

CHAPTER-I

SOCIAL SECTOR

COMPLIANCE AUDIT

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1.1 Introduction

This Chapter contains findings based on audit of State Government departments/ offices under Social Sector.

During 2018-19, against a total budget provision of ₹57,418.03 crore, 19 departments, including three Autonomous District Councils under VI schedule areas, viz., the Bodoland Territorial Council (BTC) under Welfare of Plain Tribes and Backward Classes (WPT&BC) Department; North Cachar Hills Autonomous Council (NCHAC) and the Karbi Anglong Autonomous Council (KAAC) under Hill Areas Department incurred an expenditure of ₹40,301.23 crore.

Table 1.1 gives the details of Department-wise budget provision and expenditure incurred there against by these departments:

Table 1.1:-Department-wise details of budget provision and expenditure during 2018-19

(₹in crore)

Department	Grant No. and Name	Budget provision		Expenditure	
		Revenue	Capital	Revenue	Capital
Co-operation	43- Co-operation	107.42	51.29	87.80	13.85
Cultural Affairs	27- Art and Culture	101.03	63.35	70.60	15.59
	28-State Archives	2.23	0.13	1.43	0.10
Higher Education	26- Education (Higher Education)	3233.23	163.40	2342.42	36.93
Food, Civil Supplies and Consumers Affair	46-Weights and Measures	19.75	0.86	12.78	0.20
	37 – Food Storage, Warehousing	823.33	59.79	682.88	0.47
Health and Family Welfare	29- Medical and Public Health	6138.65	818.42	3985.49	380.43
	24-Aid Materials	0.00	--	--	--
Labour and Employment	36-Labour and Employment	319.71	67.44	226.72	21.45
Urban Development	31- Urban Development (Town and Country Planning)	692.47	--	124.31	--
	32-Housing Schemes	4.36	1.68	4.61	0.79
	34- Urban Development (Municipal Administration)	1110.16	3.96	409.21	1.75
Panchayat and Rural Development	56 Rural Development (Panchayat)	2169.51	--	837.89	--
	57- Rural Development	3700.95	--	1106.36	--
Public Health Engineering	30-Water Supply and Sanitation	709.25	2608.02	498.09	1378.84
Social Welfare	39-Social Security, Welfare and Nutrition	2559.69	2.00	1465.67	--
	40-Social Security and Welfare (Freedom Fighter)	84.76	--	30.06	--
Minorities Welfare and Development	42-Other Social Services	339.35	1.50	118.45	0.43
Sports and Youth Welfare	74- Sports and Youth Services	158.70	34.47	98.25	14.07
Welfare of Plain Tribes & Backward Classes	38-Welfare of SC, ST and OBC	1452.34	177.83	711.83	10.28
	78-Welfare of Plain Tribes and BC (BTC)	2976.48	414.76	2909.27	804.17
Welfare of Tea Tribes	78-Welfare of Plain Tribes and BC (BTC)	0.12	--	0.05	--
	38-Welfare of SC, ST and OBC	26.02	--	21.80	--

Department	Grant No. and Name	Budget provision		Expenditure	
		Revenue	Capital	Revenue	Capital
Guwahati Development	73- Urban Development (GDD)	601.28	923.56	106.78	216.20
Secondary Education	71- Education (Elementary, Secondary etc.)	13593.39	674.00	11315.17	0.62
Elementary Education					
Pension and Public Grievances	23-Pension	8005.79	--	8104.08	--
Hill Areas	70- Hill Areas	5.50	5.24	1.94	--
	76- Hill Areas Department (KAAC)	1315.43	335.33	998.72	586.74
	77- Hill Areas Department (NCHAC)	652.38	107.72	449.92	95.74
Total		50903.28	6514.75	36722.58	3578.65
Grand total (Includes Charged)			57418.03		40301.23

Source: Appropriation Accounts 2018-19

1.1.1 Planning and Conduct of audit

The audit of this Sector is conducted in accordance with Annual Audit Plan. The departments/ offices are selected on the basis of risk assessment. Weighted parameters such as expenditure trends, serious objections found during previous audit, media reports, major activities/ scheme executed, etc. form the basis of categorisation of Departments/ offices as 'high' risk, 'medium' risk and 'low' risk. Inspection Reports are issued to the heads of offices 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 Report of the Comptroller and Auditor General of India.

During 2018-19, out of 2,066 auditable units under Social Sector, we audited 476 auditable units¹ during the year involving an expenditure of ₹19,423.77 crore (including expenditure incurred in earlier years). This chapter contains six Compliance Audit paragraphs.

The major observations made in audit during the year 2018-19 are discussed in succeeding paragraphs.

Compliance Audit

Health and Family Welfare Department

1.2.1 Unfruitful Expenditure

Emergency trauma care facilities funded completely by the GoI were not operationalised by the Health Department for over eight years in five hospitals (Bongaigaon, Haflong, Diphu, Nalbari and Nagaon) due to non-deployment of requisite manpower leading to non-achievement of the objectives of the scheme and idle expenditure of ₹7.32 crore. TCCs at Guwahati and Silchar Medical Colleges were made functional with contractual staff.

Government of India (GoI), initiated a 100 per cent centrally funded scheme for development of trauma care facilities in Government hospitals located on national

¹ High risk auditable entities: 92, medium risk auditable entities: 180 and low risk auditable entities: 204.

highways during the 11th Plan period (2007-12) with the objective of upgrading the accidental and emergency care services in selected State Government hospitals located in accident prone areas on national highways. The main strategy was to ensure definitive treatment for the injured within the Golden Hour. The scheme was extended further to cover the 12th Plan period (2012-17).

GoI approved seven hospitals², based on the proposal of the State Government, for upgradation as providers of trauma care with appropriate level³ of infrastructure, equipment and manpower. The grants covered various components like civil works, equipment, manpower⁴, communication systems, training, legal assistance, etc., depending on the level of upgradation of a particular hospital. The TCCs were expected to be made operational within twelve months of the receipt of the grants from GoI.

GoI approved ₹9.63 crore (₹0.80 crore for construction of TCC building, ₹ five crore for equipment, ₹3.80 crore for manpower and ₹0.03 crore for others) for each Level II TCC and ₹4.78 crore (₹0.65 crore for construction of TCC building, ₹ two crore for equipment, ₹2.10 crore for manpower and ₹0.03 crore for others) for each Level III TCC.

GoI released (April 2009 to July 2013) ₹22.96 crore directly to the bank accounts of the seven hospitals concerned through demand draft and account transfer; of which, ₹16.40 crore was utilised by the hospitals as detailed in **Table-1.1 A**, and balance of ₹10.03 crore⁵ (including interest) was lying in bank account of the hospitals concerned.

Table- 1.1 A

(₹ in crore)

Component		Level III				Level II			Total
		Bongaigaon Civil Hospital	Haflong Civil Hospital	Diphu Civil Hospital	Nalbari Civil Hospital	Nagaon Civil Hospital	Silchar Medical College & Hospital	Guwahati Medical College & Hospital	
Construction	A	0.650	0.650	0.650	0.650	0.800	0.800	0.800	5.00
	R	0.650	0.650	0.650	0.290	0.800	0.800	0.800	4.64
	E	0.630	0.710*	0.670*	0.290	0.640	0.000	0.790	3.73
Equipment	A	2.000	2.000	2.000	2.000	5.000	5.000	5.000	23.00
	R	1.500	0.000	1.900	0.400	5.000	2.500	3.500	14.80
	E	1.480	0.000	1.890	0.390	0.000	2.700*	3.450	9.91
Manpower	A	2.100	2.100	2.100	2.100	3.800	3.800	3.800	19.80
	R	0.040	0.000	0.105	0.280	0.760	1.340	0.760	3.29
	E	0.140*	0.000	0.000	0.000	0.000	1.340	1.140	2.62
Others	A	0.025	0.025	0.025	0.025	0.030	0.030	0.030	0.19
	R	0.010	0.000	0.025	0.130	0.030	0.020	0.020	0.24
	E	0.020*	0.020*	0.090*	0.000	0.000	0.010	0.000	0.14

A: Approved; R: Released; E: Expenditure; Grand total approved = ₹47.99 crore, Grand total Released = ₹22.96 crore, Grand total expenditure = ₹16.40 crore *Expenditure including bank interest.

Source: Departmental records.

² Four TCC were of Level III category and three were of Level II category

³ **Level I:** 30 beds (10 ICU and 20 general trauma beds) providing the highest Level of definitive and comprehensive care for patients with complex injuries; **Level II:** 20 beds (10 ICU and 10 general trauma beds) providing definitive care for severe trauma patients; **Level III:** 10 beds (five ICU and five general trauma beds) providing initial evaluation and stabilisation (surgically if appropriate) to the trauma patient; **Level IV:** appropriately equipped and manned mobile hospitals/ambulances

⁴ The financial assistance for the contractual staff was only for three years, with the same being borne by the State Government/ Hospital Management Society after three years.

⁵ Diphu (May 2017), Haflong and Bongaigaon (March 2017), Nagaon, Silchar and Nalbari (December 2019), Guwahati (June 2017). The bank accounts were declared dormant due to non-transaction and hence updated status of balance amount could not be shown.

Audit found that though construction of Nalbari TCC and other six TCCs was completed⁶ and equipment also procured, manpower was not provided to these TCCs.

The status of utilisation of TCCs so constructed was as under:



Photographs of unutilised equipment at TCC building, Diphu Civil Hospital (13 June 2019)



Trauma OT room & Resuscitation area, Bongaigaon is under lock & key and not in use. Equipment lying idle in closed Store Room (11 February 2020)



TCC building, Nalbari is used by Addl. CM&HO. Equipment were kept in locked room (photograph taken on 24 & 27 January 2020)



TCC building, GMCH is being used as orthopaedic and emergency ward (29 January 2020)



Dressing room of TCC, Silchar used as Casualty. OT Room is under lock & key and not in use (05 February 2020)

⁶ Nalbari TCC:-June 2005; other six TCCs:-during October 2010 to July 2014

It is evident from the above photographs, that the constructed buildings were being utilised for other purposes *viz.*, outpatient department, store room, emergency ward, *etc.* Equipment were also largely lying unutilised.

We observed from the report of National Crime Records Bureau, Ministry of Home Affairs that during the years 2014-18, Assam witnessed 35,358 cases of road accidents which claimed 12,816 lives and injured 30,711 persons - a fatality rate due to road accidents of 29.4 *per cent*.

The Superintendents of all seven hospitals stated (January–February 2020) that TCC had been non-functional due to non-deployment of manpower by the State. Out of seven TCCs, only two TCCs—those in Medical College and Hospital, Guwahati and in Silchar were functional during *w.e.f.* January 2011 to November 2012 and May 2011 to July 2019 respectively by engaging contractual staff and with internal arrangement.

Due to non-deployment of manpower, trauma care facilities in the identified hospitals remained non-functional and objective of the scheme largely remained unachieved in five hospitals (Bongaigaon, Haflong, Diphu, Nalbari and Nagaon) rendering expenditure to the tune of ₹7.32 crore (₹5.97 crore incurred by concerned Hospitals and ₹1.35 crore by DHS) unfruitful. Besides funds of ₹10.18 crore including accrued interest (₹10.03 crore with Hospitals and ₹0.15 crore with DHS) released by GoI for the purpose remained unutilised. Reasons for non-deployment of manpower though was taken up (January 2020 and February 2020) by audit but response in this regard is yet to be received.

The matter was reported to the Government in March 2020, the Commissioner and Secretary, Health and Family Welfare (H&FW) Department stated (September 2020) that Diphu TCC was merged with Hospital cum Medical College. On the issue of shortage of human resources, the Principal Secretary, H&FW assured that for human resources support, Assam Critical Care plan⁷ would be followed.

⁷ As per the information provided by Director Health Services, Assam Critical Care Plan has been prepared in the wake of Covid-19 pandemic for establishment of ICUs and posting of required manpower.

1.2.2 Wasteful Expenditure

Lack of co-ordination between National Health Mission (NHM) and H& FW Department, Government of Assam led to dismantling of four buildings constructed by NHM at a cost of ₹2.36 crore on the land proposed for construction of Medical College and Hospital, Dhubri. Further, the dismantling cost of ₹13 lakh was also borne by the State Government.

Government of Assam (GoA) decided (January 2011) to set up a Medical College and Hospital in Dhubri district. The decision was communicated to the Deputy Commissioner (DC), Dhubri and copy was also sent to the Mission Director, National Health Mission (MD, NHM). In the said communication, it was specifically mentioned that existing Civil Hospital of the district will be taken over as Hospital of the proposed Medical College. Further, DC, Dhubri forwarded (January 2012) copies of the proposal for acquisition of land and site plan for construction of the Medical College and Hospital to Additional Chief Secretary to the GoA, H&FW, Director of Medical Education (DME), Joint Director of Health Services (Jt. DHS), Dhubri and MD, NHM.

During audit (July 2018) and subsequent verification of records, we noted that during the same period (December 2010 to March 2016), MD, NHM, Assam took up construction of four health infrastructure buildings at Dhubri Civil Hospital (DCH) as shown in **Table 1.2**:

Table 1.2

Sl. No.	Name of the Works	Date of sanction	Date of Commencement of work	Physical progress (till March 2017)	Expenditure incurred (₹in lakh)
1.	Rural Health Block Pooling Complexes (2 units)	14.12.2010	01.03.2012	62 per cent	158.26
2.	61-bedded Male and Female Ward	30.12.2014	24.02.2015	NA	35.98
3.	District Early Intervention Centre	10.04.2015	01.11.2016	43 per cent	24.51
4.	10-bedded Geriatric Unit	09.03.2016	24.11.2016	50 per cent	17.54
Total					236.29

It was seen that the Commissioner & Secretary to the GoA, H&FW Department issued (26 March 2017) an order to stop all construction activities. Subsequently, the above-mentioned four buildings were dismantled after obtaining 'No Objection Certificate' (14 August 2017) from MD, NHM, Assam. The MD, however, claimed (27 October 2017) recoupment of ₹2.36 crore being the expenditure incurred by NHM on the said constructions. H&FW Department, GoA accorded (15 March 2018) sanction for the amount claimed as Grants-in-Aid which was drawn by the MD, NHM, Assam on 31 March 2018. Construction of the Medical College and Hospital commenced in (February 2017) at an approved cost of ₹189 crore, to be shared 90:10 between GoI and GoA and the construction work was ongoing.

MD, NHM, Assam stated (May 2019) to audit that advance information regarding construction of Medical College at DCH campus was not available to NHM nor there was any direction from Government or other authorities not to undertake any work in view of such proposal. However, the reply is not based on facts as DC and Jt. DHS are the Chairman and Member Secretary of District Health Society (DHS), NHM

respectively. MD, NHM despite being made aware (January 2011) of the fact of selection of the site for Medical College, had proceeded with the construction works.

Above observations point towards non coordination between the MD, NHM and the State Health Department which ultimately resulted in wasteful expenditure of ₹2.49 crore⁸ incurred on construction of health infrastructures which had to be dismantled midway. In addition, GoA had to bear the cost of dismantled construction.

The matter was reported to the Government in December 2019, the Principal Secretary stated (September 2020) that to upgrade Dhubri Civil Hospital to Medical College, the existing structure was not appropriate for the use of medical college, and there was no other option but to dismantle these four buildings, in view of the larger benefit supposed to accrue from a Medical College.

Recommendations: Both the cases at Paras 1.2.1 and 1.2.2 point out indifferent approach/ attitude towards programmes and projects funded by the GoI, though they were meant for the benefit of the State's citizens. The GoA may take necessary action to not only streamline the systems and coordination between all agencies, but also ensure that responsibility is fixed on officials whose action led to waste of government funds and non-utilisation of facilities created out of these funds.

1.2.3 Unfruitful Expenditure

“Establishment of Hospital Ship on the river Brahmaputra” a GoI funded novel project for providing health care services, remained incomplete and unfruitful after incurring an expenditure of ₹2.20 crore on the project.

Government of India (GoI), Ministry of Development of North Eastern Region (MDoNER) accorded (November 2009) Administrative Approval of ₹ four crore (₹ three crore for ship building and ₹one crore for equipment and machineries) to Government of Assam (GoA) for the scheme “Support for establishment of Hospital Ship on the river Brahmaputra by the Centre for North East Studies and Policy Research (C-NES)⁹, Guwahati”. Objective of the scheme was to provide quality health care services in the riverine and *char* areas¹⁰ with full time medical and pathological facilities. The funds were to be contributed by GoI and GoA in 90:10 ratio with ₹ 3.60 crore by GoI and ₹ 0.40 crore by GoA and the target date for completion of the project was 31 December 2011. GoI released ₹ 2.40 crore to GoA in two instalments during November 2009 (₹0.40 crore) and October 2012 (₹ two crore). Director of Medical Education (DME), Assam released ₹ 2.20 crore between December 2011 and April 2015 to the C-NES for implementation of the Project on the basis of demands raised by C-NES.

⁸ ₹2.36 crore on construction and ₹0.13 crore on dismantling

⁹ As per the website of C-NES (an NGO), it aims to develop strategies and policies to impact policies and perceptions and mobilise public opinion on issues relating to the North East across a broad range of areas: health, education, environment, infrastructure, connectivity, conflict, gender, civil society, culture and heritage, communications and as well as regional cooperation.

¹⁰ A riverine island locally known as char area.

Audit scrutiny of records (October 2018) of the Director, Medical Education (DME), Assam and information collected from C-NES (the implementing NGO) revealed that the C-NES took almost two years from the approval of project by GoI to finalise the tender and issued work order only in October 2011. The delay was attributed to delays in preparation of plan drawings and technical specification through a Naval Architect based in Kolkata and also delays in finalising the tender due to backing off by the initial bidders in the first round. Thus, delays in finalisation of plan estimates and tender delayed the commencement of the work.

The C-NES utilised ₹ 2.20 crore up to 2015-16 with physical progress of 62 *per cent* till date of audit (October 2018) as shown in the following photographs.



Photograph (26 July 2018) of incomplete hospital ship

Due to inordinate delays in completion of the project, GoI declared (February 2018) the project closed on 'as is where is basis' and directed the State Government to complete the left over work out of their own resources. The State Government did not take any further action to complete and utilise the project.

Thus, hospital ship sanctioned in November 2009 remained incomplete for almost 10 years (December 2019) mainly due to GoI's decision to award the work to an NGO without ascertaining its competence and disinterest on the part of GoA to complete the project. Despite an expenditure of ₹ 2.20 crore, the intended beneficiaries of riverine and *char* areas were deprived of the desired health care services expected on completion of the project.

DME stated (October 2018) that it was difficult to exercise check over the pace of execution as the implementing agency is an NGO, and DME has little control over them. The reply was not convincing since the project was for the benefit of the State's beneficiaries though the executing agency may have been selected by GoI and their order specifically mentioned that the project shall be monitored by the Health and Family Welfare Department, GoA.

The matter was reported to the Government in December 2019, the Commissioner & Secretary, H&FW stated (September 2020) that to run a Hospital Ship is very costly affair and so the concept of Hospital Ship has changed. However, the issue is being examined, and final decision on the incomplete project would be taken in consultation with C-NES.

Recommendation: *In keeping with the GoI directions, the State Government may take steps to complete the project expeditiously.*

1.2.4 Suspected Misappropriation of Cash

The Cash collector of Silchar Medical College and Hospital (SMCH), appointed on contractual basis, misappropriated cash of ₹30.54 lakh by short depositing the cash. Absence of supervision over cash collections especially of contractual staff and inadequate monitoring facilitated the defalcation of cash.

Rule 15 (Annexure III) of Schemes for delegation of Hospital Autonomy, H&FW Department, Government of Assam, Byelaws (August 2002) provides that all revenue realised by the Hospital Management Society (HMS) should be deposited in the Society Bank account the very next day and this will be the responsibility of the Member Secretary of HMS.

Rule 95 (2) of AFR states that each entry in the cash book should be verified daily by the head of the office or by a Gazetted Officer authorised by him. In either case the head of the office will be responsible for the accuracy of the cash book and of the cash balance.

The Silchar Medical College & Hospital receives service charges from patients against services like pathological tests and medical procedures, bed charges, cabin charges, ICU charges, *etc.* Charges were collected through seven Central Cash Counters¹¹ (CCC provided with computer system installed with a software¹² (operationalised since December 2010). The collector of each counter was assigned unique login ID and the cash collected was required to be deposited with the Cashier on a daily basis, who in turn was to record the same in the Cash book and subsequently deposit the same in the bank account of HMS on the following day.

During audit test check (September 2018) of records relating to user fees collected and deposited by all seven collectors for one randomly selected month, it was found that user fees collected by six cash collectors were being deposited with the cashier except by one collector (Shri Pappu Rabidas, a contractual employee) who had not regularly deposited the daily collections to the cashier. A detailed audit scrutiny revealed that whereas the said collector had collected cash of ₹2.88 crore during the period from April 2014 to August 2018, he had deposited only ₹2.58 crore with the cashier, leading to a short deposit of ₹30.54 lakh.

In this regard, Audit also observed several deficiencies in supervisory checks and monitoring mechanism over cash collections:

- Cashier did not have access to the daily login reports of the cash collectors manning the cash counters, till such time that the cash collector of a particular

¹¹ Till Sept 2017 there were five counters and after Sept 2017 there were seven counters.

¹² Integrated Hospital Management System.

cash counter deposited the total collection of the day along with collection statement. The cashier was entrusted with the reconciliation of daily collection report *w.e.f.* 15 November 2018 only *i.e.*, after being pointed out by audit.

- The cashier never objected to late deposit of funds by majority of the cash collectors and retention of money collected by them. Although, the cash book clearly showed such irregularities, the cashier failed to bring this to the notice of Medical Superintendent of the Hospital.
- Irregularity in cash handling by the same collector was also noticed by the Hospital Management during 2014-15, but he was allowed to continue as cash collector.

From the above, it is evident that the monitoring mechanism of the Superintendent of the Hospital was grossly deficient. Further, engagement and continuation of the same collector despite being aware of his past record of mishandling cash during 2014-15 showed poor financial risk management on the part of the Superintendent, HMS, SMCH, Silchar.

Thus, absence of supervision over cash collections especially of contractual staff and inadequate monitoring facilitated defalcation of cash of ₹30.54 lakh.

The matter was reported to the Government in November 2019; the Commissioner and Secretary, H&FW stated (September 2020) that an FIR was lodged against the cash collector after receiving the audit observation. The cash collector had been arrested and charge sheet had been filed. The Commissioner further added that the cashier was also arrested on the same issue. The Senior Deputy Superintendent was entrusted with the charge of daily collections of cash and its reporting since November 2018 at the instance of audit.

Higher Education Department

1.2.5 Suspected Misappropriation of Cash

Principal BRM Government Law College did not record the details of fees collected from students and expenditure therefrom, in the Cash Book. Non-depositing fees in Government Account led to misappropriation of cash of ₹74.04 lakh.

Rule 7(1) of Assam Treasury Rules stipulates that all moneys received by Government servants shall without delay be paid into the treasury or into the bank and shall be included in Public Account. Moneys received as aforesaid shall not be appropriated to meet departmental expenditure, nor otherwise kept apart from the public Account.

Rule 95 of the Assam Financial Rules (AFR) provides that a Cash Book should be maintained by all Departments for recording in separate columns all money received by Government servants in their official capacity, and their subsequent remittance to the treasury or to the bank as well as money withdrawn from the treasury or the Bank either

by bills or cheques, and their subsequent disbursement. Each entry in the cash book should be verified daily by the head of the office or by a Gazetted Officer authorised by him. In either case the Head of the office will be responsible for the accuracy of the cash book and of the cash balance.

Audit (May-June 2018) of records of the Principal, Bishnu Ram Medhi (BRM) Government Law College for the period 2013-14 to 2017-18 showed that there was a shortfall in deposit of cash relating to student fees collected. It was noted that though fees were collected by College through the year, they were only partially deposited into Government account. The deposits were done only thrice during the five year period of 2013-18.

The fees collected, and deposited in Treasury through challan is shown in **Table-1.3**.

Table-1.3

(Amount in ₹)

Financial Year	Fees Collected	Retention of fees		Fees deposited in Treasury	Details of balance		Date and mode of deposit in treasury
		In bank	In cash		In bank	In cash	
2013-14	31,88,100	Nil	31,88,100	18,00,000	Nil	13,88,100	On 08/11/14 by cash.
2014-15	33,69,250	Nil	33,69,250	17,00,000	Nil	16,69,250	
2015-16	35,63,300	Nil	35,63,300	14,00,000	Nil	21,63,300	On 11/02/16 by cash.
2016-17	35,24,650	23,90,200 ¹³	11,34,450	12,00,000	11,90,200	11,34,450	On 15/12/16 from bank.
2017-18	37,27,750	28,41,414 ¹⁴	8,86,336	Nil	28,41,414	8,86,336	Nil
Total	1,73,73,050	52,31,614	1,21,41,436	61,00,000	40,31,614	72,41,436	

Besides above, out of cash balance of ₹72.41 lakh, a sum of ₹2.38 lakh was paid to Gauhati University as 'Affiliation and Registration fees' and the remaining amount of ₹70.03 lakh was neither deposited nor found available in cash chest. Further, out of the bank deposit of ₹40.32 lakh¹⁵ shown above, a sum of ₹4.01 lakh was withdrawn through different self-cheques¹⁶ (during August 2017 to February 2018) for which no account was maintained.

Principal, BRM Government Law college accepted (November 2019) that of the total fees collected in this period, an amount of ₹43.63 lakh had been retained by the College for office expenses. The College however failed to produce any documents in support of any expenditure out of the retained fees or that it was recorded in the Cash Book. Moreover, for meeting office expenses, the College received ₹27.23 lakh during 2013-18 from State Government of which, ₹23.10 lakh was spent during the period.

As such, due to non-availability of the cash in chest nor any details of ₹74.04 lakh (₹4.01 lakh added to ₹70.03 lakh), misappropriation of the funds cannot be ruled out.

¹³ Deposited by college in Syndicate Bank A/c No. xxx013.

¹⁴ ₹1,96,000 was deposited in Syndicate Bank A/c No. xxx013 by the College and ₹26,45,414 collected through POS machine/deposited by students in Syndicate Bank A/c No. xxx181.

¹⁵ ₹26,45,414 in Syndicate Bank A/c No. xxx181 and ₹13,86,200 in Syndicate Bank A/c No. xxx013.

¹⁶ From bank account No. xxx181.

The suspected misappropriation was facilitated by deficient maintenance of the Cash Book by the College authorities, by not recording all the receipts and expenses incurred in violation of Rule 95 of Assam Financial Rules. System of cash verification was also missing in the college.

The Principal stated (November 2019) that post of Accountant cum cashier remained vacant since March 2014 and due to lack of knowledge, cash book was not maintained. After being pointed out in audit, presently the collection and deposit of fees are being recorded in the cash book (November 2019) and presently cash verification has been introduced.

The matter was reported to the Government in November 2019. The Secretary, Higher Education Department, while agreeing to the audit observation, submitted an action taken report and stated (September 2020) that show cause notices had been issued to two ex-Principals of the College who are still in Government service while the Department had sought for views from Pension and Public Grievance Department for an ex-Principal who had superannuated in 2015. Further, the Secretary stated that a written reply with up-to-date position would be forwarded shortly along with the copy of instructions relating to depositing of 70 *per cent* of college fees to the Government exchequer by all Government colleges.

Recommendations: Besides taking disciplinary action for the lapses pointed out, Government may also ensure that vacancies relating to cash matters are not kept for long.

Welfare of Minorities and Development Department

1.2.6 Irregularities in Disbursement of Scholarship

The Director, Assam Minority Development Board (AMDB) irregularly disbursed Pre-Matric scholarship through Pay Direct Card of a private bank instead of directly transferring the scholarship amount to beneficiaries' bank account. Besides, funds of ₹18.60 crore were lying idle with the bank and ₹13.34 crore were lying idle with the Board.

The Prime Minister's 15-point programme for the welfare of minorities announced in June 2006, provided for a pre-matric scholarship scheme for meritorious students from minority communities. Up to the year 2013-14, the funding for the scheme was shared between Government of India and Government of Assam in the ratio of 75:25. However, with effect from the year 2014-15, it became a central sector scheme with 100 *per cent* central funding.

The scholarship was to be awarded to the students including those studying in private schools, who have secured not less than 50 *per cent* marks in the previous final examination and annual income of whose parents/ guardian from all sources does not exceed ₹ one lakh. The amount of scholarship comprised of admission fee, tuition fee and maintenance allowance at the following rates:

Table- 1.4

Class	Maintenance allowance	Admission fee	Tuition fee	Total
I to V	@ ₹100 per month not exceeding 10 months in an academic year.	Nil	Nil	Up to ₹1,000 p.a.
VI to X	Same as above	@ ₹500 p.a. subject to actual	@ ₹350 p.m. subject to actual	Up to ₹5,700 p.a.

The Director of Assam Minorities Development Board (AMDB) made a proposal (December 2014) of pre-matric scholarship amounting to ₹51.34 crore for 1,32,981 students for the academic year 2014-15 on the recommendations of the district level beneficiary committee¹⁷. Based on the proposal, Government of India (GoI), Ministry of Minority Affairs allocated and released ₹51.54 crore¹⁸, as *grants-in-aid* to Government of Assam (GoA) for 1,32,981 students in two instalments¹⁹ (July 2014-January 2015). GoA subsequently released (September 2014-March 2015) the entire funds in two instalments²⁰ to the Director, AMDB.

GoI while sanctioning the grant instructed the State Government to ensure that the sanctioned fund is disbursed to the students' bank account within one month from the receipt of fund. GoA also instructed that the payment should be made through A/c payee cheques in favour of actual payee. The Chief Secretary to the GoA directed (September 2015) the Director, AMDB to complete the disbursement of scholarship to the students by 15 October 2015.

Director, AMDB, however, apprised (10 October 2015) the Chairman, AMDB that it would not be possible to transfer funds to the bank account of 1,32,981 students as the districts had not provided IFS Code of the bank branches where the students had their accounts. The Director, AMDB instead forwarded a proposal submitted, by ICICI Bank, Guwahati for disbursement of the scholarship through a Pay Direct Card²¹ (PDC). The Chairman, AMDB accepted the proposal and accordingly, an agreement (07 November 2015) was entered into with the bank, whereby PDCs should be issued to beneficiaries within 45 days of submitting required documents²².

Audit noticed (June 2018) that the Director, AMDB transferred ₹ 38 crore²³ to AMDB's savings account in ICICI Bank between October 2015 and March 2018. As per the bank statement, ₹ 19.40 crore was disbursed during March 2016 to March 2018 through PDC

¹⁷ Deputy Commissioner is the chairman and Inspector of Schools, District Elementary Education Officer, Chairman of Sub-Divisional Minority Development Board are the members of the committee.

¹⁸ Including Administrative expenses of ₹20 lakh.

¹⁹ ₹24.91 crore in July 2014 and ₹16.07 crore in January 2015 and unspent balance of 2013-14 amounting to ₹10.56 crore.

²⁰ ₹24.91 crore in September 2014 and ₹16.07 crore in March 2015 and unspent balance of 2013-14 amounting to ₹10.56 crore.

²¹ It is a prepaid Card through which amount can be drawn through ATM against the credited amount. The bank was to charge ₹ 1 5 0 (*Plus service tax*) from each student towards card issuance fee.

²² Required documents were Know Your Customer (KYC) including Name, Photograph, Husband/ Father's Name, Address, Date of Birth, and a Certificate of Authentication of the information as well as identity of the beneficiary by a Gazetted Officer of Central/ State Government along with letter of introduction of the beneficiary from the AMDB.

²³ ₹ 10 crore (29 October 2015); ₹ 10 crore (8 December 2015); ₹ five crore (31 December 2015); ₹ 10 crore (28 March 2017) and ₹ three crore (31 March 2018).

and the remaining amount of ₹18.60 crore was lying idle in the savings bank account of the Board. In addition, the remaining funds of ₹13.34 crore was lying in the savings bank of AMDB at Assam Gramin Vikash Bank.

Thus, the scholarship scheme was not implemented strictly as per the directions of the GoI since the scholarships were not disbursed directly into the bank account of students. Further, out of the list of 1,32,981 eligible students forwarded to the Ministry by the Board, only 71,851 applications were received from students for PDC despite wide publicity given to the Scheme, which suggests that the Board had not verified the number of beneficiaries as received from the districts.

There was delay in disbursement of scholarship for the period of four years from the date of release of fund by GoI against the stipulated time of one month only. Further, though the bank had issued 71,851 PDCs but money was loaded only against 63,220 cards by the bank and the balance funds were lying in the savings account with the bank.

Payment of scholarship through PDC also resulted in the cost of issue of the Card (₹150 plus taxes as applicable) being borne by each student.

Thus, though ₹19.40 crore was disbursed as scholarship to 63,220 student beneficiaries, the disbursal was in deviation of the guidelines since the funds were not disbursed to bank accounts but instead to pre-loaded cards. Besides, ineffective monitoring of the implementation of the scheme resulted in funds of ₹31.94 crore lying idle in bank accounts of the Board.

Director stated (December 2019) that PDC was introduced on the ground of urgency in disbursement of scholarship, but time required for submission of required documents and KYC of students was not considered by them.

Government in their reply stated (September 2020) that the balance amount would now be refunded to the Government of India after verifying the actual balance of the scheme. The reply was silent on the method of disbursal adopted.

Recommendation: The Department may refund the balance funds to the GoI and ensure disbursal of scholarship to bank accounts of the beneficiaries.