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PAC - 94

COMMITTEE ON PUBLIC ACCOUNTS

NINETY-FOURTH REPORT
(ELEVENTH ASSEMBLY)
(2001-2003)



सत्यमेव जयते

Report of the Committee on Public Accounts,
Assam Legislative Assembly on the
Appropriation Accounts for
the year 2001-2002,
Government of Assam.

Presented to the House on 6 August, 2003

ASSAM LEGISLATIVE ASSEMBLY SECRETARIAT,
DISPUR, GUWAHATI-6.

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COMPOSITION OF THE COMMITTEE
(2001-2003)

CHAIRMAN :

1. Shri Premodhar Bora

MEMBERS :

2. Shri Dilip Kumar Saikia
3. Shri Ajit Singh
- *4. Shri Hitendra Nath Goswami
5. Shri Mission Ranjan Das
6. Smti. Pramila Rani Brahma
7. Shri Gopinath Das
8. Shri Biswajit Daimary
9. Shri Bidyasing Engleng
10. Dr. Haren Das
11. Shri Dilder Rezza
12. Shri Paniram Rabha
13. Shri Gautam Bora

SECRETARIAT :

1. Shri B.C. Das, Secretary.
2. Dr. K. N. Baisya, Additional Secretary.
3. Shri Subimal Kumar Das, Under Secretary.
4. Shri B. Basumatari, Under Secretary.
5. Shri K. Rahman, Committee Officer.

* Shri Hitendra Nath Goswami has been elected w.e.f. 8-4-2003
vice Shri Brindaban Goswami resigned being appointed the
Leader of the Opposition, Assam Legislative Assembly.

INTRODUCTION

1. I, Shri Premodhar Bora, Chairman, Committee on Public Accounts having been authorised to submit the Report on its behalf present this 94th Report of the Committee on Public Accounts on the respective grants mentioned in the Comptroller and Auditor General of India in its Report pertaining to Appropriation Accounts for the year 2001-2002 relating to the Government of Assam.

2. The Committee has inter-alia examined the financial dealing as pointed out in the above mentioned Report which had been presented to the House on 26 February, 2003.

3. The Appropriation Accounts for the year 2001-2002 contained in the Report of the Comptroller and Auditor General of India have been examined and considered by the Committee in its sitting held on 29 April and 20 May 2003.

4. While discussed, the specific Appropriation on a particular grant as reported by the CAG of India the views of official representatives of the concerned Government Departments have been obtained as to why the excess/savings were resulted in those grants. Having duly considered the submissions of official representatives on specific Grants, thereupon the Committee has made its observations but expressed its pleasure for extending whole hearted co-operation of all officials of those departments concerns to the Government of Assam.

5. The Committee has appreciated the valuable assistance rendered by the Principal Accountant General (Audit), Assam as well as his Juniors.

6. The Committee appreciates officials for their sincere services of Assam Legislative Assembly Secretariat who devoted ungrudgingly to the Committee during the course of examination and finalisation of this report.

7. The Committee has considered the Draft Report on 4 August, 2003 and approved it on the same date.

PREMODHAR BORA,
Chairman,
Committee on Public Accounts.

Dispur :

The 4 August, 2003.

REPORT

Owing to lack of adequate administrative controls, or even to unsuitable coordination amongst various departments of the Government, there appears either excess expenditure over the Grants Voted by the Assembly and Charged Appropriation or saving thereof resulting surrendered during the financial year 2001-2002 relating to Govt. of Assam. On numbers of grants in that year wherefor supplementary provisions made were proved unnecessary. Such glaring lapses appear there. Want of suitable check on the financial management of the Government in the year under review seems to be apparant.

2. From the facts, as furnished in written replies as well as oral deposition by the Government representatives, it is obvious that the Government of Assam seem to be indifferent to see whether money having been disbursed were legally available for and applicable to the service or purpose to which that had been applied for or that the expenditure conformed to the authority which Governed it in accordance with the provisions made in that behalf under rules framed by the competent authority. With such inherent infirmity, here and there, the financial administration of the State Government to a great extent appear unsound and needs to be geared up.

3. Adorning with the virtue of wisdom, faithfulness and economy, the Committee has scrutinised financial irregularities crept in the accounts of the State Government during the financial year 2001-2002 and noted the excess expenditure incurred over the voted grants/charged appropriations as summarised below :

(Rs. in Crores)

Year	No. of cases	Excess over Charged Appropriation	Excess over		Total
			Voted Grant	Charged Appro.	
2001-2002	2	5	155.11	1987.37	2142.48

4. During the course of examination of (i) Pension and Public Grievances Department (Pension and other Retirement Benefits),

(ii) Industries Department (Cottage Industries including Handloom and Textiles) the Committee observes that no effective device was evolved out by the respective Drawing & Disbursing Officers (DDOs) to exercise strict control of spending within estimates voted in the Budget

by the Assembly. Therefore, the Committee held a joint meeting also on 20th May 2003 with the departmental heads of the State Government wherein most of official representatives viz. Agriculture, Home, S.A.D., C.Ms. Sectt., Mines and Minerals, P.W.D., P. & R.D., Finance, Tourism, Education (E), Hill Area Development, Labour & Employment, W.P.T. & B.C., Judicial, Industry, P.P.G., Transport, Irrigation, Revenue, Food & Civil Supplies, Social Welfare, Water Resource Development, Power, G.A.D., A.R. & T., Health & Family Welfare, Forest and Environment, Sports & Youth Welfare, Personnel, Soil Conservation, Education (H) etc. were remained present and several of them tendered evidence as called for. The official representatives had admitted the irregularities as pointed out by the Committee.

5. The Committee, during scrutiny of the excess expenditure has noticed that the Finance Department had failed to bell the departments in appropriated time to come forward with the proposal of supplementary demands to meet the actual requirement of enhanced amounts within the financial year ending.

6. The Official witnesses of the Finance Department have adduced that on the basis of recommendations on the Eighty-Fifth Report of the Committee on Public Accounts, Assam Legislative Assembly the Finance Department had called a meeting with some of the Treasury Officers, Guwahati representatives of Banks of Government of India and some of the related Departments like P. P. G., etc. Where all the points had been discussed. That meeting was held on 12 August, 2002. Some Treasury Officers had been given instructions to submit actual expenditure incurred in the previous year and also expected quantum of new pensioners in the coming year. The Finance Department has informed the Committee that emphasis has been put on accounting through computers by which the problem would be mitigated in respect of timely completion and submission of annual accounts by each of 52 treasuries/sub-treasuries of the State. In sequel, inter action to finalise the accounts of the State Government with the A.G., Assam has appeared to the Committee and been advancing towards right direction.

7. The departmental witnesses of PPG Department had deposed that budget provisions under Grant No. 23 as well as head of A/C 2071 were actually meant for incurring expenditure on pension, Family pension, D.C.R.G., commuted value of pension, Leave encashment, Medical re-²⁰⁷¹bursement and relief on pension etc. to pensioners.

8. Actual expenditure in the grant during the year 2001-2002 stood as Rs. 728,21,74,901.00 resulting to an excess expenditure by Rs. 144,39,83,901.00 over the sums voted by the Assembly.

9. From the submission of some of the official representatives of the departments concerned, it revealed to the Committee that there had not been adopted laid-down procedure/system with regard to preparation of estimates as well as budgetary control over the Head of A/C 2071- Pension & Retirement Benefits to be granted to Government employees. It was further stated by several of them that payments had been made on the basis of authority or admissibility issued by the Accountant General, Assam that had construed to be clearance for drawal of pension as entitled for the Director of pension Government of Assam, as the case might be, and pensioners had drawn their pension through Treasuries and Nationalised Banks, as if departmental involvement in the matter did not usully arise. Such contentions appeared to the Committee unsound therefore could not be accepted.

10. The Committee has come to know that the PPG, by way of implementing the specific recommendations in its earlier (85th) reports of the Committee on Public Accounts has been considering to streamline the entire process and also to prepare a realistic budget estimates by preponing required data of pensioners from all Treasury Officers of Assam, Accountant General, Assam, Director of Pension, Assam and all Administrative Departments for the years to come.

11. From the submission of the official representatives the Committee has noted with care that the Government in Finance Department's letter issued vide No. BB. 74/2003/3, Dated 28-4-2003 as well as PPG's vide letter No. PPG (P) 58/2003/6, dated 7th May 2002 as well as subsequent letter dated 30th April, 2003 had urged upon all the concerns to come forward with relevant and appropriate data of retiring persons of the State Government well in time enabling to place the same to the Finance for preparing a sound budget estimates which would be considered and passed by the State Legislature in due course of time.

12. The Committee has also observed that due to non-reconciliation of the expenditure figures well ahead of closing annual accounts by the concerned D.D.O's with the actual spending figures of its own with that of the Accountant General (A & E), Assam the accounts for the year or, otherwise, to get rid of wrong booking of figures in certain Heads of Accounts against certain mis-reporting therein the reports of the CAG, India was taken place instead of fool proof accounting. The action initiated by the departments concern appears to the Committee is moving into the right direction in achieving the objectives of realistic budgeting.

13. In addition, the Committee feels that for want of proper classification of grants viz. 60 there appears mis-understanding amongst the executing departments like Industries and Handloom and Textiles, Government of Assam in booking the actual spending figures.

Thereupon the Committee holds that urgent re-classification of the Demands for Grants with Head of A/C therefore amongst the combining departments with Head of Accounts under single grant be made for smooth and administrative convenience of all concerns. Action taken on it by the Government be intimated to the Committee accordingly.

14. Whatsoever, the Committee observes that inclusion of all retirement benefits presently booked in Grant No.23 needs to be thoroughly examined by the Government as to whether all the items therein should be justified or be suitably re-classified some of them in any other suitable Grant as well as head of accounts thereof for better feasibility, or, otherwise, for sound budgeting/realistic approach point of view and a report thereon be submitted to the Committee within 90 days of this report presented to the Assembly.

15. Besides, the Committee holds that all lapses on point of maintaining up-to-date records well ahead of retiring date of an employee who is going to retirement from the service of the Government of Assam be plugged and fool-proofed so that no retiring employee be suffered for want of up-to-date service record or exact amount of pensionary benefits be incorporated in the annual budget due for one in due date failure to which the departmental head (s) of the State Government be made responsible on his lapse particularly non-maintaining up-to-date service record including his/her pension and timely furnishing the same to the competent authority.

16. Noticing the facts, the Committee has found that 64 Grants made saving on the budgeted amounts whereas 7 Grants exceeded the estimates voted by the Assembly during the financial year under review. Both cases exhibited contrary character of financial mechanism. Saving within the budgeted amounts presents surrendered by which affect adversely the development activities to some extent in particular for formation of capital in the path of future acceleration of economy as a whole. The Committee therefore discourages saving in the budget keeping in view the further growth of economy in increasing order. The Committee is of the opinion that excess over the budgeted grants is a glaring financial impropriety where no money shall be withdrawn from the consolidated fund of the State except under the appropriation made by law passed in accordance with the provisions of (Arts. 202,203,204, 205,206) the Constitution of India.

17. Further more, the Committee thereupon urges the Government in respective departments to extend full cooperation and coordination from all concerns by way of supplying well ahead of time every required data to the Finance Department to prepare a realistic budget every year or to avoid excess expenditure over the estimates to be voted by the Assembly

as well as least saving thereon, thereby affects the schematic developmental works of the economically backward State like Assam.

18. After threadbare joint discussion with almost all the departmental representatives, the Committee with great restraint arrives at a conclusion and recommends regularisation by the State Legislature of the fell wing excess expenditure incurred by the departments over the Voted Grants/Charged Appropriation as required under Article 205 of the Constitution of India as reported in the Report of the Comptroller and Auditor General of India (Civil) and Appropriation Accounts for the year 2001-2002 :

Sl. No.	No. and name of Grants/ Appropriation	Amount of Excess to be regularised	Rupees in crores
1. <u>2001-2002 Voted Grants</u>			
1.	23-Pension and Other Retirement Benefits.	Revenue	1,44,39,83,901 = 144.40
2.	60-Cottage Industries	Revenue	10,70,89,149 = 10.71
2. <u>2001-2002 Charged Appropriation</u>			
1.	6-Land Revenue & Land Ceiling.	Revenue	5,55,725 = 0.06
2.	26- Education (Higher)	Revenue	10,16,470 = 0.10
3.	62-Power (Electricity)	Capital	39,60,00,000 = 39.60
4.	71-Education (Elementary)	Revenue	13,18,403 = 0.13
5.	Public Debt. & Servicing of Debt.	Capital	19,47,48,06,352 = 1947.48