

PAC-I10

COMMITTEE ON PUBLIC ACCOUNTS

(2006-2008)

ONE HUNDRED AND TENTH REPORT

(TWELFTH ASSEMBLY)



सत्यमेव जयते

**REPORT OF THE COMMITTEE ON PUBLIC ACCOUNTS ON THE
REPORTS OF THE COMPTROLLER AND AUDITOR GENERAL
OF INDIA (CIVIL) FOR THE YEARS 2002-2003, 2003-2004 AND
2004-2005 RELATING TO EDUCATION AND
AGRICULTURE DEPARTMENTS,
GOVERNMENT OF ASSAM**

Presented to the House on 10-3-2007

**ASSAM LEGISLATIVE ASSEMBLY SECRETARIAT
DISPUR : : GUWAHATI-6**

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COMPOSITION OF THE COMMITTEE

(2006-2008)

CHAIRMAN :

1. Shri Brindaban Goswami

MEMBERS :

1. Shri Sarat Borkotoky
2. Shri Rameswar Dhanowar
3. Shri Gobinda Chandra Langthasa
4. Shri Abdul Khaleque
5. Shri Rajib Lochan Pegu
6. Shri Chandra Mohan Patowary
7. Shri Phani Bhusan Choudhury
8. Smti. Kamali Basumatary
9. Shri Parimal Sukla Baidya
10. Shri Jagat Sing Engti
11. Shri Anwarul Hoque
12. Shri Akon Bora

SECRETARIAT :

1. Shri G. P. Das, Secretary
2. Shri B. Basumatari, O. S. D.
3. Shri K. Rahman, C. O.

The Report

Chapter-I

EDUCATION DEPARTMENT

**Fraudulent payment on fictitious Leave Travel Concession Bills by the
DI of Schools, Bilasipara, DEEO, Silchar and Nalbari.**

(Audit para 3.3/CAG(Civil)/2002-2003)

1.1 The audit has pointed out that in course of a test-check of treasury vouchers in Central audit it was found that three DDOs viz. (i) Dy. Inspector of Schools (DI), Bilasipara (ii) District Elementary Education Officer (DEEO), Silchar and (iii) DEEO, Nalbari had drawn Rs. 56.63 lakh after adjustment of advance of Rs. 85.25 lakh between March 1999 and February 2001 towards final payment of 459 Leave Travel Concession (LTC) Bills aggregating Rs. 141.88 lakh in respect of 459 School Teachers and their family members numbering 2,175 for availing LTC facilities to visit any place in India. Further scrutiny of the LTC Bills revealed the following (a) All final LTC Bills for the journey from Guwahati/Silchar/Bongaigaon to Kanyakumari and back were passed for payment on photocopies of waiting list (WL) AC 2 Tier tickets. None of the claims were supported by documentary evidence that the tickets had been confirmed, which was necessary as travelling by any passenger in AC Class was not possible without confirmed Railway ticket, (b) Out of 459 officials, 402 officials performed the journey by 5628 DN, Guwahati-Trivandram Express (weekly) between 14-07-1999 to 15-11-2000. Against 23 berths (21 from Guwahati and two from New Bongaigaon) available in AC 2 tier in that train on a specified day, 29 to 180 family members of the claimants travelled in AC 2 tier on the same day by that train. The remaining 57 officials claimed to have performed the journey in four other trains, which did not run between the stations as per claims preferred in their bills alongwith the tickets, (c) In respect of 292 of the 426 officials under DEEO, Nalbari who were paid Rs. 92 lakh, it was noticed that two to eight officials alongwith their family members travelled in the same train on the same day on Railway tickets bearing same PNR/ticket/seat/berth numbers, (d) According to norm, every Railway ticket

should bear PNR No. of 10 digits. In seven cases involving Rs 1.94 lakh PNR No. was of six digits for both outward and inward journey, (e) Separate tickets were issued bearing same PNR Nos. in 32 cases involving Rs. 10.01 lakh, (f) in 92 cases involving Rs. 27.88 lakh, same WL nos. were recorded against different tickets for the same train on the same day, (g) According to Railway reservation procedure, Rail Reservation Tickets can be purchased only 60 days prior to the date of journey. In 32 cases involving Rs. 9.82 lakh it was found that tickets were purchased more than 60 days ahead of the date of journey. In view of the above facts it is evident that the LTC claims were not genuine and failure on the part of the DDO to exercise any regulatory checks in admitting and passing the bills facilitated fraudulent payment of Rs. 1.42 crore on false LTC claims.

1.2 The Department by their written reply has stated the Government instructed DEE to depute one Joint Director of this Directorate to cause an enquiry in to the matter (i.e. against the draft para reflected in the C.A.G Report for the year 31st March, 2003) and to collect relevant records from the concerned officers, including names of officers at fault vide Government Letter No. PMA. 206/2004/28, dated 23rd August, 2004. Accordingly, Shri B. K. Brahma, Jt. DEE (Now retired) and Shri A.M. Sarkar, F.A.O. of this Directorate were directed vide this office letter No. EAC/Audit/14/2002-03/94, dated 26th August, 2004 to cause an enquiry into fraudulent payment of fictitious L.T.C Bills in the office of the D.I. of Schools, Bilasipara and DEEO, Nalbari. Besides Shri P.N. Doley, Sr.F.A.O. (Now transferred) was directed vide this office letter No. EAC/Audit/14/2002-03/95, dated 26th August, 2004 to cause an enquiry into irregular cash management in the office of the DEEO, Dhemaji and Bordoloni, in response to serious objections have been reflected in the C & A.G Report for the year ended 31st March/2003. The enquiry was made from this end against D.I. of Schools, Bilasipara and DEEO, Nalbari except DEEO, Cachar as per Government instruction as a D.P. case has already been initiated against DEEO, Cachar. On the basis of the enquiry report a detailed report has already been furnished to the Government vide this office Memo. No EAC/Audit/14/2002-03/119, date 15th October, 2004 stating that after receiving the sanction of L.T.C (advance and final), the

DEEO, Nalbari had drawn the whole sanctioned amount and disbursed it to the teacher concerned. The relevant documents in respect of L.T.C. journey performed by the teachers concerned could not be produced before the enquiry officer due to non-submission of the duplicate copy of L.T.C. Bills and other relevant documents like Railway Tickets, Postal receipt etc. Whereas the concerned DDO (i.e. DEEO, Nalbari) should have kept the records against each teachers who performed the journey, as the DDO had drawn the amount and disbursed the same to them as per office records. Incumbency list of Head Assistant and Dealing Assistant of office of the DEEO, Nalbari showing working period is shown below as reported by the enquiry officers :

<u>Name of H. Asstt.</u>	<u>Period from</u>	<u>To</u>
(1)	(2)	(3)
1. Hasimuddin Ahmed (Retd.)	1-3-1997	31-12-2000
2. Sri Jibon Thakuria (Retd.)	1-1-2001	31-1-2004
3. Paresh Ch. Deb Sarma	2-2-2004	--

<u>Name of D. Asstt.</u>	<u>Period from</u>	<u>To</u>
1. Sri Paresh Ch. Sarma (UDA)	1-4-1997	31-3-2001
2. Sri Moni Ram Deka (LDA)	1-1-1998	31-3-2001

The D.I. of Schools, Bilasipara had drawn total Rs. 5.00 lakh for payment to the 17 L.P. teachers on receipt of the final L.T.C. Bills along with all relevant documents and the same were accepted by the then D.I. of Schools, Bilasipara. The D.I. of Schools, Bilasipara passed the L.T.C. final bills in respect of 17 L.P. teachers on the basis of the Railway Tickets (R.A.C & W/L) submitted by the teachers concerned as well as the postal receipt. The DDO had drawn the amount of Rs. 5,03,469/- and disbursed the same to the teachers concerned. Incumbency list of D.I. of Schools, Bilasipara, Head Assistant and Dealing Assistant of office of the D.I. of Schools, Bilasipara with effect from 1st October, 1999 were shown in the report as below :

<u>A) Name of D.I. of Schools</u>	<u>Period from</u>	<u>To</u>
(1)	(2)	(3)
1. Jehirul Islam	1-10-1999	31-10-1999
2. Apiluddin Ahmed	1-11-1999	7-12-1999
3. Abraham Ali Sarkar (Retd.)	7-12-1999	5- 7-2001
4. Apiluddin Ahmed (Expired)	6- 7-2001	20- 1-2003
5. Nibaran Das	21-1-2003	31- 8-2004
6. Dhaneswar Ray	1-9-2004	--

<u>B) Name of H. Asstt./D. Asstt.</u>	<u>Period from</u>	<u>To</u>
1. Jagadish Bhagawati	1-10-1999	18-10-2000

(Now transferred to the office of the
D.I. of Schools, Pragjyotishpur)

2. Rina Singha, U.D.A.	19-10-2000	31-10-2004
3. Dharanidhar Das, H. A.	1-2-2004	

Since the amount of L.T.C. drawn and disbursed by the DEEO, Nalbari and D.I. of Schools, Bilasipara fraudulently, disciplinary proceedings have been drawn up against the non-Gazetted Staff. The DEEO, Nalbari and D.I. of Schools, Bilasipara was requested to recover the amount from the teacher concerned vide this office Memo. No. EAC/Audit/14/2002-03/120, dated 14th October/2004 as the drawal was fraudulent.

1.3 The Department by their further written reply has stated that as per instruction of the Government in Education Department vide memo No. PMA. 206/2004/28, dated 23rd August, 2004 the undersigned deputed officers to cause an enquiry into fraudulent payment of fictitious L.T.C. Bills in the office of the DEEO, Nalbari and D.I. of Schools, Bilasipara against which serious objection has been reflected in the above mentioned C & A.G. report. The Government instructed to causes an enquiry except DEEO, Cachar. On the basis of the enquiry report, a detailed report has already been furnished to the Government for taking necessary action vide memo No. EAC/ Audit/14/2002-03/119, dated 15th October, 2004 and the same reply has also been furnished to the Government in

connection with the Public Accounts Committee Meeting vide this office memo No. EAC/Audit/41/2005-06/38, dated 7-10-2006. Since the amount drawn and disbursed by the DEEO, Nalbari and D.I. of Schools, Bilasipara fraudulently in the name of L.T.C. disciplinary proceedings have been drawn-up against the Non-Gazetted Staff and the above mentioned DDO's were also requested to recover the amount from the teachers concerned vide office memo No. EAC/Audit/14/2002-03/126 and No. EAC/Audit/14/2002-03/127, dated 12-10-2006 and No. EAC/Audit/14/2002-03/129, dated 27-10-2006 as the drawal was fraudulent but the concerned DDO have not furnished the reply with recovery position till date. The DEEO, Cachar stated vide his memo. No. DEO/Audit/14/2005-6549 dated 19-10-2006 that the matter in connection with fraudulent payment of fictitious L.T.C. Bills have been taken-up by the Vigilance and Anti-Corruption Department, Assam, Guwahati for investigation at their level and all records were seized from their end. It is not known about the logical conclusion if submitted by the investigating agency, for which the undersigned have already been submitted a proposal to the Government vide memo No. EAC/Audit/37/2005-06/36, dated 15-9-06 for taking necessary action.

OBSERVATIONS/RECOMMENDATIONS

1.4 After threadbare discussion on the matter fraudulent payment on fictitious Leave Travel Concession Bill by the D.I. of Schools, Barpeta, DEEO, Silchar and Nazira the Committee has directed the Commissioner and Secretary to the Government of Assam, Education (Elementary) Department to make an enquiry on the matter and to fix responsibilities against the fraudulent officers and employees and to make recovery entire amount from the concerned teachers and to deposit the same into the Government exchequer. Action taken in this regard may be intimated to the Committee within 30 days from the date of presentation of this report before the House.

Irregular cash management by DEEOs, Dhemaji and Bordoloni

(Audit para 3.4/CAG(Civil)/2002-2003)

1.5 The audit has pointed out that after scrutiny (April-May, 2002) of bill registers and expenditure statement of two Blocks Elementary Education Officer (BEEOs), viz. Dhemaji and Bordoloni under District Elementary Education Officer (DEEO), Dhemaji revealed that the BEEOs had drawn Rs.12.02 crore for disbursement of salaries to pre-primary and primary school teachers for the period, March, 2000 to July, 2001. Both the BEEOs had not maintained any cash book not produce any acquittance roll showing disbursement of salaries to school teachers. The two BEEOs stated (May, 2002) that the cash books were neither maintained nor written. BEEO, Dhemaji had further stated that his predecessor who went on transfer did not hand over any cash book for the period, March, 2000 to February, 2001. Reason for non-production of acquittance roll for verification by audit had not been stated. Non-maintenance of cash books and records of disbursement of Government money by the BEEOs were in gross violation of financial rules and Government orders. Thus, in the absence of cash book and acquittance roll audit was not in a position to provide any assurance about actual drawal, disbursement and utilization of Rs.12.02 crore.

1.6 The department by their written reply has stated that Shri Budheswar Bora, the then BEEO/DDO, Dhemaji was solely responsible for irregular cash management of cash transaction of the office of the BEEO, Dhemaji, who already retired from his service, Shri Phuleswar Konch BEEO/DDO, Bordoloni was also solely responsible, who was working as BEEO, Bordoloni for the period 1-3-2000 to 28-2-2001 in respect of irregular cash management/cash transaction of the office of the BEEO, Bordoloni. DEEO, Cachar stated vide his letter No. DEO/Con/Dt/12/2003/6406, dated. 12.12.2003 that he was not in a position to furnish the replies against the draft para as the relevant records/files have been seized by the Secretary to the Government of Assam, Education Department and the acquittance rolls in connection withdrawal of LTC to handover in the custody of the SP., Vigilance and Anti-Corruption, Assam for investigation. It is not known about the logical conclusion if submitted by the investigating agency.

OBSERVATIONS/RECOMMENDATIONS

1.7 The Committee observed that the concerned BEEOs have neither maintained their cash books nor the Acquittance Rolls. But lakhs of rupees has been disbursed without maintaining the cash books. This is the gross violation of financial rules and Government orders. The Committee therefore, recommends to lodge criminal proceedings against officer concerned. Action taken report in this regard may be intimated to the Committee within 15 days from the date of presentation of this report before the House.

Loss and misappropriation of Government money**(Audit para 4.1.2/CAG/(Civil)/2003-2004)**

1.8 The Audit has pointed out that after scrutiny (October, 2003) of cash book of the Director, Secondary Education (DSE), Assam, Guwahati for the period from August, 2002 to September, 2003 revealed that, as of October, 2003, the DSE in violation of the codal provisions, retained huge cash balance amounting to Rs.1.60 crore in the form of demand drafts/Banker, cheques/deposit-at-call receipts and in cash (including burgled amount of Rs. 1.27 lakh) which related to the period from 1977 to 2002-03. Information collected in July, 2004, showed that out of Rs. 1.60 crore, the DSE disbursed/refunded Rs. 52 lakh leaving Rs.1.08 crore to be disbursed/refunded to Government account. Further scrutiny of cash book and cash balance revealed as under. The cash book did not show that the DSE or his DDO had ever physically verified the cash balance including the bank instruments to ensure their validity and authenticity of the bank instruments viz. banker's cheques (BC)/deposit-at-call receipts (DCR)/demand drafts (DD) of the cash balance of Rs.1.08 crore, the DSE held Rs.1.06 crore in 141 BCs/DCRs/DDs and Rs. 1.53 lakh in cash pertaining to the period from 1977 to 2003. No reason could be adduced by the DSE for non-remittance of BCs/DDs. Thus, Rs.13.30 lakh held in 113 BCs/DDs which had already expired their validity period would result in loss to Government unless these could be re-validated. In this regard, the authorities of State Bank of India (SBI), Dispur Branch, Guwahati stated (October, 2003) that they had destroyed all records pertaining to pre-1992 period as per instruction of the RBI and therefore Rs.5.65 lakh held in 107 BCs/DCRs/DDs pertaining to 1977 to 1988 resulted in loss to Government. Against Rs.92.25 lakh shown as held in 20 DCRs of SBI, Dispur Branch during 1993 to 2000, the SBI authorities had confirmed that only three (3) DCRs for amount aggregating Rs.8.51 lakh were lying at their credit. Thus, Rs.83.74 lakh held in 17 DCRs stood misappropriated since two (2) of these 17 DCRs involving Rs.20.96 lakh were fake and duplicate copies without bearing signature of bank authorities. According to cash analysis recorded at the end of October, 2003, Rs.1.27 lakh was shown as lost due to burglary. But the DSE did not furnish details of burglary or action initiated including reporting of the matter to police. Thus, drawal of money in advance of actual requirement and failure on the part of the DSE to exercise proper regulatory checks on cash

management as required under rules and orders of the Government and confirmation of the balances from the bank authority had resulted in loss of Rs.6.92 lakh and misappropriation of Rs.83.74 lakh.

1.9 The Department by their written reply has stated that as regards, Rs. 5.65 lakh as shown as loss to the Government due to destruction of records of B.Cs/B.Ds/B.Cs for the period from 1.9.77 to 1.9.88 by the S.B.I., Dispur at the instance of R.B.I. The matter is to taken up by the Government with the S.B.I., Dispur for re-validation of the B.Cs /B.Ds etc. so that they may be transferred to the Government Accounts on revalidation. As regard Rs.92.25 lakh as indicated in the para against 20 D.C.R's of S.B.I., Dispur Branch during 1993 to 2000, 19 Nos. of D.C.R's are reflected in the cash analysis and found available in the office coustody for total Rs.89.46 lakh (List of DCR. enclosed at Annexure- 'A') at the time of audit. Out of Rs.89.46 lakh, an amount of Rs.23.98 lakh has been utilized and 2 (two) No. of duplicate D.C.Rs (one unsigned) involving Rs. 20.86 lakh are found. Out of these 2 (two) D.C.Rs, one D.C.Rs amounting to Rs.8.07,746/- has already utilized through the concerned Bank. As such, the duplicate copy may not be treated as fake instrument. The S.B.I., Dispur Branch has already been moved for revalidation and authentication of the old BCs/BDs and D.C.Rs respectively which are remained in the office. As for the looted money of Rs.1.27 lakh meant for salary/contingency, the Government have been moved to write off for Rs. 1,39,249/- as Government has already sanctioned the amount. The amount has already been drawn and disbursed as per sanction. Regarding the buglary case, it was reported to the police authority for taking necessary action.

OBSERVATIONS/RECOMMENDATIONS

1.10 During the course of discussion the Committee observed that since 1977 the money was kept without disbursement. Money kept pending for long so many years without disbursement is completely gross misappropriation and definitely some body will be responsible for that. It is a very serious one. The Committee therefore, recommends that an enquiry should be made and responsibilities should be fixed against the guilty officials and action should be initiated against them. The Committee also recommends that regarding DCRs/Bank Draft concerning to this paragraph, the Commissioner and Secretary to the Government of Assam, Education (Higher) Department should take legal action. Action taken in this regard should be intimated to the Committee within a month from the date of presentation of this report before the House.

**Unauthorised granting of regular time scale of pay to
Stipendary Teachers**

(Audit para 4.5.1/CAG(Civil)/2003-2004)

1.11 The audit has pointed out that after scrutiny (November, 2003) of records of the Deputy Inspector of Schools (DIS), Bajali, Pathsala revealed that the DIS allowed (September, 1998 to April, 1999) regular time scale of pay 31 stipendary teachers appointed between March, 1995 and March, 1999 though these teachers did not pass the prescribed JBT. In writ petition case No. 6034/2001 and 94 others, the Hon'ble Guwahati High Court in its common Judgement of 14 August, 2003 ruled that "the grantors of the benefits of time scale of pay to the Stipendary Teachers were neither authorized in law to grant such benefit nor was the approval of the competent authority sought and obtained". Based on Government Order issued (October, 2003) in pursuance of the High Court Judgement, the DIS reverted all the 31 teachers to their original stipendary status from November, 2003. Thus, the action of the DIS, Bajali, Pathsala in granting regular time scale of pay to the 31 Stipendary Teachers before completing their basic training course was irregular. The Government, thus, had to bear an extra expenditure of Rs.44.64 lakh from April, 2000 to October, 2003 towards pay and allowances paid to these 31 teachers in excess of their actual entitlement. Action, if any, taken by the Government against the erring DIS who arbitrarily allowed regular time scale of pay to the Stipendary Teacher had not been intimated (May, 2004).

1.12 The Department by their written reply has stated that as per report of the D.I. of Schools, Bajali, Pathsala it may be mentioned that 31 teachers were appointed in the year 1995 to 1999. Out of the 31 teachers two teachers were appointed from families victimized by extremists. So time scale from the date of appointment is admissible to appointee of victimized families. It may also be stated that the original appointments were made on a fixed salary of Rs.900/- P.M. The then DEE, Assam Sri A. C. Pegu had allowed the teachers working under BAC to draw the time scale of pay on the basis of the proposal submitted by the D.I. of Schools, Bajali, Sri Farid Uddin Ahmed (Now Retd.). The Government to the Education Department vide their letter No. A(1)E 650/2003/47 Dtd. 6th October, 2003 issued necessary instruction as per judgement and order dated 14.8.2003 passed by the Hon'ble High Court in the WP c No.6034/2001

to stop payment of regular scale of pay who did not passed J. B. Training but not to recover from them the excess drawal of salary prior to 1.11.2003 due to illegal drawal payment of scale of pay without passing the required training. They have passed the J.B.T. 2004. The above mentioned replies were already been furnished to the Government vide this office Memo No. EBC-46/2004/69 dated 27th July, 2004.

OBSERVATIONS/RECOMMENDATIONS

1.13 The departmental witnesses has informed the Committee that in respect of unauthorised granting of regular time scale of pay to the stipendary teachers by the D.I. of Schools, Bajali, Pathsala did not make recovery due to Hon'ble High Court's order.

Excess payment and unauthorized extra expenditure

(Audit para 4.2.2/CAG(Civil)/2004-2005)

1.14 The Audit has pointed out that a test-check (June, 2004) of records of the Deputy Inspector of Schools (DIS), Nazira revealed that the DIS in violation of the Government directives and DEEs instructions, continued to pay regular time scale of pay to 115 stipendary teachers appointed between 1.1.1994 and 4.1.1999 till the date of audit (May, 2004). This resulted in excess payment of Rs. 35.07 lakh towards pay and allowances of 115 stipendary teachers from 1.11.2003 to 31.5.2004, which stands recoverable from the DIS, Nazira. Action, if any, taken by the Government for recovery of the amount of Rs.35.07 lakh from the DIS, Nazira was not on record. Besides, the Department had also incurred an extra expenditure of Rs. 2.91 crore from January, 1999 to October, 2003 due to irregular allowances of regular time scale of pay to 115 stipendary teachers before passing their JBT.

1.15 The Department by their written reply has stated that as per the statement of the report submitted by the D.I. of School, Nazira it may be stated that 113 Nos of L.P. teachers out of 115 Nos. as indicated in the draft para were not appointed as stipendary teachers. They were appointed in Lower Primary Schools under Non-Plan Head since 1993 and onwards against the vacant post caused due to retirement/expiry of teachers in the usual scale of pay. Only 2 (two) Nos. of teachers out of 115 Nos. of teachers were appointed against stipendary post during 1998 and they were allowed to get a monthly stipend @ Rs. 900/- P.M. only since their date of joining until completion of J.B.T. examination. The above mentioned 2 (two) Nos. of teachers were allowed to get regular time scale of pay vide D.I. of Schools, Nazira Memo No. 358/64 dated 25.1.2000 as per Government instruction vide Memo No. A(1)E-53/93/Pt-1/172 dated 19.2.1999. After that their pay was switched over from time scale of pay to the fixed pay w.e.f. 1.2.2002 as per Government Memo No. A(1)E-863/2001/21 dated 19.12.2001. At last the Government Education Department directed the DEE, Assam vide Memo No. ELC/CR-5131/2002/239/22 dated 8th October, 2002 to comply with the Hon'ble High Court interim order and to allowed them (against WP @2207/2002) to draw their monthly scale of pay until disposal of the cases or vacation of the interim order. The replies mentioned above have already been furnished to the Government

vide this office Memo No. EAC/Audit/41/05-06/24, dated 27th July, 2005 and the D.I. of School, Nazira also furnished the replies in connection with this draft para vide his Memo No. DISN/2005/419 dated 9th July, 2005.

OBSERVATIONS/RECOMMENDATIONS

1.16 The Committee observed that the D.I. of Schools, Nazira unauthorisely granted regular time scale pay to 115 stipendary teachers which incurred an extra expenditure of Rs.2.91 crore. The Committee, therefore recommends that an enquiry may be made by the department and responsibility should be fixed and action should be taken against the fraudulent officials and recovery should be made. Action taken in this regards may be intimated to the Committee within 30 days from the date of presentation of this report before the House.

Chapter - II**AGRICULTURE DEPARTMENT****Misappropriation of money through forged challans****(Audit para 4.1.1/CAG(Civil)/2003-2004)**

2.1 The Audit has pointed out that a test-check (November, 2003) of records of the Executive Engineer (E.E.), Agriculture, Diphu revealed that the EE detected (August, 2003) some irregularities in depositings of money into the treasury by the messengers. In the process, the EE obtained a confessional statement from two Peons entrusted with drawal of money from Bank and deposit thereof to treasury to the effect that they had been misappropriating momey for about two or one and a half years through presenting fake treasury challans and not by actual deposit of money into the treasury. A cross verification of cash book entry of treasury remittances and treasury challans of the EE, Agriculture with the treasury receipt account (viz. the Treasury Receipt Schedules) under relevant heads of accounts for the period from January, 2001 to June, 2003 disclosed that the remittances aggregating to Rs.15,55,818/ against deductions from pay bills (Rs.13,72,538) and deduction of sales tax made from supply bills of power tiller (Rs.1,83,280) as projected in the cash book of EE were not reflected in Treasury Accounts indicating that the entire amount was misappropriated by the two Peons. Of the misappropriated amount the two Peons refunded to the EE Rs. 65,000 in cash between August and October, 2003, which however, remained to be accounted for in the Cash Book till the date of audit (November, 2003). Action taken towards recovery of balance amount of Rs.14.91 lakh was not on record. The loss was neither reported to Accountant General (A & E) in terms of Rule 103(i) of Assam Financial Rules (AFR) and the police nor was there any records showing institution of departmental enquiry against the two delinquent officials. Audit scrutiny revealed that the misappropriation of Rs. 15.56 lakh was facilitated due to failure of the DDO (Assistant Executive Engineer) and the Head of Office (EE) to reconcile and confirm the monthly remittances to Treasury Officer, Diphu, as per provision of S.O. 44 to TR 10 of Assam Treasury Rules read with Rule 95(4) of Assam Financial Rules.

2.2 The department by their written reply has stated that it has been reported by the Executive Engineer (Agri.), Diphu that two office peons one Shri Upen Deka and other one Shri Bapu Ram Sonar were entrusted with drawal of money from the Bank and deposit thereof to the Treasury. But the two delinquent officials instead of depositing the money into the Treasury deliberately misappropriated a total sum of Rs. 15,55,818/- in different bills during the period from January, 2001 to June, 2003 submitting forged challan copies in the office. Out of Rs. 15,55,818/- a sum of Rs.13,72,538/- relates to deduction from pay bill of staff being G.P.F. contribution, House building advance, HUDCO advance, House rent and G.I.S. contribution while the rest amount of Rs.1,83,280/- being sales tax deduction from the suppliers bill. The misappropriation was detected by the D.D.O. during August, 2003. On being detected the delinquent officials refunded a sum of Rs.65,000/-. Further, as the office of the Executive Engineer (Agri.), Diphu is under the Autonomous Council, Karbi Anglong, Diphu, the matter was immediately referred to the Council Authority for appraisal and advice. Consequent upon their advance both the peons have been placed under suspension, deparumental proceedings have been drawn up which is now at a concluding stage as reported by the Executive Engineer (Agri.), Diphu. One of the delinquent officials viz Shri Upen Deka has in the mean time been re-instated while continuing the proceeding by the Hon'ble Gauhati High Court against there case WP ©No. 5731/05. At the initiative of Government, a FIR has also been lodged with the Diphu Police Station for necessary action in this regard.

OBSERVATIONS/RECOMMENDATIONS

2.3 The Committee heard the deposition of the Government representatives and observed that the matter is very serious and this was happen on the part of the DDO who is the main responsible officer for this. The DDO had to carry out required reconciliation between bank remittance statement (maintained by the Bank/Treasury) and Treasury Challans but it was not done. The Committee, therefore, recommends that responsibilities should be fixed against the DDO and entire misappropriated amount should be recovered from the two delinquent officials and to deposit the same into the Government exchequer. Action taken in this regard may be intimated to the Committee within 30 days

from the date of presentation of this report before the House.

Procurement of materials in advance of requirement resulted in blocking up of fund

(Audit para 4.4.1/CAG(Civil)/2003-2004)

2.4 The audit has pointed out that a test-check (March, 2003) of records of the Executive Engineer (EE), Agriculture, Haflong revealed that the EE procured materials like Polythine pipe, Goat proof fencing, display boards, etc. worth Rs. 57.10 lakh between June, 1999 and November, 2002 under different schemes viz. Land Reclamation, Intregrated Jhum Development Project and Jhum Control Project under Water Shed Development Project for shifting Cultivation Area Schemes etc. The stock register of materials procured under different schemes showed that the materials worth Rs.27.41 lakh only were so far utilized by the EE and the balance materials worth Rs.29.69 lakh remained unutilized for periods ranging from two to five years as of June, 2004. Neither the reasons for non-utilisation of the balance stock were on records nor was any action taken by the EE to use the stock for the schemes. Thus, procurement of materials without assessing their actual requirements in various schemes and keeping the materials idle in stock resulted in blocking up of fund to the tune of Rs. 29.69 lakh.

2.5 The department by their written reply has stated that with a view to Control Jhuming Cultivation in N. C. Hills District, the following schemes were taken up by the Departments.

1. Land Development Scheme - Plan Scheme
2. Intregrated Jhum Development Project (IJDP) - Centrally Sponsored Scheme
3. Watershed Development Project for shifting cultivation Area (W.D.S.C.A.) - Centrally Sponsored Scheme

Keeping in view the requirement and demand of the Tribal farmers of the district the schemes were prepared and submitted Autonomous Council, Haflong for approval which was subsequently approved by the Council. Consequent upon the approval approved estimates and approved Project

the materials like polythene pipe, Goat Proof Fencing Display Board etc. were purchased by the Executive Engineer (Agri.), Halflong for distribution among the selected farmers of the district as reported by the Executive engineer (Agri.). Subsequently, the materials were issued to the selected Farmers in a phase manner according to the progress of work and requirement during period from August, 2001 to August, 2004. It has also been reported by the Executive Engineer (Agri.), Halflong that the materials could not be distributed in full up to the date of audit due to ethnic clashes and Insurgency problem in the district but subsequently distribution has been made to the selected Farmers and completed on August, 2004. At present no balance in stock.

OBSERVATIONS/RECOMMENDATIONS

2.6 The Committee heard the deposition of the departmental witnesses and satisfied to know that all the materials have been distributed amongst the selected farmers and hence decided to drop the para.

ANNEXURE-I

List DCRs. remaining in custody for the period 1993-2000

1. DCR No. DH-640156,	dt. 12.1.96	Rs. 20,52,000/-
2. DCR No. DH-645750,	dt. 31.12.96	Rs. 10,54,729/-
3. DCR No. J-032935	dt. 31.3.93	Rs. 12,87,865/-
4. DCR No. DH-639930	dt. 30.9.95	Rs. 8,07,746/-
5. DCR No. DH-639555	dt. 7.7.95	Rs. 5,70,491/-
6. DCR No. DH-640425	dt. 26.3.96	Rs. 756/-
7. DCR No. DH-645719	dt. 24.11.96	Rs. 11,25,840/-
8. DCR No. DH-647198	dt. 16.10.97	Rs. 2,00,000/-
9. DCR No. DH-647198	dt. 16.10.97	Rs. 26,667/-
10. DCR No. J-851231	dt. 4.8.98	Rs. 4,643/-
11. DCR No. DH-647598	dt. 4.3.98	Rs. 4,90,224/-
12. DCR No. J-851740	dt. 19.1.99	Rs. 635/-
13. DCR No. J-851907	dt. 8.3.99	Rs. 8,00,000/-
14. DCR No. J-852592	dt. 18.12.99	Rs. 50,000/-
15. DCR No.OL00008143916	dt. 27.1.99	Rs. 50,000/-
16. DCR No. J-853513	dt. 3.11.2000	Rs. 66,507/-
17. DCR No. J-852771	dt. 14.2.2000	Rs. 70,725/-
18. DCR No. J-853191	dt. 13.6.2000	Rs. 2,86,890/-
19. DCR No. J-853611	dt. 13.12.2000	Rs. 40/-
		Rs.89,45,758/-
Fund already released for expenditure as per list enclosed.	(-)	Rs.23,98,000/-
		Rs.65,47,758/-