



**COMMITTEE ON PUBLIC ACCOUNTS
(2016-2018)
HUNDRED AND FIFTIETH REPORT**

(FOURTEENTH ASSEMBLY)

**Report of the Committee on Public Accounts, Assam Legislative
Assembly on the Report of the Comptroller and Auditor
General of India (Civil) and Reports of the Comptroller
and Auditor General of India on Social, General
and Economic (Non- PSUs) Sectors for the years
2010-2011, 2011-2012 and 2012-2013
relating to P & RD Department,
Government of Assam.**

Presented to the House on 03-10-2018.

**Assam Legislative Assembly Secretariat,
Dispur, Guwahati-6.**

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COMPOSITION OF THE COMMITTEE

Chairman :

1. Shri Rajdeep Goala

Members :

2. Shri Prasanta Phukan
3. Shri Padma Hazarika
- *4. Shri Pijush Hazarika
5. Shri Bir Bhadra Hagjer
- *6. Shri Topon Kumar Gogoi
- *7. Shri Bhabesh Kalita
8. Shri Ramendra Narayan Kalita
9. Shri Utpal Dutta
10. Shri Rabiram Narzary
11. Wazed Ali Choudhury
12. Shri Rekibuddin Ahmed
13. Hafiz Bashir Ahmed

Secretariat

1. Shri M.K. Deka, Principal Secretary
2. Shri Gajen Baruah, Additional Secretary
3. Shri Thaneswar Deka, Under Secretary
4. Shri Ananta Baishya, Under Secretary.

***Ceased the memberships from the Committee for inclusion to the council of Ministers w.e.f. 26th April, 2018.**

(ii)

PREFATORY REMARKS

I, Shri Rajdeep Goala, Chairman, Committee on Public Accounts, Assam Legislative Assembly having been authorized to submit the report on its behalf present this HUNDRED AND FIFTIETH Report of the Committee on Public Accounts on the Audit paras contained in the Report of the C & AG of India (Civil) and Reports of the C & AG of India on Social, General and Economic(Non-PSUs) Sectors for the years 2010-2011, 2011-2012 and 2012-13 pertaining to P & RD Department, Government of Assam.

2. The Report of the C & AG of India (Civil) and Reports of the C & AG of India on Social, General and Economic(Non-PSUs) Sectors for the years 2010-2011, 2011-2012 and 2012-13 was laid before the House on 30.03.2012, 04.04.2013 & 04.08.2014.

3. The Report mentioned above relating to the P & RD Department was considered by the Committee in their sitting held on 07.08.2017.

4. The 150th Report of the Committee on Public Accounts was finalized and approved by the Committee in their sitting held on 28-09-2017.

5. The Committee thanks to the Departmental witnesses as well as Finance Department for their kind Co- operation. The Committee also appreciates the A.G.(Audit), Assam and his Junior Officer for their valuable Assistance. The Committee also pleased to offer thanks to the Principal Secretary, Assam Legislative Assembly with his officers and staff of the Committee on Public Accounts Branch for their valuable services rendered to the Committee.

7. The Committee earnestly hopes that the Government would implement the recommendations made in this Report.

Dispur :
The 28th September, 2018.

SHRI RAJDEEP GOALA,
Chairman
Committee on Public Accounts.

The Report

Panchayat and Rural Development Department Unauthorised expenditure

(Audit para 2.5.2/C&AG(Civil)/2010-2011/P-146-147)

1.1 The audit has pointed out that the after scrutiny (May 2011) of the records of Block Development Officer (BDO), Gobardhana Development Block revealed that the BDO disbursed Rs. 2.93 crore to 1,103 beneficiaries during 2007 -08 under IAY. The amount was disbursed to 641 beneficiaries under BTAD areas and 462 beneficiaries under non- BTAD areas. Of Rs. 2.93 crore, Rs. 17.38 lakh was disbursed to 69 non- BPL beneficiaries in contravention of the scheme guidelines. Besides, these beneficiaries were not selected by the Gram Sabha. Instead, they were selected by Gram Panchayats in case of Non-BTAD area and by VCDC/ MCLA in case of Btad AREA. In reply (May 2010), the BDO assured release of IAY fund to listed BPL beneficiaries in future. Similarly, in Dhemaji district, BDO, Bordoloni Development block disbursed Rs. 58.06 lakh during 2009-10 to 152 non-BPL beneficiaries rendering this expenditure also unauthorised. In addition, in this block also the beneficiaries were not selected by Gram Sabha as was required in accordance with the guidelines. Thus, disbursement of Rs. 75.44 lakh to ineligible beneficiaries in violation of the guidelines of IAY Scheme resulted in unauthorised expenditure to that extent, besides depriving the targeted beneficiaries from the intended benefits of the Scheme.

1.2. The department by their written reply has stated that the BDO, Gobardhana Dev, Block has stated that after formation of BTC and creation of DRDA, Baksa in 2006, a major part of the Block fell under the jurisdiction of BTC (6th schedule) and the Block Level Committees such as village Council Development Committees and other authorized personnel such as MCLA (Member of Council Legislative Assembly of BTC) had disagreed to prepare the IAY list on the basis of BPL Census 2002 on the plea that many APL families include in the BPL list wrongfully and many genuine poor families did not include in the BPL list. Hence they surveyed at ground level and sorted out poor families whether included in the BPL list or not. The then Honorable BTC Chief signed the list and Project Director, DRDA, Baksa released fund accordingly to the Block. Consequently, IAY houses were constructed in the BTC Part of the Block. Out of 69 (Sixty nine) IAY beneficiaries 59 were outside BPL list in the BTC Part, the reason as mentioned above, then it stopped with the initiative of the new Project Director, after his incumbency (Dec.2009) and for his stringent stand on the matter and a resolution was also passed in a subsequent Governing Body Meeting, Baksa DRDA to the effect that now on words the IAY list shall be prepared on the basis of BPL List only. For non-BTC part Total 10 (Ten) houses were outside BPL list. Reason; SL.NO. 1 Abanti Arjya of village Bahbari under Howely GP is given the house after a Gaon Sabha resolution because her husband was suddenly died in an accident. Other beneficiaries (total 09 Nos. given in the Gobardhana GP all belonging to SC/ST

Category. Because SC/ ST beneficiaries were exhausted in the BPL list and it was given after verbal consent of Project Director Officer and approval was accorded through fund released statement received from Project Director Office, DRDA, Barpeta. BDO, Bordoloni Dev. Block has stated that while going through all the records it is very much apparent that although some beneficiaries were selected without BPL ID during the year 2009-10. But their names were already enlisted in permanent wait list and there was no mollified intention on the part of then BDO and Block Officials as well. As the beneficiaries were selected from Permanent Wait List maintain in the district as well as in the Gaon Panchayat and they were the BPL families who don't have the ID for some reasons or other and houses were constructed. So there is no question of financial misappropriation and only poor BPL families were benefited.

OBSERVATIONS /RECOMMENDATIONS

1.3. During the course of discussion with the departmental representatives, the Committee observes that the BDOs of Gobordhana and Bordoloni Development Block incurred unauthorized expenditure of Rs.75.44 lakh by disbursing the money to 221 ineligible beneficiaries in contravention of the guidelines of IAY scheme. The Committee, therefore, recommends that the P & RD Department should to monitor all the Dev. Blocks of Assam, so that such lapses should not re-occur in future. The Committee also recommends that the Department should verify the matter physically before the execution of the projects and responsibility may be fixed against the guilty officials. Action taken report may be submitted to the Committee within 30 days from the date of presentation of this report before the House.

Misappropriation of fund**(Audit para 1.2.5/C&AG(SGE(Non-PSUs)S/2012-2013/P-9-10)**

1.4 The audit has pointed out that the after scrutiny a test- check (January – February 2012) of the records of CEO, Nalbari ZP revealed that, of the amount of Rs 153.64 lakh so released by GOA, the then CEO, sanctioned (April to December 2010) Rs 61.45 lakh for execution of different works and Rs 4.13 lakh for contingent expenditure, procurement of computer etc. Disregarding the order of GOA, as mentioned above, the then CEO withdrew (April to December 2010) Rs 65.58 lakh by issuing 27 'self' cheques, containing only his signature, on Union Bank of India, Nalbari branch. While in the 'cheque issue register', the CEO signed as recipient of all 27 cheques, in the cash book, Rs 61.45 lakh was shown to have been paid to one Junior Engineer (JE) as advance for implementation of different schemes and Rs 4.13 lakh to dealing assistants of Nalbari ZP for purchase of computer and other contingent items. In reply to an audit query, the concerned JE stated (February 2012) that he had not received Rs. 61.54 lakh as shown against him in the cash book, while the concerned dealing assistant stated (February 2012) that the amount of Rs. 65.58 lakh was encashed by him and handed over to the then CEO as per his instructions and actual payees receipt in support of disbursement was obtained in the cheque issue register. Records in support of utilization of Rs. 65.58 lakh viz., vouchers, actual payees receipts (APRs) etc., were not produced to audit. Subsequently to audit (24 January 2012 to 6 February 2012), the CEO in position conducted (18 February 2012 to 15 March 2012) an enquiry, which disclosed that adjustment vouchers of only Rs. 3.23 lakh were found available. Documents in support of utilization of balance Rs. 62.35 lakh were not available. The present CEO had lodged (April 2012) an FIR with Nalbari Police Station, action taken report thereon, if any, is awaited (August 2012). Thus the former CEO, ZP Nalbari withdrew Rs. 65.58 lakh in violation of the relevant executive instruction and the ZP failed to produce records of utilization of Rs. 62.35 lakh. This led to misappropriation of Government money of Rs. 62.35 lakh. In reply, GOA state (October 2012) that the then CEO (retired) and one Senior Assistant were arrested based on the FIR lodged by the current CEO. The matter is presently subjudice. The misappropriated fund of Rs. 62.35 lakh however still remained unrecovered.

1.5 The department by their written reply has stated that the CEO, Zilla Parishad Nalbari has stated that the total amount was sanctioned and released of (G.O.A) Rs. 153.64 lakh to Nalbari Z.P. for implementation of various schemes under award for Twelve Finance Commission (T.F.C) grant (1st Instalment) for the year 2008-09. Accordingly Chief Executive Officer, Nalbari Zilla Parishad was sanctioned and released Rs. 61.45 lakhs for execution of different schematic works and Rs. 4.13 lakhs was released for office expenditure etc. total amount Rs. 65.58 lakhs. Within (April/2010 to December/2010) by issuing 27 Nos. self cheque by Chief Executive Officer in the Union Bank of India, Nalbari Branch, Nalbari. In the cheque issue register Chief Executive Officer self has signed as recipient against the 27nos. cheque. But 61.45 lakhs shown in the cash book in the name of 1(one) no. Junior Engineer namely Md. Alauddin Ahmed. But delating Asstt. Namely Md. Khalilur Rahman stated that the amount by him as handed over to the then Chief Executive Officer, as per his instruction and actual payees receipt in support of disbursement was obtained in the cheque issue Register. Records of utilization of Rs. 65.58 lakhs viz voucher actual payees receipt etc. were not produced to Audit. Subsequent to Audit (24th January/2012 to 6th February/2012) the chief Executive Officer in position conducted(18th February/2012 to 15th March/2012) an enquiry, which disclosed that adjustment vouchers of Rs. 3.23 lakh document in support of utilization of balance Rs. 62.35 lakh were not available at that time. The then present Chief Executive Officer namely Naresh Ghosh had lodged a FIR with Nalbari P/S case No. 275/12 action taken report thereon. Thus, the former Chief Executive Officer, Nalbari Zilla Parishad withdrew Rs. 65.58 lakh and failed to produce record of utilization of Rs. 62.35 lakh at that time. Now the matter is subjudiced

OBSERVATIONS/RECOMMENDATION

1.6 During the course of discussion with the departmental representatives, the Committee observes that the Chief Executive Officer (CEO), Zila Parishad (ZP), Nalbari withdraw Funds through self cheques in violation of the relevant executive instruction and failed to produce records of utilization and whereabouts of Rs. 62.35 lakh pointing to misappropriation of Government money. Besides this, the then CEO, ZP, Nalbari has got gross irregularities for selecting BPL list and rolled out the Govt. guideline. The Committee, therefore, recommends that the Department should recover the outstanding amount from the then CEO,ZP, Nalbari and recovery amount should be deposited in state exchequer. Accordingly, his pension benefit should be stopped, if the amount could not be recovered. In this regard, action taken report may be submitted to the Committee within 30 days from the date of presentation of this report before the House.

Avoidable extra expenditure**(Audit para 1.4.6/C&AG(SGE(Non-PSUs)S/2011-2012/P-23-24)**

1.7 The audit has pointed out that after scrutiny (June 2009) of the records of Deputy Director, Panchayat and Rural Development (P&RD) Department, Diphu revealed that the Deputy Director procured 6,642 quintals' Parimal rice' at a cost of Rs. 1.38 crore under Special Nutrition Programmed (SNP) 2008-09 for distribution to beneficiaries through respective Block Development Officers of Karbi Anglong District as detailed. Out of the total procurement of 6.642 quintal rice, 2,380 quintals were procured (April 2008) at Rs. 1,800 per quintal offered by the suppliers and 4,262 quintals of same quality rice was procured (December 2008 to January 2009) through a single supplier at Rs. 2,200 per quintal approved by Karbi Anglong Autonomous Council (KAAC) during 2008-09 without inviting tender. Rice so procured was received by the respective Block Development Officers, but actual payee's receipts in support of distribution of rice to intended beneficiaries were not furnished to audit, though called (November 2011). After scrutiny also revealed that the Deputy Director had not made any attempt to procure rice (Parimal) from the department of Food and Civil Supplies, Diphu at prevailing Government controlled rate of Rs. 925.73 per quintal. There was no qualitative difference between the rice purchased from market (Primal variety) and the APL rice (also Primal variety) supplied from FCI through Food and Civil Supplies Department. Cost of 6,642 quintals rice at Government controlled rate of Rs. 925.73 per quintal would be Rs. 61.49 lakh (6.642 X Rs. 925.73), Whereas the Deputy Director procured the same for Rs. 138.37 lakh and thereby resulted in avoidable extra expenditure of Rs. 76.88 lakh. After scrutiny further revealed that instead of deducting four per cent VAT of Rs. 1.75 lakh from the gross amount of the bill of Rs. 43.78 lakh for supply of 1,990 quintals of rice @ Rs. 2,200 per quintal, the Dy Director erroneously added Rs. 1,75 lakh to the gross amount (Rs. 43.78 lakh) and this added amount was deducted at source as VAT together with other statutory deductions. On this being pointed out, the Deputy Director requested (October 2010) the supplier to refund the excess amount of Rs. 1.75 lakh stated to having been released due to oversight. The amount, however, remained unrealized. Further, GOA while not commenting about the avoidable extra expenditure, stated (October 2012) that the prices of the rice were fixed by the Executive Member, KAAC. Thus, procurement of rice of same quality from open market instead of from FCI at a rate higher than the prevailing Government controlled rate without observing prescribed financial procedures resulted in

avoidable extra expenditure of Rs. 76.88 lakh; which includes excess payment of Rs. 1.75 lakh due to inadmissible VAT included in supplier's bill.

1.8 The department by their written reply has stated that the Food Corporation of India, Nowgaon has its food grain depot located at Haiborgaon and Hojai in the district of Nowgaon and the FCI office functioning at Nowgaon controls the administrative affair regarding allocation and dispatch of food grain for the district of Karbi Anglong, which is about 180 km(approx) from Diphu, the district head quarter of Karbi Anglong. Now since all the Development Blocks are located in far flung geographically remote areas with scattered population, bordering the state of Meghalaya, Nagaland and district of Golaghat, transportation and supply of rice and other essential commodities to the remote areas are quite expensive in comparison to plain areas. Discussion regarding the availability of rice was held by the Executive Member i.e. P & RD, Karbi Anglong Autonomous Council with the Food and Civil Supply Department Karbi Anlong Autonomous Council, who has apprised the authority that, since there is a fixed quota for all BPL and APL rice kept as stocks, it won't be possible to spare any additional quantity of rice to the P & RD department and the matter was also verified by the audit party. Moreover if the carriage charges for rice are included with the approved Government price for rice, carrying of rice from Nowgoan to different Blocks and further to the remote villages stands at Rs. 26.00(Twenty six) per kg and more, which is much higher than the existing market rate. Since there was huge public outcry due to dry spell and less rain resulting in shortage of food grains in the district. The Executive Member I/C P & RD asked the Deputy Director P & RD, Diphu to procure 2380 quintals of rice at the rate of Rs. 18/- per kg in the month of April 2008. But latter on when the suppliers were asked to supply the balance quantity of 4262 quintals of rice in the month of December 2008 to January 2009 they express their inability to supply the same as the minimum price of rice plus the carriage charges stands at Rs. 25/-per kg. The matter was then brought before the Karbi Anglong Autonomous Council Authority for taking appropriate decision as deem fit. Latter on as per instructions received from the Hon'ble Executive Member I/C P & RD to convene a meeting calling in all the suppliers/ representatives of the suppliers for fixation of rate for supply of fine quality rice. In the Meeting the suppliers/representatives expressed their inability to supply the rice at the rate of Rs. 18.00 and requested the authority to settle the price at a minimum rate of Rs. 25.00. After careful examination and taking all facts into consideration it was decided in the meeting to request the suppliers to supply the rice at Rs. 22.50 i.e. as per the approval rate fixed by the purchase Board, Karbi

Anglong Autonomous Council. Even after much persuasion, regarding the urgency for supply of food grains in the meeting the suppliers express their inability to supply the rice below the prevailing market rate of Rs. 25.00 except one supplier M/S Eastern Traders who agreed to supply the rice at the rate of Rs. 22.50 per kg. The Executive Member i.e. P & RD along with the member present in the meeting after careful examination of all records of all prevailing price for fine rice at that period of time, fixed the rate at Rs. 22.50 per kg. Before issuing any formal communication the supplier was once again requested to supply the rice at a lesser price, than the price fixed in meeting and he agreed to supply the rice at the final negotiated price of Rs. 22.00. It was also decided in the meeting that fine quality of rice will be procured from open market and it was also decided that supply order may be placed in favour of those suppliers who agree to supply rice as per rate approve by the purchase Board of Karbi Anglong Autonomous Council. As desired and instructed by Hon'ble Executive Member I/C P & RD Karbi Anglong Autonomous Councils, due to public outcry, urgency for immediate supply of food grains due to dry spell and less rainfall and constraint of time, inviting of tender could not be carried out for the above reasons. The question of non deduction of VAT amounting to Rs. 1.75 lakhs was a clerical mistake and the amount is already recovered from the supplier and deposited in the State Bank of India, Diphu Branch under head of account "0040-Sale Tax (Tax under VAT rules 2005)" (Tan no. 1807) vide challan No.2014/03/01215 dtd. 12-03-2014 and 01-06-2012 for an amounting of Rs.3,760+1,71,360 = 1,75,120.00(one lakh seventy five thousand one hundred twenty). The VAT deposit records available in this office and will be produce before next audit. Since the expenditure incurred was urgently necessary for greater public interest and the matter was already enquired into.

OBSERVATIONS/RECOMMENDATIONS

1.9 Having heard the deposition of the departmental representatives, the Committee observes that the procurement of rice of same quality from open market instead of from FCI at a rate higher than the prevailing Government controlled rate without observing prescribed financial procedures resulted in avoidable extra expenditure of Rs. 76.88 lakh, which include excess payment of Rs. 1.75 lakh due to inadmissible VAT included in supplier's bill. The Committee, therefore, recommends that the department should conduct a thorough inquiry into the matter and responsibility should be fixed against the erring officials. Action taken report may be submitted to the Committee within 30 days from the date of presentation of this report before House.

Unauthorised expenditure**(Audit para 1.6.1/C&AG(SGE(Non-PSUs)S/2011-2012/P-35-36)**

1.10. The audit has pointed out that a test-check(March 2012) of the records of Executive Officer (EO), Barkhetri Anchalik Panchayat, Nalbari district revealed that during 2006-11, the EO was to allocate 2,120 (60 per cent of the total allotment of 3,534 IAY houses) IAY houses to SC\ ST beneficiaries. Instead, violating the relevant provision of IAY guideline as mentioned above, the EO allotted 1,755 IAY houses to SC/ST beneficiaries and during 2006-11, to non-SC/ST beneficiaries without the mandatory certificate from Zilla Parishad/DRDA thereby incurring unauthorized expenditure of Rs 1.34 crore. Similarly, Executive Officer, Borigog Banbhag Anchalik Panchayat, Nalbari district allotted 386 IAY houses, earmarked for SC/ST beneficiaries during 2009-11, to non-SC/ST beneficiaries thereby incurring unauthorized expenditure of Rs 1.74 crore. Certificates to the effect that SC/ST beneficiaries of BPL category had been exhausted in the Anchalik Panchayats from Zilla Parishad from Zilla Parishad/DRDA were not available on record. Thus, Executive Officer, Barkhetri Anchalik Panchayat and Borigog Banbhag Anchalik Panchayat incurred unauthorized expenditure of Rs 3.08 crore towards allotment of 751 IAY houses, earmarked for SC/ST beneficiaries, to non-SC/ST beneficiaries, which prevented the corresponding benefits from reaching the intended beneficiaries.

1.11. The department by their written reply has stated that the BDO, Barkhetri Dev. Block has stated that during the year 2009-10 and 2010-11 SC/ST beneficiaries under BPL category were not available. Hence IAY houses was sanction to 338 numbers of non-SC/ST beneficiaries. BDO Borigog Banbhag Dev. Block has stated that during the year 2009-10 and 2010-11 SC/ST beneficiaries under BPL category were not available. Hence IAY houses was sanctioned 386 numbers of non SC/ST beneficiaries.

OBSERVATIONS/RECOMMENDATIONS

1.12 During the course of examination, the Committee observes that the Executive Officer (EO), Barkhetri Anchalik Panchayat and Borigog Banbhag Anchalic Panchayat, Nalbari district incurred unauthorized expenditure of Rs. 3.08 crore towards allotment of 751 IAY houses, earmarked for SC/ST beneficiaries to non-SC/ST beneficiaries. The Committee, therefore, recommends that the P & RD Department should monitor all the Dev. Blocks of Assam, so that such lapses should not re-occur in future. The Committee also recommends that the Department should verify the matter physically before the execution of the ~~projects and responsibility may be fixed against the guilty officials. Action taken~~ report may be submitted to the Committee within 30 days from the date of presentation of this report before the House.

Unauthorised expenditure**(Audit para 1.6.2/C&AG(SGE(Non-PSUs)S/2011-2012/P-36-37)**

1.13 The audit has pointed out that after scrutiny (May-2011) of the records of Chief Executive Officer (CEO), Zilla Parishad (ZP), Lakhimpur revealed that the CEO disbursed Rs. 1.13 crore to 1,125 beneficiaries at Rs. 10,000 each during 2007-08 to 2009-10 under NFBS. Of this, Rs.20.60 lakh was disbursed to 206 non BPL beneficiaries in contravention of the relevant provision of the guidelines of NFBS. In reply, the CEO stated (June 2011) that the financial assistance under NFBS was provided to 206 non BPL beneficiaries as per beneficiaries list approved by District Level Committee of NSAP, Lakhimpur. Reply of the CEO is not tenable as there was no provision in the guidelines of NFBS for awarding such benefit to non BPL beneficiaries. Government of India introduced (1985-86) Indira Awas Yojana (IAY) to help poor families of BPL households in rural areas including Scheduled Castes/ Tribes, freed bonded labourers, minorities etc. The programme involved construction/ upgradation of dwelling units by providing lump sum financial assistance. Guidelines of IAY envisaged that the lists of beneficiaries selected are to be finally approved by the Gram Sabha. No further approval by any other higher body is required. Scrutiny (June 2011) of the records of Block Development Officers (BDOs) of Karunabari and Bihpuria Development Blocks of Lakhimpur district revealed that Rs. 1.59 crore was allocated by Project Director (PD), District Rural Development Agency (DRDA), Lakhimpur to the BDOs of karunabari and Bihpuria Development Blocks during 2008-09 for construction of 414 IAY houses. Of this, the BDOs disbursed Rs. 1.57 crore to 414 beneficiaries between December 2008 and September 2009, which included disbursement of Rs. 43.55 lakh to 115 non BPL beneficiaries, in violation of the relevant provision of IAY guidelines. Besides, beneficiaries were not selected by Gram Sabha as envisaged in the IAY guidelines. Instead, the beneficiaries were selected by GP/ZP/MLA. Accepting the audit observations, the BDO's concerned stated (June 2011) that now onwards relevant provisions of IAY guidelines would be followed strictly. Thus, CEO, Lakhimpur ZP and BDOs. Karunabari and Bihpuria Development Blocks incurred unauthorized expenditure of Rs. 64.15 lakh by providing financial assistance to ineligible beneficiaries in violation of the guidelines of NFBS and IAY depriving the corresponding benefits from reaching the intended/deserving beneficiaries. The matter was reported to Government in June 2012, their reply had not been received (November 2012).

1.14 The department by their written reply has stated that CEO, Zila Parishad Lakhimpur has stated that normally selection of the beneficiaries under NFBS is made by BDO on the basis of poor who are living below poverty line for benefits of NFBS and subsequently the same are approved by the District level Committee of NSAP. Considering this aspect and its felt needs the Committee has approved the list submitted by BDO for disbursement and this amount was disbursed through cheque to the beneficiaries as per list submitted by BDO concerned and as duly approved by the then District Level Committee of NSAP. Accordingly, the amount of Rs. 10,000/- each under NFBS was disbursed as per the list approved as above. BDO, Karunabari Dev. Block has stated that it is a fact that IAY houses was sanctioned to 51 nos. of non-BPL beneficiaries however it was approved by Gram Sabha in their respective Gram Panchayat. BDO, Bihpuria Dev. Block has stated that a fact that IAY houses were sanctioned to 64 nos of non BPL beneficiaries however it was approved by Gram Sabha in their respective Gram Panchayat.

OBSERVATIONS/RECOMMENDATIONS

1.15 During the course of discussion on the audit para, the CEO, Lakhimpur ZP and BDOs Karunabari and Bihpuria Development Blocks incurred unauthorized expenditure of Rs. 64.15 lakhs by providing financial assistance to ineligible beneficiaries in violation of the scheme guidelines depriving the corresponding benefits from reaching the intended beneficiaries. The CEO, ZP, Lakhimpur has got gross irregularities for selecting the non-BPL beneficiaries under National Family Benefit Schemes of IAY list and rolled out the Govt. guidelines, resulted unauthorized expenditure of Rs.64.15 lakh. The Committee, therefore, recommends that responsibility should be fixed and action may be taken against the erring Officials. Action taken report may be submitted to the Committee within 60 days from the date of presentation of this report before the House.

Suspected misappropriation

(Audit para 1.2.5/C&AG(SGE(Non-PSUs)S/2012-2013/P-9-10)

1.16 The audit has pointed out that after scrutiny (October 2012 to January 2013) of the records of Deputy Director (Hills), Panchayat and Rural Development (P&RD), Karbi Anglong revealed the following irregularities. During January 2011, the Deputy Director drew two self cheques (cheque No. 643040 and 644362 dated 31 January 2011 amounting to Rs. 11 lakh. The entire amount was shown as disbursed (January 2011) to Lumbajoung and Rangkhang Development blocks (Rs. 5.50 lakh each) for the construction of market sheds under the award of Twelfth Finance Commission (TFC). The bank statement for the period 19 December 2010 to 26 October 2011 received from the concerned bank also indicated about the withdrawal (January 2011) of Rs. 11 lakh by the Deputy Director which was, however, not received by the concerned block as per their cash book, bank accounts and annual accounts. As whereabouts of the funds remained untraceable, the possibilities of misappropriation of Rs. 11 lakh could not be ruled out. Similarly, the Deputy Director drew (March 2011) self cheque bearing No. 644367 dated 2 March 2011 for Rs. 49.18 lakh on United Bank of India, Diphu for disbursement to nine Block Development Officers (BDO's) of Karbi Anglong district for construction of market sheds under the award of TFC of this, Deputy Director showed disbursement (5 March 2011) of Rs. 5.50 lakh through cheque No. 592784 dated 5 March 2011 to Nilip Development Block. Cross examination of the relevant records (Cheque and draft receipt register and bank statement) maintained by BDO, Nilip Development Block, however, disclose that the cheque in question was not received by the block though as per the statement of the bank account operated by the Deputy Director as DDO with United Bank of India, Diphu, entire Rs. 49.18 lakh was withdrawn on 5 March 2011 itself. The Block concerned also denied receipt of Rs. 5.50 lakh as shown disbursed by the Deputy Director to the Block. Such instances were, however, not noticed in other eight Development blocks. Thus, the amount of Rs. 5.50 lakh shown to have been paid Nilip Development Block by the Deputy Director (Hills), Panchayat and Rural Development (P&RD), Karbi Anglong was suspected to be misappropriation. This was facilitated due to failure of internal control system of periodical reconciliation between the cheque by the Deputy Director with that of the cheques received by the blocks. Thus, Rs. 16.50 lakh (Rs. 11 lakh + Rs. 5.50 lakh) shown as having been disbursed by the Deputy Director (Hills), Panchayat and Rural Development (P&RD), Karbi Anglong to three BDOs was suspected to be misappropriated as

both receipt and subsequent utilization of the funds by the concerned block were neither acknowledged nor available on record.

1.17 The department by their written reply has stated that CEO, Zilla Parishad Nalbari has stated that the total amount was sanctioned and released of (G.O.A) Rs. 153.64 Lakhs to Nalbari Z.P. FOR IMPLEMENTATION OF VARIOUS SCHEMES UNDER AWARD FOR Twelve Finance Commission (T.F.C) GRANT (1st Installment) for the year 2008-09. Accordingly, Chief Executive Officer, Nalbari Zilla Parishad was sanctioned and released Rs. 61.45 Lakhs for execution of defferent schemetic works and Rs.4.13 Lakhs was released for office expenditure etc. total amount Rs. 65.58 Lakhs. Within (April/2010 to December/2010) by issuing 27 Nos. self cheque by Chief Executive Officer in the Union Bank of India, Nalbari Branch, Nalbari. In the cheque issue register Chief Executive Officer self has signed as receipt against the 27 Nos. cheque. But 61.45 lakhs shown in the cash book in the name of 1(one) No. Junior Engineer namely Md. Alauddin Ahmed. But delaing Asstt. Namely Md. Khalilur Rahman stated that the amount by him as handed over to the then Chief Executive Officer, as per his instruction and actual payees receipt in support of disburshmant was obtained in the cheque issue register. Records of utilization of Rs. 65.58 Lakhs viz voucher actual payees receipts etc. were not produced to Audit. Subsequently to Audit(24th January/2012 to 6th February/2012) the Chief Executive Officer in position conducted (18th February/2012 to 15th March/2012) an enquiry, which disclosed that adjustment vouchers of Rs. 3.23 lakh document in support of utilization of balance Rs. 62.35lakh were not available at that time. The then present Chief Executive Officer namely Naresh Ghosh had lodged a FIR with Nalbari P/S case No.275/12 action taken reportthereon. Thus, the former Chief Executive Officer, Nalbari Zilla Parishad withdrew Rs. 65.58 lakh and failed to produced record of utilization of Rs.62.35 lakh at that time. Now the matter is subjudiced.

OBSERVATIONS/RECOMMENDATIONS

1.18 After threadbare discussion with the departmental representatives, the Committee is satisfied and decided to drop the para.