA, however, released ₹6,098 lakh[41] to the Director and retained the balance fund of ₹1,224 lakh for reason not found on record.

Scrutiny of records revealed that nine out of the 37[42] works taken up for execution through PWD (6) and Forest Department (3) could not be completed due to non-release of fund to the implementing agencies (IAs) by the GoA and the Director. It was further noticed that of the GoA release of ₹274 lakh in respect of two works, the Director released ₹160.47 lakh to the IAs retaining the balance of ₹113.53 lakh and subsequently diverting it to other works as shown in **Table-1.25** below:

Table-1.25
Position of non-release of fund

(₹in lakh)

Sl. No.	Name of the works	AA amount	Fund released by GoA to the Director	Fund released by the Director to IA	Balance
1	Construction of road from Rangaijeng to Rani Coloney (2007-08)	164.00	164.00	120.87	43.13
2	Construction of Kathiatoli to Genda cherra road, Hailakandi (2007-08)	191.00	110.00	39.60	70.40
Total		**355.00**	**274.00**	**160.47**	**113.53**

Source: Departmental records.

Out of the balance fund of ₹113.53 lakh, the Director diverted ₹106.20 lakh to three other works as mentioned in the **Table-1.26.**

Table-1.26
Position of diversion of fund to other works

(₹in lakh)

Sl. No.	Name of the works	AA amount	Amount released by GoA	Amount diverted from other works by the Director	Total fund released to IA
1	Improvement of road from Namkhola Rajani Sarmah LP School to Manika Mandal Pukhuri via Saru Namkhola	50.00	40.00	10.00	49.48
2	Improvement of road from Bongaon Bazar to Lachit Club via Natun Ujani Bahupathar	150.00	80.00	42.20	120.99
3	Construction of AWR from Shakhati to Jarihat in Boko LAC	190.00	136.00	54.00	184.89
Total		**390.00**	**256.00**	**106.20**	**355.36**

Source: Departmental records.

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[41] (1) 2008-09 (December 2008): ₹1,830 lakh, (2) 2009-10 (March 2010): ₹2,395 lakh, (3) 2012-13: ₹1,427 lakh and (4) 2013-14: ₹446.00 lakh.

[42] **PWD** – (i) Improvement of Medhipara-Lakhipur Road; (ii) Construction of road from Rangaijeng to Rani Coloney; (iii) Construction of road from Santipur to Sonapur via Ambikapur; (iv) Construction of Chakra Sila Malsingpara Road; (v) Improvement of Namkhola Rajani Sarmah LP School to Manika Mandal Pukhuri via Saru Namkhola; and (vi) Construction of AWR from Tarani Rajgarh to Arunachal
Forest – (i) Construction of road from Natun Basti to KamalaBagan; (ii) Construction of Kathaltoli to Genda cherra road , Hailakandi; and (iii) Construction of road from Tehsil to Ratanpur,Golaghat

Approval of the Government in this regard obtained, if any, was not found on record. Reasons for diversion of fund was not stated by the Director, though called for.

1.3.5.2.2 Irregular utilisation of contingency charges earmarked for monitoring and evaluation of projects

Sanction and release orders of GoA on ACA to All Weather Roads (AWR) envisage utilisation of one *per cent* each of the estimated costs of each work towards monitoring and evaluation (as contingencies) and quality control.

Scrutiny of records revealed that out of the total GoI release of ₹7,322 lakh, as of May 2015, GoA sanctioned and released ₹6,098.00 lakh to the Director for releasing the fund to the implementing agencies. Of this, the Director released ₹5,980.85 lakh to the implementing agencies for execution of the works after deducting ₹69.22 lakh, being one *per cent* contingency for monitoring and evaluation.

The Director, however, did not maintain any record/register to oversee the contingency charges so deducted and their utilisation from time to time. However, from the cash book and ledger maintained in the directorate, it was noticed that out of the contingency charges recovered/deducted, an amount of ₹40.29 lakh (***Appendix-1.13***) was utilised towards purposes like Republic Day celebration, Oath taking ceremony of new constituted DCs and Sub Plan meeting, etc., which were not related to monitoring and evaluation of the construction works**.** Thus, the expenditure of ₹40.29 lakh was not only unauthorised and irregular but also pointed to ineffective monitoring of the schemes by the directorate.

Further, though there was a provision for utilisation of one *per cent* of the estimated cost towards quality control like inspection of works to ascertain best quality materials being used, the Director did not, however, release the fund to the implementing agencies for utilising towards quality control. Instead, the same were paid to the contractors against their bills. Thus, the mandatory provision of quality control of materials utilised in works executed was not complied with.

On this being pointed out, the Director in the exit meeting stated (July 2015) that such expenditures will be avoided in future.

1.3.5.3 Construction of ST and OBC Boys and Girls' hostel

This is a Centrally-Sponsored Scheme being implemented to address the problem of educational backwardness of STs and OBCs. The Scheme was initiated to facilitate continuation of education by students of poor and needy families of remote locality.

1.3.5.3.1 Non-completion of construction of hostel for OBC students

As per the provision of the guidelines, construction of hostel building should be completed within 18 months from the award of work or two years from the date of release of Central assistance, whichever is earlier. In no case the time will be extended beyond two years.

GoA, WPT&BC Department submitted (December 2009) a proposal to GoI for the construction of 16 Hostels for OBC Boys and Girls at an outlay of ₹886.30 lakh for the year 2009-10. GoI, however, sanctioned (March 2010) and released ₹255 lakh for the construction of 10 Boys/Girls hostels with the stipulation that the expenditure over and above the central assistance was to be borne by the State Government. GoA, however, accorded (March 2013) administrative approval for the construction of the 10 hostels and awarded the works to Assam State Housing Board (ASHB) only in March 2013 *i.e.*, after three years of release of central assistance for reason not on record. As of March 2015, works of none of the hostel buildings could be completed and physical progress of six out of the 10 buildings ranged between 38 and 95 *per cent*. Construction work of four hostel buildings was not yet started for due to not handing over of sites. Till March 2015, total ₹267.12 lakh (Central share: ₹150 lakh and State share: ₹117.12 lakh) have been released to ASHB as detailed in ***Appendix-1.14.***

Non-completion/commencement of construction works of the hostel buildings even after five years of release of central assistance not only frustrated the objective of releasing fund but also deprived the beneficiaries from the intended benefit of availing the hostel accommodation.

1.3.5.3.2 Non-achievement of target

For constructing seven Hostels with total seat capacity of 600 for ST (P) Girls (five) and Boys (two) of the educational institutions under BTC, Kokrajhar and ITDPs, Dhemaji and Guwahati, Ministry of Tribal Affairs (Education Section), GoI accorded sanction of ₹600 lakh and released (August 2008) the funds to GoA under the Centrally Sponsored Scheme of Hostels for ST Girls and Boys for the year 2008-09. GoA, however, accorded sanction and released funds to the Director between August 2009 and June 2010 *i.e.*, after a lapse of 12 to 20 months from the central release for reasons not on record. Detailed position of receipt and utilisation of funds as well as findings of audit check and physical verification is shown in **Table-1.27**.

Table-1.27
Status of two boys and five girls hostels taken up under CSS 2008-09

(₹in lakh)

Name of the IA	Name of the Hostel	Approved cost by GoI	Fund released	Fund utilised	Approved seat capacity	Seat capacity created	Audit findings through test check of records and physical verification
1	2	3	4	5	6	7	8
ITDP, Kokrajhar/BTC, Kokrajhar	ST (P) Boys' Hostel at Kokrajhar Government College, Kokrajhar	100.00	50.00	50.00	100	32	16 rooms (two seats each) were constructed in two Blocks in the ground floor for accommodating 32 students. Rooms were very congested.
	ST (P) Boys' Hostel at Gauhati University Campus, Kokrajhar	100.00	50.00	50.00	100	20	10 rooms (two seats each) were constructed in the ground floor for accommodating 20 students Window grills are yet to be fitted. No room was there for Chowkidar or Warden.
	ST (P) girls' Hostels at Girls' College, Narabari, Kokrajhar	100.00	90.53	90.53	100	40	₹9,47 lakh was not yet released. Revised estimate with different specification was prepared without the approval of GoI. 40 students were accommodated.
ITDP, Kokrajhar/BTC, Kokrajhar	ST (P) girls' Hostels at Guwahati University Campus, Kokrajhar	100.00	85.87	85.87	100	44	₹14.13 lakh not yet released. 44 students were accommodated. No kitchen was constructed.
	ST (P) girls' Hostels at Kokrajhar Government College, Kokrajhar	100.00	92.53	92.53	100	32	₹7.47 lakh not yet released. 32 students could be accommodated. Warden's quarter was not constructed.
ITDP, Dhemaji	ST (P) girls' Hostels at Dhemaji College, Dhemaji	50.00	35.56	54.39	50	28	Six rooms with total seat capacity of 28 were constructed. Additional ₹18,82,547 was utilized in constructing the building out of the college fund due to non-release of balance fund by the Director.
ITDP, Guwahati	ST (P) girls' Hostels at Sonapur Girls' College, Sonapur	50.00	46.50	46.50	50	15	Accommodation for 15 students could be made in the five hostel rooms. Warden room was not constructed. Only nine ST (P) students each were allotted accommodation during 2013-14 and 2014-15. Fees were charged @ ₹4,250 annually.
Total		**600.00**	**450.99**	**469.82**	**600**	**211**	

Source: Records of BTC and the two ITDPs.

As could be seen from the details above that against the target of 600 seats, the hostels were constructed with total seat capacity of 211 seats (35 *per cent*) only. Thus, not only the infrastructure created was much less as compared to the AA accorded by GoI but also the college authority failed to create safety and security measures of the girl students staying in the hostel building due to non-construction of warden's room in the hostel.

1.3.5.4 Infrastructure under State Plan fund

Besides release of funds by GoI under different schemes as mentioned above for development of infrastructure in tribal areas, the State Government also releases State Plan funds for the creation of assets/development of infrastructures through Autonomous Councils and Development Councils.

1.3.5.4.1 Release of payments based on incorrect documents

The work–"Construction of classroom building for Kulajan College in Dhemaji District" was taken up by MAC at a cost of ₹20 lakh for execution out of MAC fund for the year 2009-10. The work was awarded (August 2011) to a Dhemaji based contractor at four *per cent* above the estimated cost of ₹19,43,126 (civil work: ₹17,82,684 and internal electrification: ₹1,60,442) for execution under the supervision of Executive Engineer, PWD, North Lakhimpur Division with the stipulation to complete within three months *i.e.,* by November 2011.

Scrutiny of records revealed that the work commenced on 1 August 2011 and ₹8,00,000 was released (April 2012) to the EE, PWD, North Lakhimpur division as 1st installment. The work was shown completed in March 2014 and based on the completion certificate and final bill submitted (15 March 2014) by the EE, the Principal Secretary, MAC released (April 2014) the balance fund of ₹11,03,126 (after deducting ₹40,000 being 2 *per cent* contingencies) to the EE for making payment to the contractor.


Incomplete classroom building for Kulajan College in Dhemaji District (17 June 2015)

On joint physical verification (17 June 2015), it was noticed that items of civil work viz., fitting and fixing of doors, windows, MS Grills, glass etc., were yet to be executed. The internal electrification work was also not done. Thus, the completion certificate and final bill submitted by the EE was fictitious. The MAC authority on its part also failed to ascertain the actual status of the work before releasing the final payment. As a result, not only the work remained incomplete even after 42 months of its stipulated date of completion but the objective of meeting shortage of class rooms in the institution was also frustrated.

1.3.5.4.2 Improper Selection of schemes

(A) As per AOP 2013-14, the "Construction of six bedded isolation ward building at Gogamukh PHC" was taken up at an estimated cost of ₹7 lakh by MAC for execution through a five member construction committee. The building was completed in December 2014 at the approved cost of ₹7 lakh. On joint physical verification (18 June 2015), it was, however, noticed that the newly constructed building was occupied and used by Block Programme Manager (BPM) and Assistant BPM of NRHM though the building was built for six bedded isolation ward.

(B) Similarly, the MAC constructed boundary wall of Veterinary Sub-Centre at Moharicamp in Dhemaji district as per AOP 2013-14 at a total cost of ₹5.04 lakh. Information collected from District Animal Husbandry and Veterinary Officer, Dhemaji disclosed that the sub-centre at Mohoricamp was not operational as neither any post was created nor any manpower deployed in the centre since inception.

The above position indicated that selection of the schemes for implementation was not need based and the Director failed to achieve the intended objective of welfare of tribal people.

1.3.5.5 Schemes for upliftment of the economic condition of STs and OBCs

1.3.5.5.1 Schemes under Special Central Assistance (SCA) to Tribal Sub Plan (TSP)

The SCA is provided by the Ministry of Tribal Affairs to the State Government in addition to the State TSP. SCA is primarily meant for family-oriented income-generating schemes in the sectors of agriculture, horticulture, sericulture and animal husbandry. A part of SCA (not more than 30 *per cent*) is also permitted to be used for development of infrastructure incidental to such income generating schemes.

1.3.5.5.2 Irregular utilisation of funds

The GoA, WPT & BC Department sanctioned (February 2012)[43] ₹890 lakh out of the funds released (September 2011)[44] by GoI under SCA to TSP for the year 2011-12 for the implementation of schemes in BTC areas as per allocation given in **Table-1.28.**

Table-1.28
Position of sanction/allocation and release of funds

(₹ in lakh)

Sl. No.	Name of ITDP	Animal Husbandry activities	Fisheries/Horticulture activities	Handloom & Textile
1.	Kokrajhar/ Gossaigaon	100.00	56.00	100.00
2.	Dhubri	8.00	5.00	8.00
3.	Barpeta	30.00	14.00	30.00
4.	Nalbari	55.00	30.00	55.00
5.	Rangia	22.00	14.00	22.00
6.	Udalguri & Mangaldai	45.00	35.00	45.00
7.	Dispersed areas under BTC	90.00	36.00	90.00
Total		**350.00**	**190.00**	**350.00**
Grand Total		**890.00**		

Source: *Sanction and release orders.*

[43] vide order no. TAD/BC/389/2010/111 dt. 06.02.2012

[44] vide no. 14020/2 (2)/2010-SG-II dt.29.09.2011)

The fund was withdrawn by the Director and released (March 2012)[45] to the Principal Secretary, BTC, Kokrajhar.

Scrutiny revealed that Council Head of the Department (CHD), WPT & BC, BTC, Kokrajhar, as per direction of Under Secretary, BTC, Kokrajhar, proposed the utilisation of ₹654.09 lakh for the procurement of 104 sets of Tent House (₹600 lakh) and 2,613 bundles Cotton Yarn (₹54.09 lakh).

It was noticed that three firms were selected for the supply of the above items and the firms were paid ₹6,37,74,802[46] on delivery of the material to the SDWOs for onward distribution to the selected beneficiaries. Details are indicated in **Table-1.29**.

Table-1.29
Procurement and distribution of material under SCA to TSP

Sl. No.	Name of supplying firm	Supply order no. & date	Quantity supplied	Amount paid (₹)
1	M/s Nitu Enterprise, Kokrajhar	BTC/CHD-WPT-05/11-12/Pt-IV/34 dt.04.04.12	22 Set T/H (SDWOs, Bhergaon & Udalguri)	12346631
2	M/s Nitu Enterprise, Kokrajhar	-do-/35 dt.04.04.12	28 Set T/H (SDWOs, Mushalpur, Tamulpur & Salbari	15713894
3	M/s J T Enterprise, Kokrajhar	-do-/37 dt.04.04.12	34 Set T/H (SDWOs, Koarajhar, Gossaigaon & Parbatjhara	19081157
4	M/s J T Enterprise, Kokrajhar	-do-/38 dt.04.04.12	20 Set T/H (SDWOs, Kajalgaon & Bijni)	11224210
5	M/s Prakash Enterprises, Guwahati	-do-/39 dt.04.04.12	2613 bundle Cotton Yarn to above 10 SDWOs	5408910
Total				**63774802**

***Source**: Departmental records.*

In this connection, the following observations are made:

- Out of ₹890 lakh received under the scheme for the year 2011-12, only ₹637.75 lakh was utilized for the purposes mentioned above. The balance amount of ₹252.25 lakh was utilized against other schemes like construction of link road, bridges and boundary wall etc., not covered by the original sanction of GoA.

- Of an amount of □637.75 lakh incurred, against the spirit of GoA sanction, an amount of ₹583.66 lakh was utilized by BTC towards procurement and distribution of Tent Houses instead of utilizing the same for Animal Husbandry, Horticulture and Fishery activities through PD, ITDP, Kokrajhar for five ITDPs.

- The SDWOs were directed (April 2012) to select Self Help Groups (SHGs)/ Co-operative Societies and educated unemployed youth by holding meeting of ST Development Boards and to submit the details to BTC. It was, however, not on record as to whether the approved lists were submitted by the SDWOs concerned and distributions were made as per the approved lists.

[45] vide Bank Draft no.297303 dt.15.03.2012
[46] M/s Nitu Enterprise371084 dt.22.06.12₹25406000
M/s J T Enterprise371085 dt.22.06.12₹27438480
M/s Prakash Enterprise371152 dt.17.10.12₹5408910

- No monitoring of the distribution of the Tent Houses and Cotton Yarn was done at BTC level. As a result, BTC was not aware of the actual position of distribution of the materials to the intended beneficiaries.

On this being pointed out, the Joint Secretary, BTC, Kokrajhar in reply stated (June 2015) that the funds were utilized for the procurement and distribution of Tent House instead of Animal Husbandry, Horticulture and Fishery activities and on road works as directed by Council Authority in terms of power conferred to BTC through MOS. It was also stated that the jurisdiction of ITDPs Dhubri, Barpeta, Nalbari, Rangia and Mangaldai were not within the purview of BTC authority. The reply was not tenable as the sanction of GoA was specific and accorded as per GoI's approval. On the other hand, GoA was also responsible for the denial of benefits to the beneficiaries of the five ITDPs (Dhubri, Barpeta, Nalbari, Rangia and Mangaldai) due to irregular release of earmarked funds of the ITDPs to BTC for areas not falling under the purview of BTC.

Thus, implementation of the scheme was not done in the right spirit. Besides, the beneficiaries under the said ITDPs were also deprived of the benefit.

1.3.5.5.3 Unauthorised expenditure on works not permissible

Based on the sanction accorded (March 2011) by GoA, the Director released (May 2011) ₹7.08 crore to the Principal Secretary, BTC, Kokrajhar for implementation of the programmes under SCA to TSP during 2010-11 as shown in **Table-1.30.**

Table-1.30
Position of proposed and sanctioned scheme for 2010-11

Sl. No.	Name of schemes	Amount involved (In ₹)	Remarks
1	FOIGS Scheme (Cotton Yarn)	30800000	To be implemented in Kokrajhar, Chirang, Baska & Udalguri district.
2	FOIGS Scheme (Sewing Machine)	39999900	
Total		**7,07,99,900**	

Source*: Sanction orders.*

Out of ₹7.08 crore, CHD, WPT & BC, BTC utilised ₹2.07 crore towards completion of other 53 incomplete schemes under SCA to TSP for the years 2006-07 to 2008-09 through different implementing agencies. Remaining ₹5 crore was utilised towards procurement and distribution of cotton yarn, spray machine and sewing machine etc., leaving a balance of ₹1,32,900 with the CHD.

The utilisation of funds amounting to ₹2.07 crore towards completion of incomplete schemes of earlier periods was against the spirit of the sanction accorded by GoA. This not only resulted in irregular and unauthorised expenditure to that extent but also deprived the intended beneficiaries.

1.3.5.5.4 Avoidable expenditure on procurement of materials

(A) Rule 21 of General Financial Rules (GFR) 2005 provides that the DDO is to exercise same vigilance in spending Government money as a person of ordinary prudence would exercise in spending his own money. Further, Chief Executive Member (CEM) of BTC while initiating procurement of different items under SCA to TSP for the year 2010-11, instructed (May 2011) that the rate of items was to be maintained as per approved rate of GoA/BTC/Comparative Statement (Tendered) Rate.

Scrutiny of records revealed that based on the sanction of ₹4.35 crore accorded (March 2011) by GoA under SCA to TSP and fund released (December 2011) by the Director, CHD, WPT&BC, BTC procured different items through suppliers selected (25 January 2012) by a four member purchase committee headed by the Under Secretary, BTC based on competitive bidding.

Comparative study of the rates at which the material were purchased by the BTC *vis-a-vis* the corresponding rates allowed by the Departmental Purchase Committee (DPC) of the Director revealed that the materials were procured at much higher rates by the BTC. It was revealed that the rates of different items fixed by the DPC of the Director on 20 January 2012 were inclusive of loading, unloading and transportation charges, whereas the CHD, WPT&BC, BTC, Kokrajhar placed supply orders for procurement of different items on 30 January 2012 *i.e.*, after 10 days of DPC meeting held by the Director at rates higher than the rates fixed by the DPC. Had there been any information sharing mechanism existed between the Director and the BTC, an extra expenditure of ₹101.31 lakh (detailed in ***Appendix-1.15***) incurred on account of higher purchase rates could have been avoided. With the avoidable extra expenditure of ₹101.31 lakh, the BTC authority could have covered another 8,389 beneficiaries under the scheme.

(B) For the year 2011-12, the Director released[47] ₹4.35 crore and ₹8.90 crore in December 2011 and March 2012 respectively to the Principal Secretary, BTC, Kokrajhar for implementation of the approved programmes under SCA to TSP. Of the funds so released, CHD, WPT&BC, BTC procured 9,063 bundles Cotton Yarn (2/80 dyed) at a total cost of ₹154.06 lakh from a Guwahati based firm during January 2012 (6,450 bundles @ ₹1,550 per bundle) and April 2012 (2,613 bundles @ ₹2,070).

This showed that during a span of 3-4 months, Cotton Yarn was procured at two different rates. As the BTC procures Cotton Yarn every year under SCA to TSP for its distribution among the beneficiaries, there should have to be a plan for the

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Sl. No.	Sanction order	Bank draft no. & date	Amount (₹)
1	DW.BTC.31/2011/51 dt. 09.12.2011	244753 dt.08.12.11	43500000
2	TAD/BC/389/2010/11dt. 06.02.2012	297303 dt.15.03.12	89000000

procurement of the item from the firm through rate contract on annual basis in terms of the provision of GFR/Central Vigilance Commission (CVC) guidelines. This could have avoided extra expenditure of ₹13,58,760 [(₹2070-₹1550) X 2613] enabling coverage of more beneficiaries under the scheme.

The Joint Secretary, BTC, Kokrajhar while accepting the audit comment, stated (June 2015) that the procurements were made at the rates approved by the DPC of WPT & BC department of BTC. However, BTC constituted a Central Purchase Board in November 2014 to determine equal rate for the purchase of same item in future.

1.3.5.5.5 Lack of follow ups in implementation of Family Oriented Income Generating Schemes (FOIGS)

Scrutiny of records revealed that the Director released total ₹289.50 lakh to two test-checked SDWOs and four test-checked ITDPs for the implementation of FOIGS under SCA to TSP for the years 2009-10 to 2012-13. The funds were disbursed to respective individual beneficiaries and President/Secretary of the SHGs (**Table-1.31)** selected by the concerned project implementation committee (PIC) and the Director for implementation of FOIGS.

Table-1.31

Fund released to test-checked SDWOs/ITDPs during 2010-13

(₹in lakh)

Sl. No.	Name of IA	Amount released	Purpose of release	To whom released
1.	SDWO, Kokrajhar	44.00	For implementation of Piggery, Duckery and Poultry etc. 2009-10	19 SHGs
2.	SDWO, Majuli	65.00	For construction of "Kumarbari Koroiguri Fishery" 2010-11 to 2012-13	Kumarbari SHG, Kumarbari Village, Majuli
3.	PD of ITDP, Guwahati	58.50	Community farming for piggery/dairy and Handloom & Textile activities 2010-11 to 2012-13	19 SHGs
4.	PD, ITDP, Dhemaji	91.00	Animal husbandry for individual beneficiary, Community farming for piggery and dairy, fishery and horticulture etc. 2011-12	41 SHGs/ 212 beneficiaries
5.	PD, ITDP, Barpeta	11.00	Community farming for piggery and fishery 2011-12	4 SHGs
6.	PD, ITDP, Jorhat	20.00	Community farming for piggery 2011-12	5 SHGs
Total		**289.50**		

Source: Records of ITDPs/SDWOs.

In this regard following observations are made:

- The procedure adopted for the selection of the beneficiaries could not be ascertained due to non-availability of any minutes/records of PIC meeting.

- Funds were released to SHGs without obtaining documents like minutes and attendance book showing purpose of their formation, modus operandi and list of members etc.

- No follow up to watch/oversee the actual utilisation of the funds released, continuation of projects and generation of income etc., by the SHGs was made at the level of SDWOs/ITDPs.

- ₹5 lakh was released (May 2013) for implementation of piggery farming to Kastarba (₹3 lakh) and Bhagyashree (₹2 lakh) SHGs under ITDP, Barpeta. On joint physical verification (July 2015), it was noticed that there was no existence of piggery farms. The President/member of the SHGs stated that 7 and 5 Sows/Boars were available with individual members of the SHGs concerned against procurement of 36 and 25 Sows/Boars/Piglets respectively. Although, it was stated that income were generated through selling of the pigs/piglets but details of income generated were neither on record nor could be stated.

- "Providing fencing and gate around the fisheries" as claimed to have been done at ₹24.80 lakh by Kumarbari SHG out of ₹65 lakh released by SDWO, Majuli for the construction of "Kumarbari Koroiguri Fishery" was found non-existent during joint physical verification (July 2015).

- ₹2 lakh was released (January 2013) for piggery farms to Jyoti Mahila SHG. Joint physical verification (17 July 2015) of the piggery farms of Jyoti Mahila SHG (₹2 lakh) under ITDP, Jorhat revealed that the pig shed was dumped with bamboos and other objects not related with piggery farming and only two piglets were found available in the farm.

The position above is illustrative of the fact that the objective of welfare of tribal people through individual beneficiary scheme and community farming remained unachieved for want of regular follow ups by the SDWOs/ITDPs.

1.3.5.5.6 Irregular release of grants to unapproved SHG

The Director released (October 2012) ₹5 lakh to SDWO, Barpeta. Of this, ₹3 lakh was earmarked for Borghopa Mahila Unnayan Samiti SHG, Borghopa for the implementation of Animal Husbandry scheme under SCA to TSP during 2011-12. The amount was, however, released (March 2013) by the SDWO to another SHG viz., Borghopa Tribal Milijuli Sanchay Samiti without obtaining the necessary approval from the Director/GoA. Neither UC of the fund so released was submitted by the SHG nor was any inspection carried out at the SDWO level to oversee the implementation of the programme.

Joint physical verification carried out (9 July 2015) with official and Chairman, PIC disclosed that there were two separate SHGs in Borghopa. The members of Borghopa Mahila Unnayan Samiti SHG were annoyed for not receiving the fund released to them by the Director. President of the SHG, which received the funds, stated that 9 out of the 30 sows/boars procured were available with 6 members of the SHG. No piggery shed was, however, found constructed by the SHG.

Thus, payment of ₹3 lakh made to unapproved SHG by the SDWO was not only irregular but also deprived the *bona fide* beneficiaries from the intended benefits of the scheme.

1.3.5.6 Schemes under State Plan fund

The State Government in line with GoI scheme had also been releasing funds under State Plan to Councils for the implementation of FOIGS in different sectors like handloom and textile, agriculture and animal husbandry cooperation etc., besides distributing vehicles at subsidised rate to the unemployed ST/OBC youths for generating income under the scheme.

1.3.5.6.1 Avoidable expenditure on procurement of cotton yarn for DCs

Based on the sanctions accorded by GoA, the Director procured total 1,00,667.93 bundles cotton yarn during 2011-12 to 2013-14 at a total cost of ₹14.71 crore for their distribution among the beneficiaries under State Plan Scheme.

Scrutiny of related records revealed that in respect of all the purchases, the rates quoted by AGMC Limited was fixed by the DPC headed by the Commissioner and Secretary to the GoA, WPT & BC department. From the comparative statements (CS) of rates quoted by different firms, it was, however, noticed that in all the cases, the available lowest rates were ignored by the DPC though the firms, which quoted the lowest rates, fulfilled all the requisite criteria. This had resulted in an extra expenditure of ₹226.17 lakh as shown in **Table-1.32** (details in ***Appendix-1.16 to 1.18***).

Table-1.32
Extra expenditure on procurement of Cotton Yarn

Sl. No.	Year	For whom purchased	Item	Quantity (In bundle)	Rate (₹)	Total expenditure {5 X 6} (₹)	Available lowest rate (₹)	Difference in rate {6 – 8} (₹)	Extra expenditure {5 X 9} (₹)
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**
1.	2011-12 to 2013-14	For the beneficiaries of four Development Councils (DCs)[48]	Cotton Yarn (2/80 count Dyed 4.54 Kg)	62766.93	1500	94150395	1252	248	15566199
2.	2012-13	OBC Beneficiaries	- do -	16666	1500	24999000	1250	250	4166500
3.	2012-13	ST (P) Beneficiaries	Cotton Yarn (2/60 count Dyed 4.54 Kg)	19230	1300	24999000	1150	150	2884500
Total				**98662.93**		**144148395**			**22617199**

Source: Records of the directorate.

Scrutiny also revealed that the firms from which the Cotton Yarn were procured (in respect of procurement of 64,766.93 bundles Cotton Yarn at Sl. No. 1), had not even taken part in the bidding process pointing at gross financial impropriety.

[48] Amri Karbi Development Council (32,469.33 bundles), Sarania Kachari Development Council (16,666.6 bundles), Koch Rajbongshi Development Council (13,331 bundles) and Moria Development Council (300 bundles).

This not only resulted in extra expenditure but an opportunity to cover more beneficiaries under the schemes was also lost.

1.3.5.6.2 Extra burden on beneficiaries due to delayed release of fund by GoA

GoA, WPT & BC department sanctioned (March 2011) ₹4,96,37,875 (being the GoA's share) for providing TATA WINGER MAXI VAN to 125 OBC SHGs (consisting of 5 to 8 unemployed OBC youth in each group) under the Chief Minister's Special Employment Generation Programme (SEGP) during 2010-11. The vehicles were to be procured from a Guwahati based firm @ ₹5,29,470 (including 13.5 *per cent* VAT) each as approved by the DPC on cost sharing basis of 75 (₹3,97,103): 25 (₹1,32,367) between GoA and the SHG.

Scrutiny of records revealed that the order placed with the firm for the supply of 125 TATA WINGER MAXI VAN BS-III/DIESEL on 30 March 2011 was blocked by GoA on the following day for reasons not on record. The sanctioned fund withdrawn (18 March 2011) from treasury was also kept (31 March 2011) in RD as per GoA's instruction.

Subsequently, on submission (20 February 2013) of the list of selected SHGs by the Director, GoA issued (21 June 2013) authority to draw the funds kept in RD. In the mean time, cost of the vehicle went up to ₹6,68,661 as intimated (20 June 2013) by the firm in reply to the correspondence made (14 June 2013) by the Director. Eventually, the Director requested (28 June 2013) the firm to execute the order of supply of 125 TATA Winger @ ₹6,68,661 each and intimated (29 June 2013) that the extra cost of ₹1,39,191 (₹6,68,661 - ₹5,29,470) would be borne by the SHGs concerned. Thus, SHG's contribution was raised from ₹1,32,367 to ₹2,71,558 due to delay in processing of selection of SHGs. Out of the sanctioned fund, the Director released ₹4,21,92,194 to the firm retaining ₹74,45,681 in the form of DCR.

Scrutiny further revealed that neither the increase in price of the vehicle was brought to the notice of GoA nor was any effort made to raise GoA's contribution by the Director. The decision to raise SHG's contribution was based on the willingness of the beneficiaries to pay the increased amount as communicated by the President, All Assam OBC Chairman Association. Till June 2015, 108 out of 125 SHGs had lifted their allotted vehicles on deposit of ₹2,71,559 each to the firm.

It was also noticed that out of 108 SHGs, 6 were not approved by OBC Board, 5 were selected by the Director on receipt of application, 11 were replaced by the Board without assigning any reason. The details are given in ***Appendix-1.19.***

Thus, the selection process of SHGs by the Director was not based on schematic norm. Besides, delay in finalising the list of beneficiaries forced the poor and needy OBC SHGs to bear the burden of extra cost of ₹1,39,192 in each case due to price escalation, which was avoidable.

1.3.5.6.3 Improper selection of scheme under Bodoland Vikash Yojana

The Joint Secretary, BTC, Kokrajhar accorded (21 October 2013) administrative approval for providing TATA winger vehicles (non AC) @ ₹7.07 lakh each to 100 BPL beneficiaries under Bodoland Vikash Yojana. The cost was to be shared by the BTC and beneficiary on 50:50 basis (the ratio in respect of CM's SEGP 2010-11 was 75:25). For supply of 100 vehicles, the order was placed (19 October 2013) with M/s Kiran Transport Company Pvt. Ltd., Guwahati and ₹3.63 crore (BTC's share) was released to the firm on 29 November 2013. Delivery of the vehicles was, however, not started till November 2014 due to delay in selection of beneficiaries.

Although the Joint Secretary, BTC, in reply to an audit query, stated (May 2015) that 50 *per cent* of the vehicles were delivered to the beneficiaries, scrutiny of records, however, revealed that only 31 (Kokrajhar-9, Chirang-10, Baska-6 & Udalguri-6) out of 100 beneficiaries received the vehicles, of which, two beneficiaries[49] under Baska district were found not approved by the Selection Board. Non-delivery of vehicles was mainly due to non-deposit of beneficiary's share as it was difficult for the BPL beneficiaries to bear such high cost of ₹3,53,500 towards the purchase of vehicle.

Delay in finalising the list of beneficiaries and non-delivery of vehicles to beneficiaries led to extension of undue financial benefit to the firm. 70 *per cent* BPL beneficiaries could not avail the benefit due to the burden of high cost towards the purchase of vehicles.

In reply, the Joint Secretary, BTC, Kokrajhar stated (June 2015) that the sharing pattern (50:50) had to be adopted due to shortage of fund and the matter relating to sharing mechanism would be taken up with GoA in future.

1.3.5.6.4 Wasteful expenditure on Bamboo Plantation under NEC scheme

With a view to promote bamboo sector as an essential component of rural development through income generation and market linked trade, North Eastern Council (NEC), GoI approved (November 2006) implementation of the project "Bamboo Plantation on commercial basis in BTC areas" through Bodoland Bamboo Plantation Ltd (BBPL), Udalguri at an outlay of ₹81.44 lakh and released ₹37 lakh as first instalment for completion of the project within one year. Based on the sanction accorded by GoA, ₹37 lakh was released (June 2007 and January 2008) to Director of Agriculture (DoA), BTC, through Principal Secretary, BTC for implementation of the project. As per UC submitted (February 2008) by DoA, BTC, the entire amount was utilised for plantation of Chinese variety of bamboo in 148 hectare areas as shown in **Table-1.33**.

[49] Pabin Boro and Md. Hazarat Ali Sk.

Table-1.33

Areas covered and expenditure incurred by BBPL with 1st instalment

Sl. No.	Location	Area covered (In ha)	Amount of expenditure (₹)
1	Athiabari, Jharbari, Soraibil, & Kachugaon in Kokrajhar district	49	1225000
2	Bhabanipur under Chirang	29	725000
3	Thaikajhora under Chirang	20	500000
4	Udalguri district	50	1250005
Total		**148**	**3700005**

Source: *Records of BTC.*

2nd instalment of ₹36.30 lakh was released by NEC in March 2009 *i.e.*, after two years of submitting UC by DoA, BTC. The fund was released to Principal Secretary, BTC, Kokrajhar for onward release to DoA, BTC only in March 2012 due to delayed sanction and release (January 2012) by GoA. The 10 *per cent* loan component of ₹8.11 lakh as required to be released by GoA, was not released till May 2015.

As per the UC submitted (18 February 2013) by DoA, BTC, the entire amount of 2nd instalment was also utilised for the plantation of Chinese variety of bamboo in 146 ha as shown in **Table-1.34**.

Table-1.34

Position of areas covered and expenditure incurred by BBPL with 2nd instalment

Sl. No.	Location	Area covered	Amount of expenditure (₹)
1	Serfanguri, Bhumka & Sapkata in Kokrajhar district	66	1650000
2	Bengtol & Amguri under Chirang	40	1000000
3	Harisinga & sonaigaon under Udalguri district	40	1000000
Total		**146**	**3650000**

Source: *Records of BTC.*

Though the project was to be completed within a span of one year, it took more than six years to complete the same due to delay in release of funds to the implementing agency. The physical verification reports and photographic evidence submitted by ADOs concerned as well as information furnished by the DoA, BTC indicated that Chinese variety of bamboo, having no commercial value, was planted instead of local variety. As a result, the growers failed to generate income through selling the bamboos. This not only frustrated the scheme objective of promoting bamboo sector for generating income for ST people but also the entire expenditure of ₹73.50 lakh proved wasteful.

1.3.5.6.5 Broiler Farming under AOP-2013-14 in MAC

As per the provision of AOP 2013-14, financial assistance @ ₹21,000 for a total amount of ₹46,20,000 was to be provided to 220 Rural Entrepreneurs/SHGs for Broiler Poultry farming. Balance ₹13,184 of the total project cost of ₹34,184 per unit was beneficiary's contribution. The project was to be implemented by an Apex Level

Committee headed by Executive Councilor, Animal Husbandry & Veterinary. An amount of ₹32.72 lakh was transferred to the account of the Committee as indicated in **Table-1.35**.

Table-1.35
Details of transfer of funds to the account of Apex Level Committee

Sl. No.	Date of payment/transfer	Purpose	Cheque no.	Amount paid (₹)
1	11.09.14	Broiler farming	715707	924000
2	29.10.14	Broiler farming	Tfr to a/c	500000
5	14.11.14	Broiler farming	Tfr to a/c	1848000
Total				**3272000**

***Source**: Departmental records.*

Scrutiny of records revealed that ₹21,55,340 was released to 194 beneficiaries (@ ₹11,110 each) between September 2014 and March 2015 as 1st installment out of the list of 220 beneficiaries prepared and approved (4 September 2014) by the Committee. Apart from this, the Committee spent ₹3,72,034 towards procurement of broiler chicks, feedings, utensils etc., for distribution to the beneficiaries. The balance amount of ₹7,54,626 was lying unutilized in the bank account since 3 March 2015.

In connection with the implementation of the scheme, a training team (with Veterinary Personnel and Progressive Broiler Farmers) was to be constituted (as per the project report) for imparting training to the beneficiaries. But no such training team was found constituted and no training was found imparted to the beneficiaries. There was also no record of providing the Broiler chicks and other materials procured by the Committee. The reason for non-releasing 1st installment to 26 selected beneficiaries and non-release of the 2nd installment to all the selected beneficiaries was neither on record nor stated. No inspection to oversee the actual implementation of the scheme by the beneficiaries was also carried out.

The above position indicated that the scheme was not implemented properly for extending benefit to the unemployed youths for their livelihood.

In the exit meeting, the Principal Secretary, MAC stated (June 2015) that a spot verification would be made and the matter would be discussed in the EC meeting for further course of action.

1.3.5.6.7 Doubtful distribution of Galvanized Corrugated Iron (GCI) Sheets to beneficiaries

Based on the proposal submitted by the Director, GoA sanctioned (March 2013) grants-in-aid of ₹60 lakh under State Plan for the procurement and distribution of GCI Sheet in MAC areas during 2012-13. The Director, prior to submission of the proposal to GoA, obtained the proposal of MAC. It was noticed that the Principal Secretary, MAC, Gogamukh actually submitted the proposal for the said amount for erection of boundary wall at the allotted land at Mohricamp for Construction of the Capital Complex and not for GCI sheets. The Director forwarded the proposal of MAC to GoA on 12 March 2013 and again, on the same day submitted another proposal for procurement and distribution of GCI Sheets in Council areas during 2012-13 changing the earlier proposal. MAC, however, did not submit any proposal for procurement and distribution of GCI Sheet in the Council area.

The amount was released (April 2013)[50] to MAC, which procured 1,041 GCI Sheets from AGMC Ltd., Guwahati and made (13 January 2014) payment of ₹55,82,435 (after deducting 5 *per cent* VAT & 2 *per cent* contingencies) to the firm. The GCI sheets were shown received by the Technical Advisor of MAC on 20 December 2013, who handed over 1,039 sheets to the MLAs of 11 Constituencies or to their authorized agents. Essential records viz., the list of selected beneficiaries, supply order, delivery challans, bills/vouchers and APRs etc., in support of procurement and distribution of the GCI sheets were neither available on record nor could be furnished by MAC during audit, though called for.

The manner in which the proposal was submitted by the Director was not in order and was irregular. Further, in absence of the vital records mentioned above, genuineness of procurement and distribution of the GCI sheets remained doubtful and possibilities of misappropriation of funds could not be ruled out.

In the exit meeting, the Principal Secretary, MAC stated (June 2015) that the matter would be taken up with the Technical Advisor and the Chief Executive Councilor (CEC).

1.3.5.7 Schemes for upliftment of the educational standard through Scholarship

1.3.5.7.1 Post Matric Scholarship for ST and OBC students

The objective of Post-Matric Scholarship (PMS) scheme was to provide financial assistance to ST and OBC students studying at post matriculation stage to enable them to complete their education. During 2010-15, against the proposal of ₹393.79 crore for the grant of scholarship to 4,64,927 ST and 3,45,126 OBC students, GoI sanctioned and released ₹271.20 crore. Of this, GoA released ₹222.02 crore to SDWOs/ITDPs through the Director for disbursement of scholarship to 3,28,269 ST and 1,94,994 OBC students as indicated in **Table-1.36.**

[50] vide Bank Draft No.667443 03.04.13

Table-1.36
Position of scholarship fund received and released to SDWOs/ITDPs

(₹in crore)

Year	Scheme	Budget Provision	Amount of Proposal submitted and (number of students)	Fund sanctioned by GoI	Fund released to SDWOs/ ITDPs	Number of students against which fund released
2010-11	Post Matric (ST)	28.81	28.75 (74777)	28.75	28.81	78505
	Post Matric (OBC)	10.00	8.37 (37910)	2.53	5.43	32377
2011-12	Post Matric (ST)	42.00	40.02 (82876)	42.00	41.99	96755
	Post Matric (OBC)	10.00	26.53 (78778)	26.53	2.93	18031
2012-13	Post Matric (ST)	45.00	45.06 (97699)	34.03	33.93	62439
	Post Matric (OBC)	10.00	16.08 (50370)	12.85	10.00	38169
2013-14	Post Matric (ST)	50.00	58.92 (102800)	22.49	22.48	22532
	Post Matric (OBC)	20.00	34.18 (79130)	Nil	19.39	68021
2014-15	Post Matric (ST)	80.00	71.34 (106775)	47.47	44.96	68038
	Post Matric (OBC)	30.00	64.54(98938)	54.55	12.10	38396
Total			**393.79**	**271.2**	**222.02**	**523263**

Source: Records of the directorate.

The actual position of distribution of the funds to the educational institutions and the number of students actually benefited under the scheme was neither available with the directorate nor any information in this regard was furnished, though called for.

Audit findings on disbursement of scholarship in the test-checked units of SDWOs/ITDPs are discussed below.

1.3.5.7.1 (a) Non-release of PMS to ST (Fresh) students

(i) On the basis of the demand received from 19 Colleges, the Project Director, ITDP, Rangia submitted (28 & 29 May 2013)[51] two proposals to the Director for release of ₹21.91 lakh for award of scholarship to 439 ST (Fresh) students (BA-1st year & HS-1st year) for the year 2012-13.

The funds were not received by ITDP, Rangia till June 2015 despite issuing reminder (March 2015). During beneficiary survey conducted on the students of two colleges namely (i) Rangia College, Rangia; and (ii) Manabendra Sarma Girls College, Rangia revealed that non-receipt of the scholarships created anguish among the students.

(ii) Similarly, the Project Director, ITDP, Barpeta submitted proposals to the Director for release of ₹284.76 lakh for award of scholarship to 5,618 ST (Fresh) students (MBBS, PG, LLB, TDC and HS) for the year 2011-12 (2,368 for ₹107.31 lakh), 2012-13 (1,508 for ₹72.17 lakh) and 2014-15 (1,742 for ₹105.28 lakh) respectively.

Though the proposals were submitted between October 2011 and November 2014 followed by a reminder in May 2015, the funds were not received till July 2015. This

[51] No. PDR/PMS/G/ST/125/92-93/15 dt. 29.05.13 and PDR/PMS/G/ST/125/92-93/148/03 dt.28.05.13

created anguish among the beneficiary students who had requested the Deputy Commissioner to take strong action against the responsible person or authorities.

Non-sanction/release of the proposed scholarship (Fresh) for the 2011-12, 2012-13 and 2014-15 not only deprived 6,057 ST students under ITDPs, Rangia (439) and Barpeta (5,618) of the intended benefit of Fresh scholarship, but also denied the benefit of Renewal scholarship of subsequent years.

1.3.5.7.1 (b) Non-release of PMS (Renewal) to ST student

The PD, ITDP, Barpeta on receipt of demand from different colleges submitted eight proposals to the Director between February 2014 and February 2015 for release of ₹63.50 lakh for award of scholarship (Renewal) to 1,172 ST students for the years 2009-15[52]. As of July 2015, the proposals were not yet approved and fund was not released frustrating the intended objective of the scheme.

1.3.5.7.1 (c) Refund of PMS

The Director released (April 2011 to September 2014) ₹3.86 crore to PD, ITDP, Jorhat being PMS to ST students (fresh and renewal) during 2010-11 to 2014-15. Of this, the ITDP refunded undisbursed PMS amounting to ₹14.66 lakh against 244 students to GoA during 2010-11 to 2014-15 as detailed in ***Appendix-1.20***.

The reason for the refunds was delay in release of funds by the Director and as a result, 244 ST students were deprived from their due benefit of PMS.

1.3.5.7.1 (d) Denial of special incentives to meritorious students

The Director released (22 October 2013) ₹2,80,098 to PD, ITDP, Rangia for disbursement to 117 ST (P) meritorious students @ ₹2,394 each as special financial incentive for the year 2012-13. The PD, however, did not disburse the financial incentives to the meritorious students due to delay in submission of bank account numbers by the students concerned and the entire amount was deposited (13 November 2013) into civil deposit defying the instruction of the Director to keep the amount in the form of DCR. Till June 2015, the amount was not withdrawn from the Civil Deposit though the Director was authorised (September 2014)[53] by GoA to withdraw the fund from the treasury within 20 September 2014 and release the same

[52]

Year	No. of Students	Amount of Scholarship (₹ in lakh)
2009-10	5	0.28
2010-11	450	23.07
2011-12	464	22.07
2012-13	236	13.73
2013-14	8	2.05
2014-15	9	2.30
Total	**1172**	**63.50**

[53] vide U/O No. TAD/BC/201/2014/11 dated 8 September 2014

to PD, ITDP, Rangia for disbursement among the beneficiaries. The PD, ITDP, Rangia again on 16 October 2014 took up the matter with the Director for release of the amount. No response was, however, received. As a result, the incentive amount remained undisbursed till date (June 2015) depriving the eligible meritorious students from the benefits of the financial assistance extended by the Government.

On this being pointed out, the Director stated (November 2015) that the PD was asked to submit proposal to withdraw the fund from Civil Deposit. The reply was not tenable as the concerned PD had already requested (October 2014) the Director for withdrawal of the fund from Civil Deposit as the selected students were pressing hard for payment of their scholarships.

1.3.5.7.2 Refund of Post Matric Scholarship (PMS) for OBC students

Check on records revealed that during 2010-14, a total of ₹33.27 lakh being scholarship money for post matric OBC students was refunded by the SDWO, Kokrajhar.

Reason for refund was non-availability of eligible students, double release of PMS money etc., indicating that there was laxity on the part of educational institutions and the SDWO in selecting beneficiaries. Besides, the Director often released scholarship money twice to the same educational institution for the same year necessitating refund of the same**.**

1.3.5.8 Pre-Matric Scholarship for ST and OBC students

Under the scheme, financial assistance to ST and OBC students are provided both under State Plan scheme (Class-I to X) and Centrally Sponsored Scheme (Class-IX and X) with a view to minimizing the dropout rate especially in the transition from the elementary to the secondary stage. As per information furnished, the summarised financial positions, target set and achievement made their against for the years 2010-15 are shown in **Table-1.37 and 1.38.**

Table-1.37

Position of target set, fund utilised and achievement made under State Plan scheme

(₹in lakh)

Year	Scheme	Budget Provision	Fund received and released to SDWOs	Proposed Physical target (Number of students)	Achievement (Number of students)
2010-11	Pre-Matric Scholarship-ST	80.00	79.94	20000	17573
2011-12	Pre-Matric Scholarship-ST	113.74	113.70	NA	23295
2012-13	Pre-Matric Scholarship-ST	164.01	137.57	44000	28811
	Pre-Matric Scholarship-OBC	210.61	115.77	47000	30215
2013-14	Pre-Matric Scholarship-ST	164.93	87.15	43000	21298
	Pre-Matric Scholarship-OBC	160.82	140.32	16000	4534
2014-15	Pre-Matric Scholarship-ST	139.78	84.67	43000	17785
	Pre-Matric Scholarship-OBC	111.04	87.14	25000	NA

Source: Departmental records.

Table-1.38

Position of target set, fund utilised and achievement made under CSS

(₹in lakh)

Year	Scheme	Budget Provision	Fund received and released to SDWOs	Proposed Physical target	Achievement
				(Number of students)	
2010-11	Pre-Matric Scholarship-OBC	100.00	0	30000	Fund not released by GoI
2011-12	Pre-Matric Scholarship-OBC	100.00	56.23		14864
2012-13	Pre-Matric Scholarship-OBC	200.00	17.13	45000	4538
2013-14	Pre-Matric Scholarship-ST	90.00	89.29	18000	3964
	Pre-Matric Scholarship-OBC	150.00	18.91	15000	4886
2014-15	Pre-Matric Scholarship-ST	100.00	88.40	9000	4139
	Pre-Matric Scholarship-OBC	300.00	87.12	8000	9840

Source: Departmental records.

From the tables above, it could be seen that the target set could never be achieved though there was huge budget provision. The reason behind the shortfall in release of assistance with reference to proposed target was not found on records. This led to denial of the scholarship to needy Pre-Matric ST and OBC student beneficiaries.

Audit findings on the issue in three test-checked units are brought in the succeeding paragraphs.

1.3.5.8.1 Pre-Matric Scholarship not awarded to eligible ST students

The Director allocated (June 2013) ₹3,15,000 to the SDWO, Tamulpur for disbursement of PMS to ST students for the session 2013-14. The SDWO, Tamulpur on receipt of the same, informed the Block Elementary Education Officer (BEEO), District Elementary Education Officer (DEEO) and Inspector of Schools (IS) to make wide publicity for the same. During audit, it was noticed that the SDWO submitted (November 2013) proposal for ₹1,39,500 based on the requirement received from only 20 out of total 572 schools under the jurisdiction of the BEEO, which was sanctioned and released by the Director for disbursement.

Similarly, SDWO, Barpeta as against total allocation of ₹7,09,000[54] submitted proposal for ₹5,86,020[55] for disbursement of scholarship to the students of 80 schools for the years 2010-11 (20), 2011-12 (33) and 2012-13 (27) against available 2220, 1956 and 1960 schools during the respective years under the SSA, Barpeta.

The above position indicated that the educational institutions did not take interest to recommend granting of scholarship to the eligible students. The SDWO also on its part failed to inform all the schools about the benefit being extended by GoA in order to receive proposals from all the schools. This not only frustrated the objective of the scheme but also deprived the benefit to the eligible beneficiaries.

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[54] 2010-11-₹1,76,000 , 2011-12-₹2,18,000 & 2012-13-₹3,15,000

[55] 2010-11-₹1,18,740 , 2011-12-₹2,17,740 & 2012-13-₹2,49,540

1.3.5.8.2 Pre-Matric Scholarship not awarded to eligible OBC students

(i) SDWO, Barpeta as against total allocation of ₹15,63,700[56] submitted the proposal for ₹ 5,53,550[57] for disbursement of scholarship to the students of 104 schools for the years 2010-11 (23), 2011-12 (15), 2012-13 (23), 2013-14 (21) and 2014-15 (22) against available 2220, 1956, 1960, 2339 and 2375 numbers of schools during the respective years under the SSA, Barpeta.

(ii) Similarly, as against the allocation of ₹7,06,000, SDWO, Jorhat submitted (September 2010 to September 2014) proposal for ₹3,91,400 for the disbursement of scholarship to the students of 70 schools for the year 2011-12 (21) and 2012-13 (49) against available 1,953 schools under DEEO, Jorhat.

Further, as per provision of scheme guidelines, the scholarship once awarded could be renewed during next academic year unless discontinued by the competent authority in terms of relevant regulations governing the scheme. The SDWOs, however, did not renew any pre matric scholarship disbursed to OBC students till June 2015 due to non-receipt of proposal from the educational institutions. Any action initiated by the SDWO to motivate the educational institutions for the welfare of the needy OBC students by way of renewal of scholarship, however, was not on record.

The facts stated above indicated a dismal state of affairs as regard to extension of intended benefits to the needy OBC students. Such underperformance was attributable mainly to the failure of the educational institutions in creating awareness of the scheme among the students. The SDWOs also failed to take any effective action to improve the position as there was hardly any progress in this regard during the last three years.

1.3.5.9 Schemes for capacity building of ST and OBC youth for self employment

1.3.5.9.1 Vocational Training in different trades

Keeping in view the menace of militancy in the tribal dominated areas and ever increasing unemployment problem, GoA with the approval of the GoI, established (2010-11) 26 Vocational Training Institutes (VTIs) in different educational institutes of tribal dominated areas of the State. The VTIs are under the administrative control of Assam Tribal Development Authority (ATDA), which receives funds from the Director for implementation of the training programme. As per guidelines, tribal youth with minimum educational qualification of Higher Secondary/HSLC/ITI pass was eligible for selection and training.

Examination of information/documents obtained from ATDA revealed the following:

[56] 2010-11 (₹2,08,000), 2011-12 (₹2,12,000), 2012-13 (₹4,94,000), 2013-14 (₹3,58,700) & 2014-15 (₹2,91,000)
[57] 2010-11 (₹1,02,000), 2011-12 (₹66,900), 2012-13 (₹1,21,500), 2013-14 (₹1,16,000) & 2014-15 (₹1,47,000)

- Out of 26 VTIs established in the State for imparting job oriented training to the educated tribal youths, only 10 VTIs[58] were made operational till July 2015.

- No fund was released to the operational VTIs during 2013-15 by the ATDA due to non-release of funds by GoA/GoI though there was budget provision of ₹300 lakh each during these years. This had made it difficult for the Head Masters/Principal of the VTI's to run the training programmes.

- During the last five years, officers/officials from ATDA inspected the 10 functional VTIs only in 2014-15 though a total fund of ₹43.36 lakh was retained by ATDA towards administrative charges during 2010-11 to 2012-13 out of the total funds of ₹8.75 crore released by the GoI. Thus, the monitoring of the vocational training programmes by ATDA was inadequate.

- Scrutiny of the inspection reports of ATDA as furnished to audit revealed that in most of the training centres, the basic infrastructure like training accommodations, materials, workshop facilities etc., were inadequate. Class rooms were very congested and separate rooms were not available for all the five trades[59]. Tools and equipment were outdated and not fit for training. These facts were corroborated by the same position noticed in VTIs at Dhemaji and Rangia. Thus, the infrastructure facilities available in most of the VTIs were not conducive to training environment/needs.

In the absence of basic infrastructure and adequate training material, effectiveness of the training being imparted at the VTIs remained doubtful. The VTIs/ATDA also did not conduct any evaluation test on completion of the training programme to assess the proficiency of the trainees for employment in their respective trades.

1.3.5.9.2 Computer training for self employment

Based on the proposal of the Director, GoI sanctioned ₹237.46 lakh under Central Sector Scheme of Vocational Training in Tribal Areas during 2013-14 and released (August 2013) ₹90 lakh as 1st instalment for providing Computer training for capacity building and skill development to 1000 unemployed educated youth in BTAD through District Computer Centre (DCC), Kokrajhar, a non-Government organisation. The Director released the entire amount directly to DCC in two instalments in March (₹59.37 lakh) and May (₹30.63 lakh) 2014 respectively. DCC in anticipation of release of funds utilised the entire amount during September 2013 to September 2014 for providing training to 500 beneficiaries and submitted UC to GoI through GoA. The balance amount of ₹147.46 lakh was, however, not released by GoI till May 2015.

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[58] 1. Kashiabari High School, Kokrajhar, 2. Baganpara High School, Baksa, 3. Gurmow High School, Baksa, 4. Dirmajakhili High School, Goalpara, 5. Rupnath Brahma High School, Dhemaji, 6. Bihpuria Collegiate High School, Lakhimpur, 7. Gohpur Boro High School, Sonitpur, 8. Sri Lohit High School, Majuli, 9. Parulbala Goswami Bamuni Barbari High School, Nagaon and 10. Kapahera Higher Secondary School, Morigaon.

[59] 1. Stenography, 2. Plumber, 3. Carpentry, 4. Cutting and Tailoring and 5. Embroidery.

As per the Proposal, ST youths of four districts (Kokrajhar, Chirang, Baska and Udalguri) of BTAD areas were eligible for selection by Team consisting of Deputy Commissioner, Inspector of schools and Care taker of DCC and a Diploma Certificate in Office Automation and Management from GoA was to be handed over to the successful candidates.

Scrutiny of records and information furnished revealed that the beneficiaries were selected on first come first serve basis by the Care Taker of DCC himself without involving other members in the selection process. It was noticed that out of 500 candidates selected, 31 were from Chirang district, two from Baska district, one from Udalguri district and the remaining 466 were from Kokrajhar district. This indicates that hardly any effort was made by DCC for getting maximum participation/representation from all the districts of BTAD area. Further, none of the successful candidates, as proposed, was awarded with the Diploma Certificate due to non-receipt of the same from AMTRON, Guwahati, without which it would not be possible on their part for getting a job.

Thus, the scheme was not purposeful and the expenditure of ₹90 lakh incurred proved unfruitful in the absence of award of Diploma Certificates to the successful candidates.

On this being pointed out, the DCC stated (May 2015) that the matter of issue of Diploma Certificates had been taken up with AMTRON, Guwahati.

1.3.6 Gender based programmes/schemes

The Constitution of India empowers the State to adopt measures for the welfare of women. The MOTA, GoI is concerned about the well-being of the Scheduled Tribes who suffer as a group due to their social and economic backwardness and relative isolation. The major policies of MOTA, thus, aimed at ensuring overall development of ST women and girls not only through general schemes but also through special schemes as indicated in **Table-1.39**.

Table-1.39

Brief description of gender based schemes launched by MOTA, GoI

Sl. No.	Name of the schemes	Brief objectives
1	Strengthening Education among ST Girls in Low Literacy Districts	The scheme was introduced in 2008-09 to bridge the gap in literacy levels between the general female population and tribal women through 100% enrolment of tribal girls and reducing drop-outs at the elementary level by creating the required ambience for education.
2	Adivasi Mahila Sashaktikaran Yojana (AMSY)	Economic development of scheduled tribes by extending concessional financial assistance for income generating scheme(s)/project(s).
3	Exchange of Visits by Tribals	The Scheme was introduced in 2001-02 to enable STs below the poverty line to visit other parts of the country for a period of 10-12 days to broaden their perspective and also create awareness about the developments taking place in the country. The MOTA bears the expenditure of each team/group consisting of 10 STs including minimum 5 women.
4	National Tribal Award	Launched in 2007-08 with the objective of recognising achievements of Scheduled Tribes in different fields. Under individual category, one of the awardees has to be woman.
5	Eklavya Model Residential Schools	In these Schools, 50% of the seats are meant for ST girls.
6	Rajiv Gandhi National Fellowship scheme	UGC implements the scheme to make efforts to award 50% of the fellowships to women.
7	Participation of Republic Day parade in Delhi	Under the scheme, two STs including atleast one women from each State/UT are invited every year to witness Republic Day parade in New Delhi.
8	Article-275 (I) of Constitution of India and SCA to TSP	Under these schemes, 30% of the funds are to be kept apart for 'Women Component' and to be spent for income generation activities of women beneficiaries.

Implementation of the gender based schemes was not taken seriously in the State. No proposal against the schemes mentioned was ever submitted to MOTA, GoI for release of fund and implementation of the schemes except for the scheme "Eklavya Model Residential Schools" against which GoI released ₹24 crore during 2012-13. The scheme, however, could not be implemented due to Court Case and the entire fund was lying with the State exchequer. The State Government had also not fixed any norm or issued any instruction for keeping aside 30 *per cent* of the allocated funds under the scheme "Article-275 (I) of the Constitution of India and SCA to TSP" for utilisation against income generation activities of women beneficiaries. It was, however, noticed that some women income generating schemes like Handloom, Piggery, Duckery and Poultry etc., were being implemented under SCA to TSP.

1.3.7 Monitoring and evaluation

1.3.7.1 Monitoring

Monitoring is an important tool and an effective control mechanism for the Department/Government, which requires to be exercised effectively to achieve the desired results.

1.3.7.2 Appointment of Monitoring Committee at apex level

As per guidelines of major schemes like Article-275 (1) and SCA to TSP, a monitoring committee under the Chairmanship of Principal Secretary/Commissioner & Secretary, GoA, WPT&BC was required to be constituted to monitor implementation of the schemes/programmes. It was, however, observed that the GoA did not constitute any such committee as yet (November 2015) rendering the monitoring mechanism unoperational at the Apex level.

1.3.8 Basic records not maintained

1.3.8.1 Database of beneficiaries

The State Government had not prepared the database of the ST and OBC beneficiaries in electronic format with inbuilt system of updating data. For allocation and release of population based funds, Census Report of 2001/2011 was found to have been used for ST category only. Population of OBC category was not available in the Census Report. Again, as required under the guidelines, the list of awardees of scholarship with necessary particulars was to be prepared and displayed in the website of NIC. The same was, however, never done and even, the department had no website for uploading any data.

1.3.8.2 Asset Registers

During 2010-15, the Director created assets like roads, bridges, rest house, community hall etc., under Article-275 (1), All Weather Roads and State Plan Schemes but necessary Asset Register was not maintained at any level. As a result, consolidated details of assets created such as number, date of sanction, date of completion and the expenditure incurred against the assets created could not be ascertained.

1.3.8.3 Physical verification of schemes

As of July 2015, GoA had not prescribed any schedule of inspection for the State and lower level offices. In the Directorate of WPT & BC, contingency fund earmarked/allocated for monitoring was either irregularly utilised or retained in hand. Even, the due contingency fund was not released to some of the ITDPs *viz.*, Kokrajhar and Barpeta by the Director for carrying out inspection.

Non-maintenance of the essential records/documents and deficient inspection system indicated poor monitoring of the schemes being implemented for the welfare of STs and OBCs in the State.

1.3.9 Evaluation

GoA had neither framed any guidelines for evaluation of the schemes implemented nor conducted any evaluation studies by engaging any third party. As a result, GoA was neither aware of the status of the implementation nor was in a position to assess the impact of implementation of the various schemes for the welfare of STs/OBCs.

1.3.9.1 Grievance Redressal

It was revealed that the GoA neither established any online helpline for grievance redressal nor created any post of Grievance Redressal Officer at any level. Maintenance of Complaint Register in field offices and the time schedule for disposal of a case was also not prescribed.

1.3.9.2 Non-disposal of grievances

On receiving (February 2013) a complaint from the Chairman, Maimal Development Council (MDC) about alleged anomaly in procurement and distribution of 136.51 ton GCI sheets, GoA instructed (April 2013) Deputy Commissioner, Karimganj to enquire into the complaint. As per the report (18 September 2013) of DC, Karimganj, GCI sheets of 0.28 mm thickness and 9 feet long of Rhino Brand were received against GCI sheets of 0.5 mm thickness and 9 feet long of Sail Jyoti brand with ISI mark ordered for. Based on the report, GoA directed (10 June 2014) the Director to examine the enquiry report and to take necessary action on the matter. Neither records relating to disposal of the case were furnished by the Director, though called for, nor were the inferior quality GCI sheets got replaced. During discussion, the Director stated (July 2015) that the case was with GoA for disposal/remedial action.

Thus, despite elapse of one year and five months, the grievance remained unaddressed. The above position indicated that the grievance redressal mechanism was not existing/effective in the State.

1.3.9.3 Irregular disposal of grievances

GoA instructed (2 February 2015) the Director to enquire into the complaint against the Chairman, MDC, lodged (20 December 2014) by the Vice Chairman, MDC about alleged excess collection of ₹1,63,800 as beneficiaries' contribution by M/s Venus Agro Machineries, Guwahati for the supply of 53 VST Shakti Power Tillers. The Director, instead of enquiring into the matter, submitted (9 February 2015) a report based on the reply from the Council as furnished (3 February 2015) by the Chairman, MDC along with the list of beneficiaries who received Power Tillers. The Director also stated that there was nothing specific as alleged by the Vice Chairman and the firm submitted the claim as stipulated in the order hence, no excess collection was made from the beneficiaries.

The above facts indicated that the case was disposed of merely on the basis of the reply of the Chairman of MDC, who himself was the alleged party. Thus, disposal of the case was irregular.

1.3.10 Good practice

For promotion of tourism and earning of revenue, the MAC provided in the AOP for the year 2013-14 ₹10.00 lakh for development of an Eco-Camp at Diprai village, Mingmang under MAC. Accordingly, the work was executed through a Construction Committee at an expenditure of ₹9.99 lakh.

The audit team visited the camp (14.06.2015) and found the camp constructed beautifully on the bank of river Subansiri with five residential camps in Tents covered by thatched roof (with bathroom and latrine inside) for accommodation of two persons in each camp. The spot chosen for the construction of camps was calm and scenic. The Chairman, MAC who was available on the spot explained that the purpose of creating such a park was to attract tourists to watch the migratory birds and earn revenue as well.

Eco-camp at Diprai village under MAC
(14 June 2015)

1.3.11 Conclusion

The schemes, implemented by GoA through the Director, WPT&BC, was aimed at providing assistance to poor and needy STs and OBCs for generation of income, educational upliftment of boys and girls and their self employment besides creation of infrastructure linked with income generation. This required proper survey of beneficiaries, proper planning, adequate financial management and transparency in selection of beneficiaries.

The performance audit revealed that major policy decisions like planning and monitoring were left unaddressed at the Apex level leading to non-completion of number of works taken up under different schemes. Construction of buildings for hostels had delayed inordinately for want of timely release of funds and thereby depriving the eligible students of the intended facilities. GoA though established 19 Development Councils during 2010-11 but adequate infrastructure facilities including dedicated staff were not provided rendering the smooth functioning of the Councils difficult. Due importance for implementation of gender based programmes in line with the instruction of MOTA, GoI was not given by the State. The State as well as the beneficiaries suffered a loss of ₹29.62 crore due to non-release of the amount by GoI under Article-275 (1) for reasons of non-adherence to the norm for the distribution of funds to ITDPs by the Director. Funds were not utilised optimally resulting in parking of ₹295.93 crore in the form of Revenue Deposit and DCR/BD besides ₹56.64 crore lying in State exchequer. Non-adherence to the provision of the financial norms led to incurring excess expenditure of ₹2.26 crore towards procurement of Cotton Yarn under SCA to TSP and FOIGS. There were persistent delays in release of funds leading to denial of scholarship to needy students under the scheme. Grievance redressal mechanism was neither prescribed nor effective. During audit, construction of an "Eco-Camp" under MAC for promoting tourism and earning revenue was noted as a positive move under the scheme.

The State Government did not conduct any evaluation study by engaging third party. As a result, the impact of implementation of the schemes remained unascertained.

In sum, the schemes suffered to a great extent due to ineffective and inefficient implementation on account of the factors discussed in the Report.

1.3.12 Recommendations

The State Government should consider

- *To conduct survey to formulate need based projects/schemes and prepare a database of the beneficiaries to optimally cover the population of ST/OBC under the Welfare Schemes.*

- *To assess the requirement of funds accurately and ensure their timely release and utilisation to avoid instances of retention of unspent balances.*

- *To review all incomplete works taken up for execution under different schemes and make a proper plan to complete them on priority basis so that the intended benefit reaches to the communities.*

- *To ensure close coordination between the Directorate and the Implementing Agencies for the effective implementation of the schemes. Educational institutions should be pursued to motivate and encourage the targeted group of students to avail the benefits extended under various scholarship schemes.*

- *To ensure evaluation of the schemes periodically and develop a system for taking corrective action on the shortcomings emerging out of the monitoring and evaluation reports.*

COMPLIANCE AUDIT

Higher Education Department

1.4.1 Avoidable expenditure

(a) Due to retention of contracted demand of power in excess of requirement, Gauhati University incurred expenditure of ₹70.18 lakh, which was avoidable.

Contract demand is the amount of power which a customer agrees to pay to have power available at all times. This also refers to power which must be made available as and when required and thus, 100 *per cent* of contracted demand or recorded consumption, whichever is higher, is billed for payment. Normally, the consumer declares the contract demand, which is between 70 *per cent* and 105 *per cent* of the connected load and gets converted to Kilovolt-ampere (KVA) at 0.85 power factor. In case declaration is not made by the consumer, 100 *per cent* of the connected load gets converted to KVA, which ultimately becomes the contracted demand. Thus, a consumer with ordinary prudence should get a sanction of maximum demand after carefully analysing the load pattern of the electrical installation and its own usage. Obtaining higher maximum demand results in higher minimum fixed charges and, if the usage exceeds the sanctioned maximum demand, then the consumer has to pay a penalty.

Gauhati University (GU) was established in 1948 and is regularly funded by University Grants Commission, Government of Assam and other agencies for Research and Academic activities. The records of GU, in the context of the contracted demand and actual usage of power during the seven years period 2008-15, were scrutinized (January-April, 2014), which revealed the following:

GU constructed a 11 KV dedicated line, which was energized in phases during June to September, 2008. However, no agreement was executed between the GU authorities and APDCL for the supply of power through 11 KV dedicated feeder line. Scrutiny of electricity bills paid by the GU during 2008-15 revealed that the University had a contracted demand of 1,826 KVA High Tension (HT) (Bulk Government Category-Educational Institution) with the Assam Power Distribution Company Limited (APDCL). However, the actual demand during the period ranged between 368 KVA and 960 KVA only, with maximum demand recorded as 960 KVA during five months[60]. Thus, the contracted demand of power of GU was much higher than the actual demand.

Scrutiny also revealed that the Area Manager, IRCA-II, APDCL, Maligaon, had requested the University authorities to consider reduction of the load below

[60] October, 2013; August and September, 2014; June and August, 2015.

1200 KVA. But the GU authorities never tried to get the contract demand reduced based on actual requirement, as allowed vide para 6.1 of AERC (Electric Supply Code and Related matters) Regulations, 2004. Even after allowing a margin of 5 *per cent* over the actual maximum consumption (960 KVA) and limiting the maximum power load to 1008 KVA, the GU could have avoided extra expenditure of ₹70.18 lakh on account of fixed charges per KVA, which was incurred due to retaining higher contract demand of 1,826 KVA during 2008-15 (upto August, 2015), as detailed in ***Appendix-1.21***.

(b) Due to non conversion of connected load and drawing power at a lower voltage than admissible, GU incurred extra avoidable expenditure of ₹22.67 lakh.

Further, as per clause 2.2 of Electricity Supply Code and related matters Regulations, 2004 (First amendment 2007), consumers drawing power 1,200 KVA or more at 11 KV line are to arrange for conversion of their connections to 33 KV or to reduce their load below 1,200 KVA.

As the GU was drawing power at a lower voltage than specified, the APDCL asked (February, 2014) the GU to compensate for the loss @ three *per cent* on total energy consumption (LT metering charges), which resulted in levying of extra Fuel and Power Purchase Price Adjustment (FPPPA) Charges[61] and extra Electricity duty[62].

Thus, failure of the GU to get the load reduced based on actual requirement and retention of surplus load without adequate justification, led to extra avoidable expenditure of ₹70.18 lakh[63] on electricity bills during September, 2008 to August, 2015 (para (a) above refers). Besides, the above failure also led to drawal of power at lower voltage than specified, during the period from February, 2011 to August, 2015, as detailed in ***Appendix-1.22***, resulting in further expenditure of ₹22.67[64] lakh, which was avoidable.

On this being pointed out, GU stated (November, 2014) that the contracted demand was assessed on the basis of the actual electric equipments and that the actual consumption of energy is always less as all the electrical equipments are not connected at the same time. The contract demand cannot be reduced only for the reason that all the equipments are not always used. However, the process of conversion of the connection from 11 KV to 33 KV was under process.

The reply of the GU substantiates the fact that the actual requirement was always less and contracted demand could have been reduced on the basis of

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[61] @ ₹0.13/unit upto July 2011, @ ₹0.69/unit upto February 2012 and thereafter @ ₹1.03/unit detailed in ***Appendix-1.22***

[62] @ ₹0.10 on unutilized unit as per sub section (i) of Section 3 of the Assam Electricity Duty Act, 1964 as amended by Assam Electricity Duty (Amendment) Act, 2007

[63] ***Appendix-1.21.***

[64] LT Metering Charges (₹20.12 lakh), FPPPA charges(₹2.31 lakh) and Electricity duty (₹0.42 lakh) detailed in ***Appendix-1.22***

consumption/requirement, as suggested by Electricity Authority. Retention of such excess load was not justified, as, during the last seven years period (2008-15), the maximum load was never utilised by the GU.

Thus due to retention of contracted demand of power in excess of requirement and non-conversion of connected load and drawing power at lower voltage than admissible, GU incurred extra expenditure of ₹92.85 lakh during 2008-15 (August 215), which was avoidable.

The matter was reported to Government; their reply had not been received (November 2015).

Guwahati Development Department

1.4.2 Loss of Interest

Inclusion of terms and conditions regarding payment of Mobilization Advance in the contract agreement beyond those agreed upon during negotiations with the contractor resulted in loss of interest of ₹26.44 crore to the state exchequer.

While entering into agreements with contractors/ suppliers, Government entity/ Departments are required to safeguard Government's interest. Predetermined norms and standards prescribed through Codes and Manuals of Central and State Governments, forms the basis of such safeguards.

Though there is no provision for granting mobilization advance (MA) in Assam Public Works Department (APWD) Code, Para 32.5 of Central Public Works Department (CPWD) Works Manual 2010 provides for release of MA to contractors in respect of certain specialised and capital intensive works with estimated cost of ₹two crore and above put to tender, MA limited to 10 *per cent* of the tendered amount at simple interest of 10 *per cent* per annum can be sanctioned to the contractor on specific request as per terms of the contract.

Further, as per CVC instructions (October 1997 and April 2007), adequate steps should be taken for ensuing grant of MA only for selected works and it should be interest bearing to preclude undue benefit to the contractor. Its recovery should be time bound and not linked to the progress of work.

Government of India (GoI), Ministry of Urban Development approved (March 2008) a project in Guwahati. The Project was the South Guwahati West Water Supply (SGWWS) Project in Guwahati Metropolitan Development area under Jawaharlal Nehru National Urban Renewal Mission (JNNURM) at a cost of ₹280.94 crore. Administrative approval (AA) was accorded (December 2008) by GoA for ₹280.94 crore which was revised (December 2009) to ₹355.31 crore. Accordingly, the work was awarded (March 2009) to the lowest tenderer, M/s Gammon India Limited (M/s

GIL), Mumbai, at the offered price[65] of ₹349.70 crore with the stipulation to complete the work within 30 months (September 2011). Till the date of audit (August 2014), an expenditure of ₹305.98 crore was incurred on the work with a physical progress of 84.27 *per cent*.

Scrutiny (August–October 2014) of records of Guwahati Metropolitan Development Agency (GMDA) revealed that consequent to the request of M/s GIL for consideration of the grant of MA (20 *per cent*) during 1st round (27 January 2009) of negotiations, it was decided (February 2009, 2nd and final round of negotiations) that Government would allow MA of 10 *per cent* of the value of works (₹319.27 crore) under Phase – I with levy of six *per cent* interest per annum. However, the contract agreement (March 2009) overlooked the decision and *inter-alia*, provided for payment of interest-free unadjustable MA of ₹69.94 crore, i.e. 20 *per cent* of the total contract value of ₹349.70 crore (both Phase-I and II). Accordingly, M/s GIL was paid (27 March 2009, 8 March 2010) ₹69.94 crore against the maximum admissible limit of ₹31.93 crore as per the negotiation (February 2009) resulting in an excess grant of ₹38.01 crore towards MA, besides non-levy of any interest thereon.

Thus, failure of the Department to restrict the MA to the maximum admissible limit of ₹31.93 crore and grant of interest-free MA contrary to the CVC's instructions resulted in undue financial benefit of ₹38.01 crore to the contractor being paid much in advance of it being due and consequent loss of interest of ₹26.44 crore ***(Appendix-1.23)*** to the Government during the period from March 2009 to September 2015.

On this being pointed out, GMDA, in reply, stated that 20 *per cent* mobilisation stage payment was made to the contractor as per payment schedule of the contract agreement. Further, as no provision was made in the payment agreement for recovery of interest, the same was not made. The fact however remained that since the payment schedule in the contract was against the decision taken during negotiations held with M/s GIL, it tantamounts to extending undue financial benefit of unadjustable MA without any provision of levy of interest component on MA, at the expense of the Government. Government was also not consulted about this likely additional financial burden being imposed on them though they were sponsoring the project. The CEO, GMDA exceeded his authority in the matter and his action was indicative of financial indiscretion.

The matter was reported to Government; their reply had not been received (November 2015).

[65] 24.47 *per cent* above the project cost.

Health and Family Welfare Department

1.4.3 Unproductive expenditure

Mission Director, NRHM, incurred an expenditure of ₹9.03 crore, towards establishment of 105 NBSUs (₹8.28 crore) and procurement of equipment (₹0.75 crore), for AYUSH wings in District Hospitals, which proved unproductive due to unavailability of manpower and requisite infrastructure.

A) To accelerate the achievement of national goals and Millenium Development Goals (MDGs) for bringing down childhood mortality, particularly at the time of greatest risk – i.e., birth and the first days of life, Government of India (GoI) set up Newborn Stabilization Units (NBSUs), under the National Rural Health Mission (NRHM) and its Reproductive and Child Health Programme (RCH-II). According to the directive of Ministry of Health and Family Welfare (MoHFW), GoI at least 200 sq. ft. of floor space along with 24 hours uninterrupted stabilized power and running water supply was required for setting up a four-bedded NBSU. One trained doctor (MO) and at least four fulltime General Nurse Midwifes (GNM) were also required to be posted in each NBSU for optimal functioning of the unit.

Scrutiny (April – August 2014) of records of the Mission Director (MD), NRHM, Assam revealed that the MD, NRHM released (during 2008-09 and 2009-10) ₹20.10 crore[66] to the Director of Health Services (DHS), Assam for the construction of 402 NBSUs (@ ₹5 lakh per NBSU), in 27 districts[67] of Assam. Of these, 351 NBSUs[68] (at a cost of ₹17.55 crore) had been constructed, 39 NBSUs were in progress while construction of 12 NBSUs was yet to be started (as of August 2014). MD, NRHM procured and installed (between October 2010 and October 2012) equipment sets

[66] ₹ 12.85 crore in 2008-09 for construction of 257 NBSUs and ₹ 7.25 crore in 2009-10 for construction of 145 NBSUs.

[67] Baksa (15), Barpeta(22), Bongaigaon (11), Cachar(14), Chirang (11), Darrang (8), Dhemaji (13), Dhubri (17), Dibrugarh (16), Goalpara(16), Golaghat (14), Hailakandi (9), Jorhat (17), Kamrup (M)(5), Kamrup (R) (27), Karbi-Anglong (21), Karimganj (13), Kokrajhar (17), Lakhimpur (15), Morigaon (10), N.C.Hills (8), Nagaon (31), Nalbari (12), Sivasagar (17), Sonitpur (18), Tinsukia (12), Udalguri (13).

[68] Baksa (13), Barpeta(22), Bongaigaon (11), Cachar(14), Chirang (9), Darrang (8), Dhemaji (9), Dhubri (17), Dibrugarh (16), Goalpara(16), Golaghat (10), Hailakandi (9), Jorhat (16), Kamrup (M)(5), Kamrup (R) (19), Karbi-Anglong (8), Karimganj (13), Kokrajhar (16), Lakhimpur (15), Morigaon (10), N.C.Hills (5), Nagaon (26), Nalbari (12), Sivasagar (16), Sonitpur (17), Tinsukia (12), Udalguri (7).

worth ₹8.44 crore[69] to operationalise 279 out of 351 NBSUs constructed. Scrutiny further revealed that 105 of the 279 NBSUs, where equipment were installed remained non-functional (August 2014) for want of requisite number of dedicated MOs and GNMs and inadequate power connection (especially three-phase line). Scrutiny also revealed that no feasibility study/health institution-wise survey was conducted to assess availability of manpower and power supply/connection to the health institutions prior to procurement of equipment to ensure their utilisation after installation.

On this being pointed out, National Health Mission (NHM), while accepting the audit observation, stated (June 2014) that setting up of NBSUs was a priority considering the high infant mortality rate of Assam. However, due to unavailability of doctors and nurses, the equipment installed remained non-functional.

Thus, the entire expenditure of ₹8.28 crore[70] incurred on the establishment of 105 NBSUs, without ensuring availability of requisite trained staff and infrastructure to operationalise the same, proved unproductive. Besides, the objective of bringing down the neonatal mortality rate for which the facilities were intended was also defeated.

B) Ministry of Health & Family Welfare, Government of India (GoI) sanctioned and released (December 2005) ₹8.40 crore to Government of Assam (GoA) under a Centrally Sponsored Scheme for establishing specialist AYUSH wings in each of the 24 existing District Hospitals. Of this amount, GoA sanctioned and released (January 2011) ₹six crore to National Rural Health Mission (NRHM) for the 24 District Hospitals.

Scrutiny (January-April 2015) of records of the Mission Director (MD), NRHM, revealed that on the recommendation of the bid evaluation committee, MD, NRHM

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Year	No of equipment procured and installed (Numbers)	Amount involved towards procurement (₹in crore)	Period of installation equipment in different Health institution	Period of payment
2010-11	128	4.47	18 October 2010 to 19 December 2011	The entire payment was made in between July 2010 to March 2012
2011-12	151	3.97	07 February 2012 to 16 October 2012	
Total	**279**	**8.44**		

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Year	No of equipment not made functional (Number)	Cost at which procured (₹ in lakh) (Excluding Tax)	Total amount incurred (₹ in lakh)
2010-11	12	3.82	45.84
	22	3.26	71.72
2011-12	45	2.53	113.85
	26	2.74	71.24
Total civil cost towards construction of NBSU at the ₹ 5 lakh per unitX105			525.00
		Total unfruitful expenditure	827.65

Source: Departmental records.

placed an order[71] with M/s Esteem Services, Kerala (sole technically accepted tenderer) for supply of various Ayurvedic equipments (details given in (***Appendix-1.24***) in 24 District Hospitals. The firm delivered (January - February 2013) the equipment to the Hospitals and was paid ₹1.18 crore in two instalments (February and March 2013) after deduction of VAT (₹0.06 crore) and Security Deposit (₹0.05 crore).

Further scrutiny revealed that against the requirement of 24 Medical Officers (MO) Ayurvedic (AYUR) there were only 10 MO, AYURs, who were posted in 10[72] DHs (October 2014).

Thus, due to unavailability of trained MOs, AYUR for manning the AYUSH wings, equipment for 14 District Hospitals[73] remained idle since procurement (February 2013), rendering the expenditure of ₹0.75[74] crore incurred towards their procurement, unproductive.

The matter was reported to Government; their reply had not been received (November 2015).

1.4.4 Irregular retention and blocking of funds

The Superintendent, Gauhati Medical College and Hospital irregularly retained huge unspent balances (₹six crore) in Revenue Deposits for five years in disregard to the recommendation of the Public Accounts Committee.

Assam Treasury Rule 16, read with Supplementary order 50, stipulates that money should not be drawn from the treasury unless it is required for immediate disbursement. The rule also prohibits drawal of money to avoid lapse of budget grant. The Public Accounts Committee (PAC), vide para 2.13 of its Report No 73 of 1996-99, observed that drawal of funds from the Consolidated Fund and transfer thereof to the Public Account was irregular and directed that this practice should not be continued anymore.

The State Health and Family Welfare Department sanctioned (March 2010) ₹six crore for the implementation of Hospital Information Management System (HIMS) in the Gauhati Medical College and Hospital (GMCH). This formed part of the award of the 12th Finance Commission (TFC) 2009-10. The objective of HIMS was to bring the whole hospital under one network, including the Outpatient Departments (OPDs), Intensive Care Units (ICUs), Wards, Laboratories and Morgue etc., so that real time data could be accessed under one system.

[71] Order No. NRHM/PMU/AYUSH/03-Part-I/11/2012-13/23389 dated 03-12-2012
[72] Barpeta, Baksa, Cachar, Darrang, Golaghat, Karimganj, Karbi-Anglong, Morigaon, Nalbari and Tinsukia.
[73] Bongaigaon, Dhemaji, Dhubri, Dibrugarh, Dima-Hasao, Goalpara, Jorhat, Kamrup(R), Kokrajhar, Lakhimpur, Nagaon, Sivasagar, Sonitpur & Udalguri.
[74] ₹ (511813 + 24620.65) x 14 DHs

The scope of work included:

i) Development and implementation of application software for areas of hospital operation i.e., patient management, accounting system, image management, inventory management, kiosk etc.

ii) Facility management for provision of necessary manpower support for maintenance of the system including data entry operators, system administrators, network specialists etc.

iii) Supply and installation of hardware including desktops, servers, printers, UPS etc., necessary for implementation of HIMS and setting up a high speed data network using optical fibre backbone and Civil and electrical works.

Scrutiny (January - February 2014) of records of the Superintendent, Guwahati GMCH revealed that the Superintendent, GMCH issued (March 2010) a work order for the job, to the Managing Director, Assam Electronics Development Corporation Limited (AMTRON), Guwahati, with a request to submit proforma bills as per his proposal. On the strength of the proforma bill, Superintendent, GMCH, withdrew the amount of ₹six crore on 30 March 2010 and deposited the same in Revenue Deposit (RD) on 31 March 2010. Subsequently, Health and Family Welfare Department directed (August 2011) the Director of Medical Education (DME) to request AMTRON to allot the work to the successful bidder after inviting tender. It was, however, observed in audit that the project had not yet started and the entire amount of ₹six crore remained in RD (August 2015).

To a query in this regard, Managing Director, AMTRON, the implementing agency for the project, stated (February 2014) that the project was sanctioned for computerization of GMCH and did not cover the development/implementation of the Institution Management System (IMS), including admission, examination, audio visual classrooms, research activities etc. As such, the request for proposal (RFP), prepared by AMTRON, also did not include IMS. During the bid evaluation process, however, the Deputy Secretary (Health), DME, Assam and Principal, GMCH objected to the exclusion of IMS in the RFP and insisted that IMS should be part of RFP. As a result, the initial RFP was cancelled (August 2013) and preparation of a new RFP was under process.

Regarding non-execution of the project, the Superintendent, GMCH stated (April 2015) that all processes, including the tender process and execution of the project, were under the jurisdiction of the Director of Medical Education (DME), Assam and GMCH had no role in this regard. The reply was silent about why the work was not put to tender and the necessity of drawing funds in advance. It was, thus, evident that fund was drawn by GMCH far in advance of requirement, to avoid lapse of central assistance given in the form of TFC grant.

However, the amount was subsequently refunded to the Government exchequer[75] in September 2015 without implementation of HIMS.

Thus, the Superintendent, GMCH had not only violated the financial principles and recommendation of the PAC, by withdrawing funds in advance of actual requirement but also, despite availability of funds, failed to implement the HIMS within the time-frame of the TFC, which led to deprival of the intended benefit of access to real-time data, considered essential for timely patient-care in GMCH, as the fund was refunded back to the State exchequer.

The matter was reported to Government; their reply had not been received (November 2015).

1.4.5 Avoidable expenditure

Payment of ₹3.19 crore was made on account of diet charges for non-existent patients in Gauhati Medical College and Hospital (GMCH).

Rule 204 of the General Financial Rules 2005 states that the terms of contract must be precise, definite and without any ambiguities. The terms should not involve an uncertain or indefinite liability, except in the case of a cost plus contract or where there is a price variation clause in the contract.

Government of Assam, Health and Family Welfare Department approved (13 March 2007) outsourcing of the supply of diet to the in-patients of Gauhati Medical College and Hospital (GMCH), on an experimental basis, for three months with effect from 1 April 2007. The arrangement of outsourcing of diet supply was extended from time to time. The rate of diet money was fixed by the Government @₹40 per day, per patient, w.e.f. 23.09.2010.

Audit scrutiny (January - February 2014) of records of the Superintendent, GMCH and further information collected (July 2015) revealed that an agreement was executed (August 2012) with a Guwahati-based firm[76], for the supply of diet to the in-patients of GMCH, with effect from 28 August 2012 till 2 November 2013. No tenders were, however, invited to select the supplier firm. The agreement, *inter alia,* stipulated that supply of diet should be restricted to the bed capacity of GMCH, at the rate of ₹40 per day, per bed (excluding VAT). Payment would also be made on the basis of the sanctioned bed capacity of the hospital.

Audit observed that the Superintendent paid (September 2012 to October 2013) ₹4.13 crore (including VAT) to the supplier for supply and distribution of diet to the in-patients of GMCH (excluding Infectious Diseases Hospital, Kalapahar), on the basis of the total bed strength of 2135 *(*i.e., altogether 2135 x 426 days = 9,09,510

[75] vide Government U.O. Number HLA.592/2010/Pt/146 dated 7 September 2015 and Challan Number 3266 dated 7 September 2015
[76] Axis Contractors and Engineers Pvt. Ltd., Guwahati-25.

patients @ ₹40/bed), whereas the actual number of in-patients, during the above period, was only 2,06,000. Had the payment been made on the basis of actual number of in-patients, expenditure on diet charges would have been restricted to a maximum of ₹0.94 crore (including VAT). Thus, payment of diet charges to the in-patients, on the basis of sanctioned bed capacity, rather than occupancy as per actual number of in-patients, resulted in extra expenditure of ₹3.19 crore (detailed in ***Appendix-1.25***).

On this being pointed out, Superintendent, GMCH stated (September 2014) that in some wards, patients were treated beyond seat capacity and diet was also provided to the attendants of the poor patients.

The reply was not acceptable, as only in-patients were eligible for supply of the diet. Further, as per Government of Assam, Health and Family Welfare department letter dated 13.03.2007, diet money should be paid @ ₹40 per day, per patient, which was modified in the agreement (clause 2 of the aforesaid agreement between Superintendent, GMCH and the firm), according to which the diet money would be paid @ ₹ 40 per day, per bed. This facilitated payment to the firm even for the beds those remained vacant during the payment period due to absence of in-patients.

Thus, inclusion of an uncertain liability in the terms of the contract agreement, without assessing its actual impact on the public exchequer and without approval from the Government, facilitated the payment of ₹3.19 crore to the supplier, which was avoidable.

The matter was reported to Government; their reply had not been received (November 2015).

1.4.6 Unproductive expenditure

Decision of Mission Director, National Rural Health Mission, Assam of procuring Tele-radiology equipments for non-functional Regional Diagnostic Centres rendered the expenditure of ₹1.18 crore, unproductive.

Government of India (GoI) approved (14 August 2012) the Supplementary Programme Implementation Plan (PIP) for the year 2012-13, of the National Rural Health Mission (NRHM), Assam. The PIP included, *inter-alia*, implementation of tele-radiology services, for an amount of ₹15.60 crore[77], in identified health institutions in 11[78] districts of the State.

Scrutiny (January – April 2015) of records of the Mission Director (MD), NRHM revealed that the contract for implementation of tele-radiology services, in 11

[77] Equipment: ₹9.35 crore, Human Resources: ₹1.70 crore and Communication system: ₹4.55 crore.
[78] Kokrajhar, Dhubri, Barpeta, Mangaldoi, Kamrup (M), Nagaon, Dima-Hasao, Jorhat, Lakhimpur, Cachar and Hailakandi.

Regional Diagnostic Centres (RDCs)[79] and one Central Data Centre (CDC) at the Mahendra Mohan Choudhury Hospital (MMCH), Guwahati, was awarded (March 2013), by the MD, NRHM to one New Delhi based firm[80], at a total cost of ₹6.03 crore, based on the expression of interest (EoI) submitted by the firm. As per terms of the contract, the firm was paid advance of ₹4.22 crore (excluding VAT of ₹ 0.09 crore, deposited into the Government account) being 70 *per cent* of the contract amount.

The firm supplied equipment required for all the 11 RDCs and one CDC. However, the equipment was installed (July-August 2013) in only eight RDCs[81] and in the CDC at MMCH, as the remaining three[82] RDCs were non-functional. Equipment of these three RDCs, costing ₹1.18 crore[83], was stored at MMCH, Guwahati. Against the total claim for ₹6.06 crore[84] submitted by the firm, the MD paid (February 2014) ₹1.45 crore, after adjusting the advance payment of ₹4.22 crore and VAT amount of ₹0.09 crore. The balance of ₹0.30 crore was retained for the incomplete works (Project Implementation).

Scrutiny also revealed that the MD, NRHM was well aware, through the activity reports (December 2012), of the non-functional status of the RDCs at Barpeta, Cachar and Jorhat prior to placement of order (March 2013) for the supply of equipment. Further, the proposal of the Mission in the 2014-15 PIP, to start the services in the three centres, was kept pending by the GoI. The reasons for procurement of equipments, for the non-functional RDCs, were not available on record.

On this being pointed out, MD, NHM stated (September 2015) that these three RDCs were non-functional because infrastructure, CT and X-ray machines of these RDCs were taken over by the respective Medical Colleges of the district. The reply was,

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79 (i) Barpeta, (ii) Cachar, (iii) Dhubri, (iv)Dima Hasao, (v) Hailakandi, (vi) Jorhat, (vii) Kokrajhar, (viii) Lakhimpur, (ix) Mangaldoi, (x) Nagaon and (xi) Kamrup (M).

80 M/s Religare Technologies Ltd., New Delhi presently known as M/s Healthfore Technologies Ltd.

81 (i) Dhubri, (ii) Dima Hasao, (iii) Hailakandi, (iv) Kokrajhar, (v) Lakhimpur, (vi) Mangaldoi, (vii) Nagaon & (viii) Kamrup(M).

82 Barpeta, Cachar and Jorhat

83 **Value of materials lying at MMCH**

Sl. No.	Description of supplies	Total amount paid for equipments against 12 Units (₹)	Proportionate value of equipments supplied for 3 unit (₹)
1.	Tele-radiology-Software	31833884	795847**0**
2.	Tele-radiology-Hardware	10366001	2591500
3.	Network and connectivity	4993731	1248433
Total		**4,71,93,616**	**1,17,98,403**

Source: Departmental records.

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Sl. No.	Description of supplies	Item cost (₹)	Tax (₹)	Total amount claimed (₹)
1	Tele-radiology-Software	27836555	3997329	31833884
2	Tele-radiology-Hardware	9943041	422960	10366001
3	Network and connectivity	4895816	97915	4993731
4	Data Centre Set up at MMCH	5675776	336162	6011938
5	Project implementation	6560750	810909	7371659
Total		**5,49,11,938**	**56,65,275**	**6,05,77,213**

Source: Departmental records.

however, silent as to why the Medical Colleges of the district had taken over the infrastructure and machines, which were required to start the tele-radiology services at the RDCs.

Thus, the decision on the part of the management, to procure the tele-radiology equipment for all the identified health institutions, including the three non-functional centres, resulted in unproductive expenditure of ₹1.18 crore.

The matter was reported to Government; their reply had not been received (November 2015).

1.4.7 Extra expenditure

Due to foregoing the benefit of concessional excise duty in procurement of ambulances, the Department incurred an extra expenditure of ₹85.19 lakh.

Clause 51 (e) of Notification No. 6/2002 CE dated 1 March 2002, read with Notification No. 64/2003 dated 6 August 2003 of the Central Excise department, Government of India (GoI), provides that excise duty on a motor vehicle registered for use solely as an ambulance, may be refunded to the buyer, through the manufacturer, when the ambulance is supplied to hospitals, nursing homes or sanatoria run by the Central, State Government or UT or a local authority etc. A certificate from an officer authorized by the concerned State Transport Authority, to the effect that the said motor vehicle has been registered for sole use as ambulance, is required to be obtained and the claim submitted for refund within three months or such extended period not exceeding a further period of three months as the concerned Deputy Commissioner/Assistant Commissioner of Central Excise may allow, from the date of clearance of such motor vehicle from the factory of the manufacturer.

Scrutiny (April - August 2014) of records of the Mission Director, National Rural Health Mission, Assam and seven District Health Societies[85] (DHSs) revealed that Government of Assam (GoA), Health and Family Welfare Department signed (July 2008), a Memorandum of Understanding (MoU) with the Emergency Management and Research Institute (EMRI), Secunderabad, as the Sole State Level Nodal Agency for providing Emergency Response Services (ERS) in Assam. The mode of implementation of the scheme, *inter alia*, stipulated that the GoA would provide funds for purchase and operation of ambulances under the State budget, National Rural Health Mission (NRHM) and other relevant schemes immediately on signing of the MoU and the remaining capital cost would be released on submission of Utilization Certificates (UC).

In April 2012, NRHM, released ₹10.92 crore to the Chief Operating Officer, Gunupati Venkata Krishna (GVK) EMRI, based at Guwahati, for procurement of 100 ambulances. As per decision of the tender committee (15 March 2012) the contract

[85] Cachar, Dhubri, Dibrugarh, Goalpara, Karbi Anglong, Kamrup (Rural) and Tinsukia

was awarded to M/s Tata Motors Limited (TML) Pune, at the best negotiated price of ₹7,80,998.67, with expected landed price of ₹6,96,285[86]. EMRI purchased (April – May 2012) 100 ambulances from TML, at a unit cost of ₹7,80,998.50. Though the ambulances were registered for the purpose for which excise duty concession was provided, the EMRI failed to furnish the claim for excise duty refund within the stipulated period of three months (related documents were forwarded to TML on 19 September 2012 for 61 ambulances and on 07 November 2012 for balance 39 ambulances), despite repeated requests of TML (08 June 2012, 10 August 2012 and 11 September 2012) for submission of the documents. Consequently, excise duty refund of ₹1.73 lakh (₹86,932 x 2) for two ambulances only was received by the EMRI. Refund claim of 98 vehicles became time-barred and ineligible for the excise duty refund.

Thus, due to foregoing the benefit of concessional excise duty, owing to delay in furnishing the requisite documents, the Department incurred an extra expenditure of ₹85.19 lakh (₹86,932 x 98 ambulances), which was avoidable.

The matter was reported to Government; their reply had not been received (November 2015).

1.4.8 Extra expenditure

Mission Director, National Rural Health Mission (NRHM), Assam incurred extra expenditure of ₹69.72 lakh on procurement of medicine kits and drugs.

(A) Scrutiny (January – April 2015) of records of the Mission Director (MD), National Rural Health Mission (NRHM) revealed that the empowered committee of NRHM, Assam decided (7 December 2012) to procure medicines by placing repeat orders based on previously accepted (September 2012) rates and terms of procurement of Primary Health Centre (PHC) kit comprising 92 items in order to curtail the administrative lead time and to speed up the procurement process of medicines.

For subsequent procurement during 2012-13, no fresh tenders were invited. Instead, the package rates of the Primary Health Centre (PHC) kit (comprising 31 to 50 items)

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Amount (In ₹)	Particulars
6,90,385.56	New pre-vat price
90,613.11	CST @ 13.125%
7,80,998.67	**Ex RSO Invoice price**
84,713.67	Excise duty (ED) refund
6,96,285.00	Expected price with reduction in basic and reduction in ED refund

Source: Departmental records.

were reworked[87] keeping the unit rates of medicine same as quoted by the bidders in September 2012 and changing the quantity on the basis of requirement, as per decision of the empowered committee. Accordingly, orders for supply of all the medicine kits were issued (December 2012, January 2013 and March 2013) to the lowest bidder M/s Agam Pharmaceuticals. The supplies were made (April-June 2013) at an expenditure (March 2013) of ₹6.76 crore.

Further scrutiny revealed that although orders were placed in kits for the supply of medicines, the medicines were supplied individually and not in the kits. Item-wise analysis of rates of each package revealed that in respect of 62 out of the total 131 items of the kits, rates offered by the supplier were higher than the rate offered by the other eligible firm/bidder (M/s Itas G Pharma) and as a result an extra expenditure of ₹42.86 lakh[88] was incurred as shown in ***Appendices-1.26 to 1.28***.

On this being pointed out, it was stated (April 2015) that the procurement was done in the form of kits and tenders were evaluated on the basis of the total cumulative value of all items in the kit to determine the lowest bid. The reply was not tenable as supply of medicines remained incomplete in 3 packages[89] where only 29[90] (SHP), 45[91] (MMU) and 48[92] (RHP) items per kit were supplied against the required 31 (SHP), 50 (MMU) and 50 (RHP) items respectively.

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Sl. No.	Medicine kits	No. of kits ordered for	Package rate offered by the two successful bidders (in ₹)	
			M/s Agam Pharmaceuticals	M/s Itas G Pharma
1.	Rural Health Practitioner (RHP) drug kits	354	84,734.81	89,483.68
2.	Public Private Partnership (PPP) Tea Garden drug kit	150	87,176.06	92,909.62
3.	Boat clinic &Mobile Medical Units (MMU) drug kit	65	1,36,537.51	1,38,644.85
4.	School Health Programme (SHP) drug kit	149	1,05,376.80	1,05,543.84

Source: Departmental records

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Sl. No.	Medicine kits	Supply order No. and date	No. of kits supplied	No. of items in each kit	Details of payments		No. of items procured at higher rate	Extra expenditure (₹)
					Ch. No. & date	Amount paid (₹)		
1.	RHP drug kits	NRHM/RHP kit/310/2010-11/Pt-I/25881 dtd. 17.12.2012	354	50	--	2,99,96,123	24	**24,89,831**
2.	Boat clinic & MMU drug kits	NRHM/Boat Clinic & MMU Drug kit/1620/2012-13/41292 dtd. 4.3.2013	65	50	222622-23 dtd. 31.3.2013	88,74,937	24	7,78,853
3.	SHP drug kits	NRHM/SHP/Procurement/1007 / 12-13/24833 dtd. 13.12.2012	149	31	222631-32 dtd. 31.3.2013	1,57,01,143	14	10,17,464
Total			**568**	**131**		**5,45,72,203**	**62**	**42,86,148**

Source: Departmental records

89 SHP drug kits, RHP drug kits and Boat clinic & MMU drug kits

90 Cephalexin Dry Syp 125mg/5ml and Tab. Trimethoprin+Sulphadoxine(20+100) ped of SHP kit were not supplied.

91 Tab.Azithyromycin IP 250mg, Tab. Azithyromycin IP 500mg, Tab. Frusemide IP 40mg, Sachet ORS powder IP (Hypo Osomolar WHO recommended formula with citrate salts and Syrup Cough (Allo), Composition Each 5 ml contains as per Indian pharmacopoeia standard, Ammonium Chloride IP, Diphenhydramine Hydrochloride IP Sodium Citrare Menthol IP of MMU kit were not supplied.

92 Tab.Metroniadazole IP 400mg and Sachet ORS powder IP (Hypo Osomolar WHO recommended formula with citrate salts of RHP kit were not supplied.

Thus, procurement of medicines kit-wise, instead of item-wise procurement, without safeguarding the interest of the Government, led to an extra expenditure of ₹42.86 lakh by the DHS, Assam. Had the option of accepting the lowest available item rates from the quoted rate of both the eligible firms/bidders been explored, the extra expenditure could have been avoided.

(B) On the basis of direction of Government of Assam (GoA), Health & Family Welfare Department, the Director of Health Services (DHS), Assam requested (June and September 2012) the MD, NRHM, Assam to provide ₹17.28 crore and ₹3.50 crore for immediate procurement and supply of general and anti-Cancer drugs respectively to the districts. The MD, accordingly, released (September 2012) ₹20.78 crore to the DHS out of the fund available under "Procurement of drugs and supplies". The DHS utilised an amount of ₹20.77 crore leaving an unutilised balance of ₹0.01 crore.

The DHS incurred an expenditure of ₹93.47 lakh (including transportation cost of ₹1.40 lakh) towards procurement of six medicines from two suppliers at the approved rates of the DHS. Cross-check of the rates of DHS with those of MD, NRHM revealed that the rates allowed by DHS were much higher than the rates allowed by MD, NRHM during the same year (2012-13). This led to an extra expenditure of ₹26.86 lakh as shown in ***Appendix-1.29***.

Thus, procurement of medicines at higher rates by the DHS despite their availability at lower rates led to an extra expenditure of ₹69.72 lakh (₹42.86 lakh + ₹26.86 lakh).

The matter was reported to Government; their reply had not been received (November 2015).

1.4.9 Avoidable extra expenditure

Failure of Mission Director, National Rural Health Mission, Assam in availing the prevalent DGS&D rate and subsequent procurement at higher rate resulted in an extra expenditure of ₹62.73 lakh, which was avoidable.

During 2012-13, Government of Assam (GoA), Health and Family Welfare Department (H&FWD) planned to replace 100 old Mrityunjoy ambulances engaged for Emergency Response Services. Accordingly, it was decided (March 2013) to procure 137 new Tata Winger-3200 (for ambulance purposes) from the available fund of ₹12.60 crore.

Scrutiny (January – April 2015) of records of Mission Director (MD), National Rural Health Mission (NRHM), Assam revealed that the technical committee, headed by Commissioner and Secretary, H&FWD, GoA cum MD, NRHM, after analysing the rates of various manufacturers, approved (14 March 2013) procurement of 137 Tata Winger AC 3200 directly at Directorate General of Supplies & Disposals (DGS&D) rate of ₹6.68 lakh per vehicle. This rate was valid up to 31 March 2013, which was extended upto 31 May 2013 by DGS&D with due intimation to all concerned for placement of supply orders against the rate contract by the last date of currency of the rate contract. It was, however, noticed that on 19 June 2013 *i.e.*, after expiry of the rate contract (31 May 2013), the MD placed order for supply of 137 Tata Winger vehicles at a total cost of ₹9,15,31,618 (@ ₹6,68,114 per vehicle inclusive of all taxes) for delivery of the entire quantity within eight weeks from the date of issue of the order. M/s Tata Motors, however, intimated (1 July 2013) that they were unable to take up order for execution at the DGS&D rate contract as the validity of the rate contract had expired on 31 May 2013 and the fresh DGS&D rate when finalized would be sent to amend the purchase order. The new DGS&D rate of ₹7,19,071[93] per vehicle (inclusive of all taxes) was intimated by Tata Motors on 15 July 2013.

The technical committee recommended (February 2014) the new DGS&D rate of ₹7,20,828 per unit (including taxes) and fresh order was placed (March 2014) for procurement of 137 vehicles, which were delivered (April 2014) by Tata Motors with a total claim of ₹9,78,04,164[94]. MD, NRHM, Assam paid the amount in April 2014.

Despite knowing well that extended validity of the rate contract would expire on 31 May 2013, the MD took more than three months in finalizing official formalities and placed order on 19 June 2013 when the validity of the DGS&D rate had already expired. This had resulted in an extra expenditure of ₹62,72,546 (₹9,78,04,164 - ₹9,15,31,618) as the procurement of vehicles was made at higher rates.

On this being pointed out, the Programme Executive, NRHM, Assam stated (April 2015) that the order for procurement of the vehicles could be placed only after obtaining administrative approval from the competent authority. The reply was not tenable as there was undue delay in obtaining administrative approval from the competent authority. The Mission should have been more prompt in processing the matter in view of impending expiry of the validity of the rate contract.

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(In ₹)

Basic price	5,50,444
Excise duty (@ 13.51875%)	74,413
Basic price inclusive of excise duty	6,24,857
CST @ 13.125% at Haryana	82,012
Sub total	7,06,869
DGS&D road delivery charges	12,202
Unit DGS&D rate	**7,19,071**

Source: Departmental records.

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Tata Winger, 3200 WB, High Roof ambulance, BS-III	**100 nos.**	**37 nos.**
Basic price	5,50,444	5,50,444
Excise duty	74,413 (@ 13.51875%)	51,735 Reduced duty (@ 9.39875%)
Basic price inclusive of excise duty	6,24,858	6,02,179
CST @ 13.125% at Haryana	82,013	79,036
Sub total	7,06,871	6,81,215
DGS&D road delivery charges	13,957	13,957
Unit DGS&D rate	7,20,828	6,95,172
Total	**7,20,82,800**	**2,57,21,364**
Grand Total (7,20,82,800 +2,57,21,364)	**9,78,04,164**	

Source: Departmental records.

Thus, delayed action in seeking administrative approval for the procurement of vehicles by the Mission led to extra expenditure of ₹62.73 lakh, which was avoidable.

The matter was reported to Government; their reply had not been received (November 2015).

Panchayat and Rural Development Department

1.4.10 Suspected misappropriation of IAY fund

Release of Indira Awaas Yojana fund unauthorisedly by the Project Director, DRDA Jorhat to a Construction Committee instead of direct transfer to beneficiaries' account in violation of Scheme Guidelines and absence of records of actual construction of houses renders utilisation of funds amounting to ₹1.69 crore doubtful.

Indira Awaas Yojana (IAY), a flagship scheme of Ministry of Rural Development, Government of India (GoI) is being implemented since 1 January 1996 in Assam. IAY aims at helping rural people below the poverty line (BPL) belonging to SCs/STs, freed bonded labourers and non-SC/ST categories in construction of dwelling houses and upgradation of existing unserviceable kutcha houses by providing financial assistance which is directly credited to the bank/post office account of the respective beneficiary, selected by the Gram Sabha of each Gaon Panchayat from the approved Permanent IAY Wait List. The beneficiaries will have complete freedom as to the manner of construction of house. Zilla Parishads (ZPs)/ District Rural Development Agencies (DRDAs) shall help the beneficiaries in acquiring raw materials economically and by providing technical guidance. No contractor shall be involved in the construction of dwelling houses under IAY, by ZP/DRDA/Implementing Agency.

A complete inventory of houses constructed/upgraded showing details of date of commencement and completion, name of village/block, category of beneficiary etc., is needed to be maintained by the implementing agency. Further, among others, greater transparency is stressed upon particularly in respect of disclosure of information about progress in implementation of the scheme at Block level.

Scrutiny (December 2013) of records of the Project Director (PD), District Rural Development Agency (DRDA), Jorhat revealed that GoI released ₹16.54 crore (being first and second instalments) between April and December 2010 to the PD, DRDA for the construction of new houses/upgradation of kutcha houses into pucca houses with the condition that no deviation from the provisions of the guidelines was permissible.

The PD, DRDA disbursed ₹1.69 crore to the President/Secretary, IAY construction committee during May 2010 to February 2011 in contravention of the provision of guidelines. Despite placing requisitions and repeated reminders (December 2013 and January 2014) PD, DRDA, Jorhat failed to furnish any information regarding constitution of construction committee, the details of beneficiaries, status of works, basis of release of funds to the construction committee. To a query in this regard (January 2014), none of the eight Block Development Officers[95] (BDOs) also could furnish any approved beneficiary list along with BPL Identification Numbers (IDs) and status of construction of IAY houses. Seven out of eight BDOs further stated (January 2014) that no house was constructed under IAY during 2010-11, while one BDO stated that the records relating to such construction were not available with them.

Apprehending improper utilisation of fund, Audit proposed for a joint physical verification of construction of IAY houses by the construction committee but the PD/BDOs did not initiate any action for such joint verification. During exit meeting, the PD, however, assured (January 2014) to furnish the reply after detailed verification, but the same has not yet been received despite elapse of more than one year (November 2015).

Thus, in the absence of basic information/records, the veracity of expenditure amounting to ₹1.69 crore was doubtful and possibility of misappropriation of funds to that extent could not be ruled out.

The matter was reported to Government; their reply had not been received (November 2015).

1.4.11 Unauthorised expenditure

PD, DRDA, Kamrup (Rural) incurred an unauthorised expenditure of ₹53.10 lakh out of SGSY fund for making payment to facilitators for recovery of loan amount from the SHGs in violation of norms.

The Swarnajayanti Gram Swarozgar Yojana (SGSY) guidelines (Para 3.8) provide for District Rural Development Agencies (DRDAs) to engage facilitators for group formation and development, capacity building and training of Self Help Groups (SHGs), which is essential for the success of SGSY. DRDAs may devise a Memorandum of Understanding (MoU) or contract with the facilitators and the MoU should clearly define the role of the facilitators in group formation and development including the payment to be made, which should be linked to the stage of development of the group and overall performance. The guidelines (Para 4.25) also provide that as recovery of loan is also required to be ensured, the bank concerned may engage NGOs or individuals as Monitor-cum-recovery facilitators for recovery of loan from the SHGs on a commission basis and a processing-cum-monitoring fee of 0.5 *per cent* of the loan amount may be charged to the Swarozgaries/SHGs to meet the expenditure on this count.

[95] (i) East Jorhat Development Block; (ii) Ujani Majuli Development Block; (iii) Majuli Development Block; (iv) Central Jorhat Development Block; (v) North West Jorhat Development Block; (vi) Kaliapani Development Block; (vii) Jorhat Development Block and (viii) Titabar Development Block.

Scrutiny (October – December 2014) of records of the Project Director (PD), DRDA, Kamrup (Rural) for the period 2007-08 to 2013-14 revealed that the District level SGSY (DLSGSY) Committee approved (September 2002) the proposal of the PD, DRDA, Kamrup (Rural) to help the banks in loan recovery from SHGs including lending of manpower for undertaking the paperwork, if required by the Branch Manager. The DLSGSY also approved the engagement of NGOs (facilitators) involving payment of remuneration[96] to such facilitators in phased manner.

PD, DRDA, Kamrup (Rural) engaged individuals as Block-wise facilitators for the activities of different phases, including recovery of loan from SHGs, and paid ₹53.10 lakh during the period from 2009-10 to 2012-13 to eight facilitators[97] engaged in six[98] Development Blocks under Kamrup (Rural) district @ ₹5,000 per SHG (for the recovery of loans). However, records of payments made to the facilitators did not indicate the stages of development of the SHGs and overall performance. Copy of MoU/contract agreement, periodic evaluation on the progress of the SHGs etc., were not furnished to audit though called for. Further, the status of recovery of loans could not be linked appropriately with the records made available to audit.

Thus, payment of ₹53.10 lakh made to the facilitators engaged by the PD, DRDA, from the scheme funds, in contravention to the provision, was both irregular and unauthorized.

The matter was reported to Government; their reply had not been received (November 2015).

1.4.12 Suspected misappropriation

₹28.70 lakh was misappropriated due to lack of Internal Controls in PD, DRDA Kamrup (Rural).

Rule 95 of Assam Financial Rules provides that Drawing and Disbursing Officer (DDO) is personally responsible for accounting of all money received and disbursed and for the safe custody of cash.

(A) Scrutiny (October-December, 2014) of records of the Chief Executive Officer (CEO), Zilla Parishad (ZP), Kamrup (Rural), revealed that Project Director (PD),

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Sl. No.	Details	Particulars	Amount to be paid (₹)
1	1st phase	Formation of SHG and opening of account with the bank	500
2	2nd phase	After passing the first gradation	1000
3	3rd phase	After passing the second gradation	2000
4	4th phase	After repayment of the loan	5000

Source: Departmental records.

97 Shri Krishna Kalita (Sualkuchi), Shri Satyaranjan Baishya (Bezera), Shri Hiramba Kalita (Rampur), Shri Tarun Das (Rampur), Shri Samiran Rabha (Chayani Barduar), Abdul Matleb (Rangia), Shri Tabibar Rahman (Rangia) and Md. Jamiruddin (Goroimari).

98 (i) Sualkuchi, (ii) Bezera, (iii) Rampur (iv) Rangia (v) Goroimari & (vi) Chayani Barduar

District Rural Development Agency (DRDA), Kamrup (Rural) released ₹425.62 lakh to the CEO, ZP, Kamrup (Rural) under Sampoorna Grameen Rozgar Yojana (SGRY) during 2006-08. Of this amount, eight cheques[99] amounting to ₹33.32 lakh were released between October 2007 and February 2008 to the Block Development Officers (BDOs) of Boko and Chayani Barduar Development Blocks for implementation of SGRY scheme. Cross-verification (October - December, 2014) of records of the BDOs, however, revealed that four out of the eight cheques aggregating ₹20.53 lakh (disbursed between October 2007 and January 2008)[100] were not accounted for in the cash book of the concerned BDOs, though the bank account of the CEO, ZP, Kamrup (Rural) indicated that the cheques were drawn. The concerned BDOs denied receipt of the cheques but failed to furnish related records such as bank statements, cheque receipt register etc., to substantiate the facts. Thus, SGRY funds to the extent of ₹20.53 lakh remained untraceable and therefore, possibility of misappropriation of the entire amount could not be ruled out.

(B) The CEO, ZP, Kamrup (Rural) released ₹8.17 lakh through cheque No. 394630 dated 30.01.2008 to the BDO, Hajo Development Block under SGRY. Scrutiny (December 2014) revealed that the said cheque was not accounted for in the cash book of the BDO concerned. No corresponding entries for the cheque were also available in the BDO's pass book. An entry (31 March 2008) in the receipt side of the cash book, however, indicated receipt of ₹8,16,250 in cash from the CEO, ZP, Kamrup (Rural). The entire amount was shown expended on the same day, but the relevant vouchers, if any, were not furnished to Audit, though called for (4 December 2014). To a query by Audit in this regard, the CEO, ZP, Kamrup (Rural) denied payment of the said amount in cash. Hence, ₹8.17 lakh was suspected to be misappropriated. The BDO, Hajo Development Block, in his reply (October 2015),

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Sl. No.	Cheque No. and date	Amount (₹)	To whom released
1	053011 dated 06-11-2007	1,96,665	BDO, Boko Development Block
2	053090 dated 23-11-2007	4,36,500	
3	065343 dated 22-01-2008	1,71,000	
4	065353 dated 11-02-2008	4,75,000	
5	065382 dated 30-01-2008	5,70,000	
6	394603 dated 17-10-2007	1,53,216	
7	053005 dated 23-10-2007	11,40,000	BDO, Chayani Barduar Development Block
8	053051 dated 17-11-2007	1,90,000	
TOTAL		**33,32,381**	

Source: Departmental records

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Sl. No.	Name of the Block	Cheque no.& date	Amount (₹)	CEO's Bank Account from which amounts debited
1.	Boko Development Block	065382 dated 30-01-2008	570000	**United Bank of India**
		394603 dated 17-10-2007	153216	**Central Bank of India**
2.	Chayani Barduar Development Block	053005 dated 23-10-2007	1140000	**United Bank of India**
		053051 dated 17-11-2007	190000	**United Bank of India**
Total			**20,53,216**	

Source: Departmental records

stated that the then BDO had perhaps encashed the bearer cheque of ₹8,16,250 (received from the CEO on 31 March, 2008) and the amount was entered in the cash book on the same day. The reply was not tenable as the amount released by the CEO, Kamrup Zila Parishad to the BDO was ₹8,17,000 on 30 January, 2008 through cheque. Further, there was nothing on record to indicate that the bearer cheque amounting to ₹8,16,250 was encashed by the BDO.

Thus, a total amount of ₹28.70 lakh[101] was suspected to be misappropriated as details of receipt and utilisation of the amounts could not be furnished to audit by the BDOs concerned despite elapse of more than seven years from the date of their release.

On this being pointed out, the PD, DRDA, Kamrup (Rural) stated (December 2014) that the matter would be brought to the notice of the CEO, ZP, Kamrup (Rural). The reply furnished (October 2015) by the CEO, however, did not indicate any action taken against the then BDO, Hajo Development Block, in this regard.

The matter was reported to Government; their reply had not been received (November 2015).

1.4.13 Suspected misappropriation

IAY funds of ₹7.32 lakh was suspected to be misappropriated by the Project Director, District Rural Development Agency, Hailakandi, while opening a new bank account on closure of an existing bank account.

Guidelines of Indira Awaas Yojana (IAY) prescribe that interest earned on deposits of IAY fund should be treated as part of IAY resources. Further, withdrawal of funds from the IAY account should only be made for incurring expenditure under IAY.

Scrutiny of the records (August-September 2014) of the Project Director (PD), District Rural Development Agency (DRDA), Hailakandi disclosed that for operating IAY funds, the PD, Hailakandi maintained a Savings Bank Account with the State Bank of India (SBI), Hailakandi till 21.05.2011, and thereafter with the Bank of Baroda (BOB), Hailakandi. Nothing on record was available to indicate the reasons for changing the Accounts from SBI to BOB. Further, the DRDA Cash Book showed a closing balance of ₹6,95,87,588 as on 12.04.2011, with no transactions till the date of changeover, i.e., 21.05.2011.

Verification of the Bank statements of the two Accounts, however, revealed that the Statement of the SBI Account had a closing balance of ₹7,02,27,517 on 20.05.2011, indicating that the Departmental Cash Book was not reconciled with Bank Pass Book. Further, it was also observed that while closing the SBI Account, instead of transferring the balance directly to the newly opened BOB Account, IAY funds amounting to ₹7,02,27,517 (₹6,94,95,222 + interest of ₹7,32,295) i.e., the amount

[101] ₹20.53 lakh + ₹8.17 lakh

lying with SBI Savings Bank account were transferred on 21.05.2011 to a third bank account[102] of SBI, Hailakandi Branch. Details of this account could not be provided to Audit except a confirmation by the Accounts Officer, DRDA Hailakandi that the same was not being operated by the DRDA. On the other hand, the BOB Statement showed an opening credit of only ₹6,94,95,222 on 21.05.2011 by transfer from an unknown Account, thereby leaving a balance IAY Fund of ₹7,32,295 unaccounted for till the date of audit (September 2014).

Utilization of ₹7.32 lakh, if any, remained untraceable in the records of the DRDA, thus pointing to suspected misappropriation of IAY fund to that extent.

During the exit meeting (September 2014) DRDA assured to investigate into the matter but no outcome has yet been intimated (November 2015).

The matter is reported to the Government; their reply had not been received (November 2015).

1.4.14 Suspected misappropriation

Failure to exercise effective internal control and lack of monitoring on the part of the Project Director, DRDA, Bongaigaon led to suspected misappropriation of ₹6.37 lakh.

Assam Financial Rules (AFRs) provides that every payment should be supported by a voucher, Actual Payee's Receipt (APR) and every receipt and disbursement should be recorded in the cash book.

Scrutiny (January-February 2014) of records of the Project Director (PD), District Rural Development Agency (DRDA), Bongaigaon and the Block Development Officer (BDO), Tapattary revealed that PD, DRDA, Bongaigaon released (2010-11) ₹2.21 crore to the BDO under Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) over and above the unspent balance of ₹5.09 crore already available as on 31 March 2010 without ascertaining the reasons for non-utilisation of previously released fund. Of the total available funds of ₹6.52 crore (as of 28 September 2010), the Cash Book of the BDO Tapattary showed ₹6.37 lakh as expenditure (28 September 2010) through the Secretary, Piradhara Gaon Panchayat (GP) for construction of Fishery-cum-Water Conservation Tank and Tree Plantation. However, the amount could not be traced in the cash book of the GP and in reply (February 2014) to audit query, the Secretary of the GP denied having received the amount. Further no sanction order, vouchers/APRs and details of utilisation of the amount in this regard could be produced to Audit by the BDO Tapattary. Thus possibility of misappropriation of funds amounting to ₹6.37 lakh by the BDO, Tapattary could not be ruled out.

[102] Account No. 0098516000870

The matter was reported to Government; their reply had not been received (November 2015).

Soil Conservation Department

1.4.15 Payment of fraudulent claim

Divisional Officer, Kohora Soil Conservation Division made payment of ₹1.23 crore to a contractor on the basis of fictitious bill and exhibited it as final expenditure in the accounts. Further, whereabouts of ₹0.66 crore could not be traced in the absence of details of utilization in the records.

Karbi Anglong Autonomous Council (KAAC) accorded (September 2013 and March 2014) administrative approval (AA) and financial sanction (FS) to the work "Construction of a new guest house - cum - inspection bungalow at Children Park" for ₹1.74 crore based on the estimate of the work for ₹2.81 crore[103]. Pending technical sanction (TS) (December 2014), the work commenced on 01 March 2014 and was executed departmentally. Till the date of audit (December 2014) an expenditure of ₹1.74 crore was incurred with a physical progress of 47 *per cent*.

Scrutiny (December 2014) of records of the Divisional Officer, Kohora Soil Conservation Division, revealed that the Division initially received ₹0.49 crore (October 2013, December 2013 and March 2014), and the entire amount was spent on the work (₹0.42 crore on material and ₹0.07 crore on labour) within 31 March 2014. Subsequently, ₹1.25 crore was received (27 March 2014) by the Divisional Officer from the KAAC and the entire amount was depicted in the cash book as paid (28 March 2014) to a contractor. Bill particulars indicated that the payment was made for execution of items of work which, *inter-alia*, included providing of full panel doors, aluminium sliding windows, concealed wiring, sanitary installation, internal water supply, electrification etc. The Measurement Book (MB) cited in the bill, however, did not have any details of execution of work recorded therein. On this being pointed out neither any work order nor the reasons for execution of the work through the contractor could be furnished to Audit.

Further scrutiny revealed that, the amount of ₹1.23 crore paid to the contractor (after deduction of Professional Tax of ₹0.02crore) was actually transferred[104] in March 2014 to a bank account[105] operated by the Soil Conservation Guest House Construction Committee. The bank account showed that ₹0.61 crore was withdrawn

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[103]Ground floor (₹0.91crore), First floor (`0.72crore), Restaurant (₹0.29 crore), Preparation of site (₹0.02 crore), concealed wiring (₹0.01 crore), fire fighting equipments (₹0.01 crore), sanitary installation (₹0.15crore) internal electrification (₹0.17crore), internal water supply (₹0.10 crore), external electrification(₹0.08 crore) campus lighting with substation (₹0.06 crore) and 15 *per cent* premium for Karbi Anglong for civil works (₹0.29 crore).

[104] Cheque number 968823 dated 31.03.2014.

[105] A/c No. 33761186052 of SBI, Kohora.

(June 2014) through self cheque and ₹0.05 crore was transferred (June 2014) to the contractor's bank account. The whereabouts of ₹0.66 crore was, however, neither found recorded anywhere nor any documentary evidence in support of expenses was produced to Audit.

Joint physical verification[106] (26 December 2014) of the work site during audit revealed that progress on work of the ground floor was only achieved. Photographic evidence of physical progress did not exhibit execution of the item of works for which ₹1.23 crore was paid to the contractor.

Construction site of guest house at Children Park near Kohora Range Office
(26 December 2014)

Thus, payment of ₹1.23 crore made on the basis of an unmeasured bill without execution of work on site was fictitious and possibility of misappropriation of Government money could not be ruled out.

The matter was reported to Government; their reply had not been received (November 2015).

Welfare of Plain Tribes & Backward Classes Department

1.4.16 Extra avoidable and unproductive expenditure

Procurement of 8576 fire extinguishers without consulting rates from manufacturers/authorised dealers resulted in excess expenditure of ₹4.78 crore.

Government of Assam (GoA), Welfare of Plain Tribes & Backward Classes (WPT&BC) Department delegated executive powers of the State to the Bodoland Territorial Council (BTC) vide Office Memorandum dated 16 October 2004 in respect of 39 subjects of State functions including Education, in pursuance of which State budgeted fund earmarked for the Council are being released from time to time by the WPT&BC Department. During 2011-12, WPT&BC Department of the Government of Assam sanctioned ₹285.56 crore (₹142.78 crore in September 2011 & ₹142.78 crore in February 2012) which was subsequently drawn and kept in Personal Ledger Account (PLA) of BTC for incurring expenditure for the Council.

[106] Conducted by audit and departmental officers/ officials viz., Range Officer, Kohora S. C. Range, Kohora and Accountant, Kohora S. C. Division, Kohora.

A) Scrutiny of records (June - July 2014) of the Principal Secretary, BTC, Kokrajhar revealed that the Director of Education (DoE), BTC, Kokrajhar decided (December 2011) to provide two sets of Fire Extinguishers (FEs) each to the government/ provincialised schools/colleges under the jurisdiction of BTC in compliance to Hon'ble Supreme Court's order/ruling (15 April 2009) to install FEs in all the existing government and private schools as one of the safety norms for the schools. Accordingly, BTC sanctioned (28 March 2012) ₹880.75 lakh from the fund received from the State Government chargeable to Civil Deposit head of BTC. Supply orders were issued (14 March 2012) at the approved rate of the General Administration Department (GAD) of BTC (₹10,270 per FE) to three local suppliers as per instruction of the Under Secretary, BTC, Kokrajhar without specifying the brand name and other specifications and 8576 FEs (brand name 'Firematics') worth ₹8.81 crore (₹10,270 x 8576) were procured (March 2012). However, on inquiry from the original manufacturer of 'Firematics' brand (with the same specification[107] as was procured from the local supplier) it was ascertained that the Maximum Retail Price (MRP) prevalent during the period (2011-12) was ₹4693[108] per FE (including VAT and transportation charge). Hence, there was a difference of ₹5577 in the rate per set of FE between the price of procurement (₹10270) and the prevalent manufacturer's selling price including tax and transportation (₹4693) during the same period.

Thus, due to allowance of higher rate in procuring the FEs, BTC had incurred an extra expenditure of ₹4.78 crore (8576 FEs @ ₹5577). Had the DoE, BTC consulted the rates of the manufacturers/authorized dealers of FEs instead of placing supply order at GAD's approved rate, the extra expenditure of ₹4.78 crore could have been avoided.

B) A joint physical verification conducted (4 July 2014) by Audit and the Block Elementary Education Officer (BEEO), Kokrajhar to ascertain the status of distribution of the procured FEs revealed that 139 FEs were lying undistributed in the store room. It was also noticed during audit of the accounts of the Deputy Inspector of Schools (DIS), Udalguri (May 2014) that there was an undistributed balance of 1508 FEs in stock out of 1918 FEs supplied (March 2012) to the DIS, Udalguri. The possibility of replacement in case of any manufacturing or other defects in the FEs, which remained undistributed, was also lost as the one year warranty period on the FEs had also expired.

As a result, 1647 (139 + 1508) fire extinguishers procured for the purpose of maintaining safety norms in schools as per directive of the Hon'ble Supreme Court were kept idle/undistributed and uninstalled and the very objective of procurement of FEs was frustrated.

[107] ABC Dry Power stored pressure type (Fire Extinguisher, 5 kg capacity)
[108] ₹3800 sale price of manufacturer + 13.5% VAT + 10% transportation = ₹4693.

Thus, due to improper planning, monitoring towards installation/proper use of FEs and lackadaisical attitude of the DoE, BTC, the expenditure of ₹1.69 crore (1647 @ ₹10,270) was rendered unproductive with the risk of being wasteful.

On this being pointed out, BTC stated that in order to comply with the directive of the Hon'ble Supreme Court, the procurement was made urgently from local suppliers as per BTC's approved rate instead of purchasing from the manufacturers. The reply was not tenable as the procurement was made (March 2012) three years after the date of issue of the Hon'ble Supreme Court's order (15 April 2009).

Further, on this being reported to Government in August 2015, the Commissioner and Secretary to GoA, WPT&BC stated that BTC had not violated any provision of the existing rules and procedures while procuring the FEs. It was however stated that at the instance of audit, 1647 FEs were reactivated and installed with one year warranty against manufacturing and other defects from the date of installation and without involvement of any extra cost but no documentary evidence in support of reactivation and installation of the undistributed and uninstalled FEs was furnished.

The fact however remained that an extra expenditure of ₹4.78 crore could have been avoided had the authorities confirmed the actual market price prevalent in March 2012 from the Commissioner of Taxes, Assam or from the local Superintendent of Taxes, in terms of Office Memorandum (O.M.)[109] of the Finance Department, GoA.

[109] No. FEC (I)10/2009/2 dated 11 August 2010.