

CHAPTER-I

SOCIAL SECTOR

CHAPTER I: SOCIAL SECTOR

1.1 Introduction

This Chapter of the Audit Report for the year ended 31 March 2017 deals with the findings on audit of the State Government units under Social Sector.

The names of the major State Government departments and the Budget provision and expenditure of the State Government under Social Sector during the year 2016-17 are given in the table below:

Table 1.1.1: Budget provision and expenditure of major departments

(₹ in crore)

Sl. No.	Name of Department	Budget Provision (Original and Supplementary)	Expenditure
1.	Education, Sports & Youth Affairs & Arts and Culture	1673.08	1612.50
2.	Health & Family Welfare	759.12	687.07
3.	Public Health Engineering	484.95	372.48
4.	Urban Development	212.84	147.82
5.	District Council Affairs and Social Welfare	667.71	596.19
6.	Labour	48.12	33.11
7.	Housing	32.09	11.91
8.	Revenue	28.02	26.92
	Total	3905.93	3488.00

Source: Budget Estimates, Appropriation Acts and Appropriation Accounts

1.1.1 Planning and conduct of Audit

Audit process starts with the assessment of risks faced by various departments of Government based on expenditure incurred, criticality/complexity of activities, level of delegated financial powers, assessment of overall internal controls and concerns. Audit of 32 auditee units were conducted during 2016-17 involving expenditure of ₹ 1185.76 crore (including expenditure pertaining to previous years audited during the year) of the State Government under Social Sector. This chapter contains two Performance Audits on 'Sports infrastructure in Meghalaya including follow up audit of Performance audit on Development of Sports and Youth Activities in Meghalaya which featured in the Audit Report for the year ended 31 March 2012' and 'Urban Development in Meghalaya'.

The major observations under Social Sector detected in audit during the year 2016-17 are given in the succeeding paragraphs.

PERFORMANCE AUDIT PARAGRAPHS

SPORTS AND YOUTH AFFAIRS DEPARTMENT

1.2 Sports Infrastructure in Meghalaya including follow up audit of Performance audit on 'Development of Sports and Youth Activities in Meghalaya' which featured in the Audit Report for the year ended 31 March 2012

Sports and physical education are essential components of human resource development. They help to promote good health, solidarity and a spirit of friendly competition. The Sports and Youth Affairs Department (SYAD), Government of Meghalaya (GoM) along with the State Sports Council, Meghalaya (SSCM) facilitate the development of sports and games, youth activities and sports infrastructure required for proper grooming, nurturing and channelising the youth potential.

Audit undertook a Performance Audit (PA) of Sports Infrastructure in Meghalaya including follow up audit of a previous PA on 'Development of Sports and Youth Activities in Meghalaya' which featured in the Report of the Comptroller and Auditor General of India on Social, General and Economic Sectors and PSUs for the year ended 31 March 2012, Government of Meghalaya (Audit Report 2011-12). The major observations noticed during the PA are given below:

Highlights

None of the recommendations made in the previous PA on Development of Sports and Youth Activities in Meghalaya had been fully implemented. Of particular significance was the fact that the State did not have a Sports Policy in place.

(Paragraph 1.2.7.1(i))

Previous Audit Report of 2011-12 had pointed out that funds of ₹ 2.52 crore sanctioned by GOI for creation of 13 sports infrastructure had been idling. The current status showed that funds continued to be kept in fixed deposit for the past 10 years (now valuing ₹ 6.55 crore) and infrastructure had not been created.

(Paragraph 1.2.8.1)

Maintenance of infrastructure projects was not satisfactory as was also pointed out in the Audit Report 2011-12.

(Paragraphs 1.2.8.2, 1.2.10.4 & 1.2.12)

Many sports infrastructure were not available in all the districts of the State. Out of 84 sports infrastructure projects, 60 were completed with delays. The delays

ranged between 1-12 months in 18 projects while in 42 projects, the delays ranged between more than one year and 16 years 8 months.

(Paragraphs 1.2.10.1 & 1.2.10.2)

Funds meant for creation of sports infrastructure were irregularly invested in mutual funds (₹ 62.22 crore) or were blocked up in fixed deposits (₹ 126.07 crore). Interest/income of ₹ 7.61 crore earned from saving/fixed deposit accounts and mutual funds were not disclosed to the State Government.

(Paragraphs 1.2.13.1 & 1.2.13.2)

There was shortage of coaches in various disciplines in all the districts of the State and 13 post of coaches, sanctioned between May 2005 and March 2015, had not been filled. Other than for football and athletics there was no system in place to spot and nurture talent from an early age.

(Paragraphs 1.2.14.3 & 1.2.14.4)

2.1 Introduction

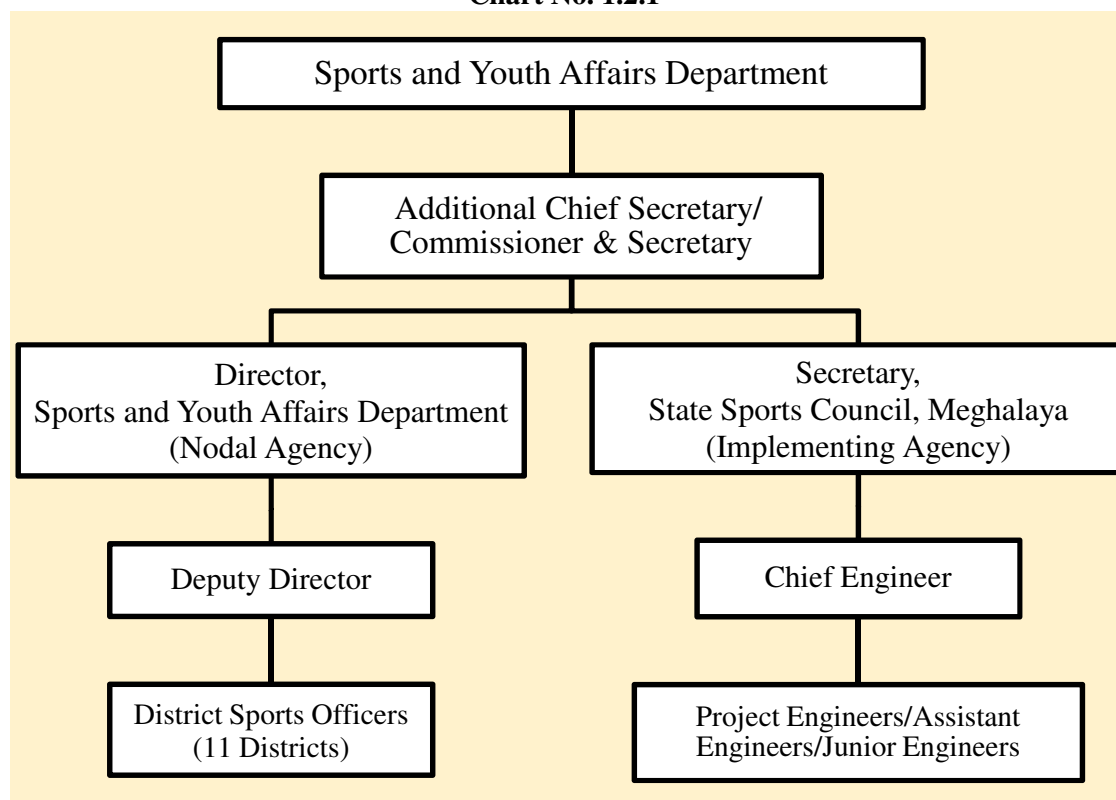
As per the National Sports Policy, 2001, sports and physical education are essential components of human resource development and help to promote good health, solidarity and a spirit of friendly competition. This in turn has a positive impact on the overall development of personality of the youth. Excellence in sports enhances the sense of achievement, national pride and patriotism and improves productivity and fosters social harmony and discipline. 'Sports' is a subject under the State list of Seventh Schedule of the Constitution of India. The State Government has to play a major role in the development of sports with Government of India (GoI) supporting its efforts.

1.2.2 Organisational set up

At the Government level, the Commissioner & Secretary, Sports and Youth Affairs Department (SYAD) is the administrative head and is assisted by the Director, SYAD along with the State Sports Council, Meghalaya (SSCM)¹. There are District Sports Officers (DSOs) posted in each of the 11 districts. The organisational chart of SYAD is shown below:

¹ The SSCM was established during December 1971 as an autonomous body registered under the Indian Societies Registration Act, 1860. It is headed by the President (Minister, Sports and Youth Affairs) and has as members the Vice President (Commissioner and Secretary, SYAD) and Secretary (Director, SYAD).

Chart No. 1.2.1



1.2.3 Audit Scope and Methodology

The Performance Audit (PA) covered the activities of the SYAD, Director, SYAD, district offices and the implementing agency (SSCM) in connection with the creation, maintenance and proper use of sports infrastructure for the period 2012-13 to 2016-17. For the purpose of this PA, three² out of 11 districts in the State were selected through sampling using Probability Proportional to Size Without Replacement (PPSWOR) method with size measure being the number of sports infrastructure in the districts. The details of sports infrastructure test checked in the districts selected for audit is shown in the table below.

Table 1.2.1: Details of sports infrastructure test checked in the districts selected for audit

Sl. No.	Name of the district selected for audit check	No. sports infrastructure in the district upto March 2017	No. of sports infrastructure selected for audit check
1	East Khasi Hills	145	58
2	Ri Bhoi	35	13
3	West Jaintia Hills	29	13
	Total	209	84

In addition, follow up audit was also conducted on the PA on ‘Development of Sports and Youth Activities in Meghalaya’ which featured in the Report of the Comptroller and Auditor General of India on Social, General and Economic Sectors and PSUs for the year ended 31 March 2012, Government of Meghalaya (Audit Report 2011-12).

² East Khasi Hills, Ri Bhoi and West Jaintia Hills districts.

Joint physical verification (JPV) of 30 completed projects in the three districts covered in the PA was undertaken along with the State Government officers to physically assess the existence, utilisation and quality of sports infrastructure.

The PA commenced with an Entry Conference held on 01 May 2017 wherein the audit objectives, criteria, scope and methodology were discussed with the Commissioner & Secretary, Sports and Youth Affairs and other officers of the Department. The audit findings were discussed with the Joint Secretary and Director, SYAD in the Exit Conference held on 15 November 2017. The replies and views of the Department have been incorporated at appropriate places in this PA.

1.2.4 Audit Objective

The audit objectives for the PA of Sports Infrastructure in Meghalaya were to assess the economy, efficiency and effectiveness in:

- Creation and maintenance of sports infrastructure in Meghalaya;
- Financial management of funds received for sports infrastructure; and,
- Increasing participation and achieving laurels for the State in various sporting events.

In addition, the objective for the follow up audit was to examine and report on current status of deficiencies pointed out in previous PA on ‘Development of Sports and Youth Activities in Meghalaya’ which featured in the Audit Report 2011-12.

1.2.5 Audit Criteria

The findings were benchmarked against the following sources of criteria:

- National Sports Policy 2001;
- Government Orders, instructions/circulars issued from time to time;
- Meghalaya Financial Rules (MFR);
- Meghalaya Public Works Department’s Schedule of Rates for execution of projects;
- Articles of Association of SSCM; and,
- Findings and recommendations made under paragraph 1.2 of the Audit Report 2011-12.

1.2.6 Acknowledgement

The Indian Audit and Accounts Department acknowledges the cooperation of the Sports and Youth Affairs Department of the State Government and the State Sports Council, Meghalaya in providing necessary information and records for the audit.

Audit Findings

1.2.7 Results of the follow up audit on ‘Development of Sports and Youth Activities in Meghalaya’

A follow up audit was carried out with regard to the action taken on audit recommendations covering the period 2007-08 to 2011-12 which featured in the Report of the Comptroller and Auditor General of India for the year ended 31 March 2012. The PA had examined various issues such as planning, financial management, creation, maintenance and use of sports infrastructure, deployment of coaches, application of scientific backing for training, *etc.* and had also offered some specific remedial suggestions.

The findings of the follow up audit with regard to the implementation of these suggestions are briefly given below.

1.2.7.1 Audit findings on the action taken on the recommendations made under paragraph 1.2 of the Audit Report 2011-12

(i) ***Recommendation No 1: Government should approve and put in place Sports and Youth Policies and a target oriented long term plan (Paragraph 1.2.7).***

This recommendation was made in the context of the responsibility of the State Government to pursue the twin objective of ‘broad basing’ of sports and ‘achieving excellence in sports at National and International level’. It was observed that though the State Government had initiated the work for the State Sports Policy, and the draft policy was submitted in June 2011, it had not been notified (November 2017). Audit observed that sports related activities and creation of sports infrastructure in all these years were bereft of a medium or long term plan. Further given the youthful demographic profile³, it was essential to frame both the State Sports Policy and the State Youth Policy. However, neither was in place.

Audit findings on the action taken on the recommendation

The implementation of this recommendation was still in process. The Sports Policy was sent (April 2017) to the State Government for approval and was under examination by a Working Group. There was no long-term target oriented plan. During the Exit Conference, the Joint Secretary and Director, SYAD informed that the State Government had directed (October 2017) the Youth Policy to be examined by a Working Group.

³ Census 2001: 41 *per cent* of the population of the State (23.19 lakh) were in age bracket of 13 to 25 years (9.48 lakh).
Census 2011: 21 *per cent* of the population of the State (29.67 lakh) were in age bracket of 15 to 24 years (6.11 lakh).

- (ii) ***Recommendation No. 2: Diversion of funds meant for Development of sports activities should be avoided and the funds should be utilised for the purpose for which these were sanctioned to achieve the desired objective (Paragraph 1.2.8).***

This recommendation was made for the findings where funds meant for procurement of sports equipment were utilised by the Director, SYAD for purchase of digital cameras, etc. Audit had also observed that cheques issued to clubs/associations, etc. were neither supported by Actual Payees Receipts nor encashed as per bank statements.

Audit findings on the action taken on the recommendation

Audit noticed that SSCM had diverted funds for payment of salaries. This has been discussed in paragraph 1.2.13.3.

- (iii) ***Recommendation No. 3 (first): A comprehensive plan for creation of sports infrastructure has to be drawn up for each district and necessary infrastructure has to be created after assessing the extent of utilisation of existing infrastructure (Paragraph 1.2.9).***

This recommendation was made after pointing out the various deficiencies such as delays, non-commencement of works, etc. in the creation of sports infrastructure.

Audit findings on the action taken on the recommendation

This recommendation had not been implemented as even now no comprehensive district-wise plan had been drawn up. As a result, infrastructure were being created without ascertaining the requirement and assessing the extent of utilisation of the existing infrastructure. Audit noticed cases of sports infrastructure being created but not utilised and minimal maintenance of sports infrastructure. The details of these findings have been discussed in paragraphs 1.2.10.4 and 1.2.12.

The findings showed that it is imperative for the Department to put in place plans for creation, optimal utilisation and maintenance of the infrastructure.

The Department replied (July and October 2017) that the Sports Policy, which was awaiting Government's approval, would address and ensure that sports infrastructure created are utilised to their full extent.

- (iv) ***Recommendation No. 3 (second): Projects should be approved only after finalising the site required for construction (Paragraph 1.2.9).***

&

Recommendation No. 3 (third): The ongoing projects should be completed in a time bound manner to avoid cost escalation (Paragraph 1.2.9).

Audit findings on the action taken on the recommendation

These recommendations have not been entirely implemented as delay in completion of projects persisted.

Further examination of records (July 2017) regarding non-completion of projects mentioned in Audit Report 2011-12 revealed that:

- Out of 23 delayed projects⁴ pointed out under paragraph 1.2.9.1, two projects⁵ had still not been completed (July 2017);
- Out of five projects sanctioned under ‘Special Plan Assistance’ of GoI mentioned under paragraph 1.2.9.2, the project for ‘construction of an outdoor stadium at Nagrasket’, West Garo Hills had not been completed (July 2017).
- The 13 projects mentioned in paragraph 1.2.9.3 had not started till July 2017.

SSCM stated (July and October 2017) that availability of land along with fund constraint was the reason for delay in completion of projects. The reply was not tenable as SSCM had a huge fund balance and had invested grants meant for construction of sports infrastructure in mutual funds and fixed deposits. This is detailed in paragraph 1.2.13.1. Also, the Department should have approved projects only after prior identification and acquisition of land.

(v) *Recommendation No. 4: Requisite number of coaches should be provided in all disciplines to give effective coaching. The knowledge of coaches should be enhanced through scientific and updated training (Paragraph 1.2.10).*

The recommendation was arrived at after Audit had examined whether the existing coaching arrangement was efficient and effective. It was observed that the deployment of coaches at the Directorate of SYAD, an administrative office rather than in the districts, was not prudent. Further, the coaches and Physical Training Instructors (PTIs) were not given opportunity to enhance their skill through training programmes at the designated institutions.

Audit findings on the action taken on the recommendation

This recommendation had not been implemented. In Meghalaya, infrastructure had been created for 12 sports⁶, with the maximum number of infrastructure being for football. No district however, had coaches for all those disciplines for which the sports infrastructures were created till the date of audit (July 2017). This is detailed in paragraph 1.2.14.3.

The above findings indicated that the issues pointed out by Audit in its recommendation had still not been addressed.

The Department replied (October 2017) that the creation and filling up of the post of coaches and PTIs would be taken up in a phase-wise manner.

⁴ 16 projects scheduled to be completed within March 2012 and seven projects sanctioned prior to 2007-08 scheduled for completion between May 2002 and November 2007.

⁵ Construction of (i) basketball court at Sohka Mission, West Jaintia Hills and (ii) playground at Sohlap, Shella, East Khasi Hills.

⁶ Football, Badminton, Basketball, Table Tennis, Athletics, Boxing, Archery, Cricket, Swimming, Taekwondo, Judo and Lawn Tennis.

1.2.8 Current status of significant audit findings of Audit Report 2011-12

In addition to the above recommendations, there were also certain significant audit findings in the Audit Report 2011-12. Their current status of those findings are as under:

1.2.8.1 Non-commencement of sports infrastructure and parking of funds meant for construction (Paragraph 1.2.9.3).

The SSCM had received (March, 2007) ₹2.52 crore for creation of 13 sports infrastructure. The funds were however, not utilised and kept in fixed deposits. The reasons given were cost escalation and adoption of Schedule of Rates (SOR) of Central Public Works Department which were lower than the SOR of the State.

Current status

The current status was that the creation of 13 sports infrastructure had not commenced. Funds had been continued to be kept in fixed deposits for the past 10 years (valuing ₹ 6.55 crore as of March 2017). Thus, the objective of creation of these infrastructure was defeated and there was blockage of funds for more than 10 years.

During the Exit Conference (15 November 2017), the Joint Secretary and Director, SYAD stated that the matter would be taken up with the GoI for further course of action.

1.2.8.2 Maintenance of sports facilities (Paragraph 1.2.9.6).

Existing infrastructure was not being maintained. Audit observed that there was no policy for maintaining the sports infrastructure. Audit test checked 39 sports facilities and 13 were found to be in a dilapidated condition.

Current status

The Department informed that out of the 13 sports facilities only 2⁷ had been repaired. Audit conducted joint physical verification of four⁸ of the 13 sports infrastructure and found that all were in a dilapidated condition. The following are the photographs in respect of two of these dilapidated sports infrastructure:

⁷ Indoor sports halls at Kynshi and Mairang (West Khasi Hills district).

⁸ East Khasi Hills: Indoor Sports Hall, Sohryngkham and Basketball court at Mawryngkneng; West Jaintia Hills: Indoor Sports Hall, Amlarem; and, Ri Bhoi: Basketball court at Indoor Sports Hall, Nongpoh.

(i) Indoor Sports Hall, Sohryngkham, East Khasi Hills district



Photograph- 1.2.1.1

Previous audit had pointed out that the electric fittings were broken and the hall was used for storage of timber rather than sporting events.



Photograph - 1.2.1.2

The current status showed pieces of roof were missing resulting in water logging on the floor. The Sports Hall was not used for sporting events.

(ii) Indoor Sports Hall, Amlarem, West Jaintia Hills district



Photograph - 1.2.2.1

Previous audit had pointed out that main door was broken, animals moved inside the hall freely as dung were found on the floor.



Photograph - 1.2.2.2

The current status showed that there was water logging on the floor falling from the top due to the broken roof; chairs and the badminton poles were broken. The sports hall was not in use.

This indicated that sports infrastructure were created without assessing its actual demand and the constructed facilities were not being maintained.

During the Exit Conference (15 November 2017), the Joint Secretary and Director, SYAD stated that the maintenance of infrastructure would be addressed once the Sports Policy is in place.

Objective 1: Whether creation and maintenance of sports infrastructure in Meghalaya was efficient and effective

1.2.9 Overview of sports infrastructure in the State

As on 01 April 2012, there were 233 sports infrastructure available in the State. During the period 2012-17, 177 sports infrastructure were taken up for construction of which 152 had been completed. The status of sports infrastructure as on March 2017 is as under:

Table 1.2.2: Details of sports infrastructure in the State upto March 2017

Sl. No.	Sports infrastructure	As on 01.04.2012	Projects taken up during 2012-17			As on 31.03.2017
			Total	Completed	Incomplete	
1.	Football playground	103	82	73	9	176
2.	Basketball courts	66	57	55	2	121
3.	Indoor sports hall	47	12	6	6	53
4.	Outdoor stadium	5	4	1	3	6
5.	Others ⁹	12	19	17	2	29
6.	Gallery, etc. Eastern End	-	1	-	1	-
7.	Accommodation for sports persons	-	1	-	1	-
8.	Improvement of JNS Complex	-	1	-	1	-
	Total	233	177	152	25	385

Source: Information furnished by SSCM

From the above it can be seen that football, basketball and indoor sports hall constituted a bulk (91 per cent) of the sports infrastructure in the State.

1.2.10 Planning, creation, utilisation and maintenance of sports infrastructure

The National Sports Policy, 2001 envisaged availability of adequate sports facilities throughout the country as a basic requirement for developing and broad basing of sports. The policy also envisaged that in addition to the Government, sustained involvement of other agencies¹⁰ should be enlisted in creation, utilisation and proper maintenance of the sports infrastructure.

Audit examination of records revealed that SYAD and SSCM did not have any plan (long-term or annual plan) for creation of sports infrastructure in the State with the objective of broad basing of sports or to achieve laurels. The Director, SYAD had not laid any road map for sports disciplines (individual or team) other than football for which it needed to focus on creating infrastructure. The Director, SYAD created sports infrastructure based on applications received from Educational Institutions, *Durbar Shnongs*¹¹, Sports Associations, etc. and on the availability of funds.

⁹ Includes 19 other sports infrastructure such as futsal grounds, artificial football turfs, swimming pools, squash courts, youth centres etc.

¹⁰ Such as educational institutes, local bodies, sports federations/associations and clubs.

¹¹ Village Councils.

1.2.10.1 Distribution of sports infrastructure in the districts

Availability of adequate sports facilities throughout the State was a basic requirement for developing and broad-basing of Sports. The distribution of sports infrastructure as on 31 March 2017 in all the 11 districts of the State was as under:

Table 1.2.3: Detailed position of sports infrastructure in all Districts as on 31 March 2017

Sl. No.	Name of the infrastructure	DISTRICT-WISE POSITION ¹²											Total
		EKH	WKH	SWKH	RB	EJH	WJH	WGH	SWG	EGH	NGH	SGH	
1	Outdoor stadium	2	1	-	-	-	1	1	-	1	-	-	6
2	Mini stadium	-	-	-	-	-	-	1	-	-	-	-	1
3	Football Playground	48	3	7	21	4	13	22	37	5	9	7	176
4	Indoor sports hall	24	3	4	2	1	5	5	3	1	2	3	53
5	Multipurpose community hall	1	-	-	-	-	-	-	-	-	-	-	1
6	Sports complex (Basketball, etc.)	1	-	-	-	-	-	-	-	-	-	-	1
7	Basketball courts	50	7	2	12	1	9	7	29	-	2	2	121
8	Swimming pools	1	-	1	-	-	-	1	-	-	-	-	3
9	Squash courts	1	-	-	-	-	-	1	-	-	-	-	2
10	Youth Centres	2	-	-	-	-	-	-	-	-	-	-	2
11	Outdoor badminton courts	1	-	-	-	-	-	-	-	-	-	-	1
12	Cricket ground	1	-	-	-	-	-	-	-	-	-	-	1
13	Open air stage/ cafeteria at swimming pool	1	-	-	-	-	-	-	-	-	-	-	1
14	Multi training hall	1	-	-	-	-	-	-	-	-	-	-	1
15	Gymnasium	1	-	-	-	-	-	-	-	-	-	-	1
16	Sepak Takraw courts	1	-	-	-	-	-	-	-	-	-	-	1
17	Lawn Tennis complex	1	-	-	-	-	-	-	-	-	-	-	1
18	Futsal Ground	2	-	-	-	1	-	-	-	-	1	-	4
19	Artificial Football Turf	2	-	1	-	-	1	-	-	-	-	-	4
20	Synthetic Track	1	-	-	-	-	-	-	-	-	-	-	1
21	Open Air stage	1	-	-	-	-	-	-	-	-	-	-	1
22	Sports cafeteria	1	-	-	-	-	-	-	-	-	-	-	1
23	Flood-light	1	-	-	-	-	-	-	-	-	-	-	1
	Total	145	14	15	35	7	29	38	69	7	14	12	385
	Percentage	38	3	4	9	2	8	10	18	2	3	3	100

Source: Information furnished by SSCM

It can be seen from the table above that many sports infrastructure were not available in all the districts of the State.

¹² EKH=East Khasi Hills, WKH=West Khasi Hills, SWKH=South West Khasi Hills, RB=Ri Bhoi, EJH=East Jaintia Hills, WJH=West Jaintia Hills, WGH=West Garo Hills, SWGH=South West Garo Hills, EGH=East Garo Hills, NGH=North Garo Hills and SGH=South Garo Hills.

1.2.10.2 Creation of sports infrastructure in the selected districts

During 2012-17, SSCM executed 84 sports infrastructure (20 new projects, 64 ongoing projects) in the three districts¹³ covered under this PA.

It was seen that after approval of the project by the SYAD, funds were released to SSCM through Director, SYAD for implementation. Audit test checked the records of 84 projects sanctioned at an estimated cost of ₹ 62.82 crore during 2012-13 to 2016-17 (**Appendix – 1.2.1**) and the deficiencies noticed are as under:

(i) Delay in completion of projects

- Out of the 84 test checked projects, 60 projects were completed with delays. The delays ranged between 1-12 months in 18 projects while in 42 projects, the delays ranged between more than one year to 16 years 8 months.
- Nine projects were completed before the scheduled date of completion.
- Fourteen projects which were scheduled to be completed between February 2005 and December 2016 were still under progress (July 2017).
- One project scheduled to be completed by February 2016, had not yet started in spite of issue of work order during February 2014.

The SSCM attributed (July 2017) various reasons for the delay including fund constraints and natural calamity. The reply in respect of fund constraint was however, not tenable as SSCM always had enough idle funds invested in mutual funds and fixed deposits. At the end of March 2017, SSCM had ₹ 35.19 crore invested in mutual funds and fixed deposit (as detailed in paragraph 1.2.13.1).

(ii) Handing over of infrastructure created on community land

Out of the 69¹⁴ completed projects, 59 sports infrastructure, such as basketball courts, indoor sports halls, football playgrounds, artificial turf, *etc.* were constructed on community land based on application received from Educational Institutions, *Durbar Shnongs*, Sports Associations, *etc.*

Joint physical verification of 30 sports infrastructure was conducted out of which 29 were built on community land. In respect of seven infrastructures (out of 29 built on community land), joint physical verification showed they were in dilapidated condition due to absence of maintenance.

Out of the 59 sports infrastructure only three were handed over to the applicant organisations¹⁵ that too without any standard agreement spelling out terms of use, maintenance of the sports infrastructure, fees to be charged from the users, periodic inspection by the Department *etc.* The balance 56 sports infrastructure were not even formally handed over to the applicant organisations. As such, those infrastructure were being put to use without any planning for its maintenance.

¹³ During 2012-17, 177 sports infrastructure were taken up for construction.

¹⁴ 60 projects completed with delays and 9 projects completed on time.

¹⁵ (i) Social Cultural Sports Club, Mawngap, (ii) Dr H. Gordon Roberts Hospital, Shillong and (iii) Byrnihat Sports Association, Ri Bhoi.

In view of the above, SSCM should devise and obtain an undertaking from the applicant organisations before commencement of sports infrastructure on community land that the *Durbar Shnong* agrees to promptly (a) take over the infrastructure after it is completed and thereafter (b) be responsible for its maintenance/upkeep, minor repairs *etc.* and (c) ensure that it is used for the purpose for which it was built.

On its part, the Department/SSCM should initiate and institutionalise a system of sensitising the general public/*Durbar Shnong* at regular intervals through public outreach campaigns of their shared obligation to maintain the sports infrastructure built out of public funds for the benefit of their local communities.

1.2.10.3 Case study of Jawaharlal Nehru Sports Complex, Shillong

The Jawaharlal Nehru Sports Complex (JNSC) at Shillong, East Khasi Hills district (EKHD) is the largest sports complex in Meghalaya. It is spread over 23 acres of land and has facilities for several sporting events such as football, athletics, lawn tennis, basketball, badminton, table tennis *etc.* The sports facilities are open to public/sports persons on payment of entry fee to SSCM.

The sporting facilities were also utilised for imparting coaching in football, athletics, badminton and table tennis. JNSC regularly hosted several prestigious events such as I-League (Indian Football League), Chief Minister's Under-17 Football Championship and during February 2016 it was the venue for the 12th South Asian Games (table tennis, judo and women's football championships). The audit findings on the sporting facilities available at JNSC are given in the succeeding paragraphs.

- (i) During 2012-17, five projects were sanctioned at an estimated cost of ₹ 13.65 crore as under:

Table 1.2.4: Details of projects sanctioned at JNSC

Sl. No.	Project	Sanctioned cost (₹ in crore)	Due date of completion	Date of completion	Status
1	Floodlight	4.99	02/2014	03/2015	Functional
2	Futsal playground	0.50	02/2015	12/2015	Functional
3	Gallery, <i>etc.</i> , at Eastern End	4.35	07/2015	In progress	
4	Accommodation for sports persons, <i>etc.</i>	1.69	02/2016	In progress	
5	Improvement of complex	2.12	02/2016	In progress	
	Total	13.65			

It can be seen from the table above that as on July 2017, two projects were completed with delays and the remaining three projects were in progress even though between 17 and 24 months of the due date of completion had lapsed.

- (ii) Audit also conducted a JPV of JNSC and the findings are as under:
- Audit noticed that five rooms below the sitting gallery were being used by five sports associations¹⁶. SSCM stated that these rooms were being utilised by these five sports associations since May 2007. Though SSCM in its meeting

¹⁶ Meghalaya Football Association, Meghalaya Archery Association, Meghalaya Athletic Association, Meghalaya Basketball Association and Meghalaya Cricket Association.

(July 2014) had fixed varying rates of rent for rooms to be used by Sports Associations, it had taken no action to enter into an agreement with the Sports Associations and charge rent accordingly.

- A sports cafeteria constructed in December 2016 at a cost of ₹ 1.30 crore was lying unutilised.
- The Lawn Tennis courts constructed (June 2012) at a cost of ₹ 95.80 lakh was not suitable for playing as there was water logging in different areas of the courts.
- Three of the six rooms of the Multi-training hall constructed (June 2010) at a cost of ₹ 66.14 lakh were lying unutilised.
- Gymnastic equipment purchased (January 2011) at a cost of ₹ 16.14 lakh were not installed but stored at the Gymnasium-cum-indoor sports hall.

1.2.10.4 Maintenance of sports infrastructure

During the meeting of the SSCM held on 12 September 2005¹⁷, it was decided that 'Director, SYAD should formulate a clear cut policy for maintenance of buildings constructed by SSCM. The Department may therefore, explore the possibility of forming of Apex body at each and every district who would be responsible for the maintenance and up keep of the buildings'.

Table 1.2.5: Expenditure on repair and maintenance (₹ in crore)

Year	Plan expenditure of the Department	Repair & maintenance	Percentage of expenditure on maintenance
2012-13	66.62	0.60	0.90
2013-14	34.40	0.51	1.48
2014-15	31.42	0.40	1.27
2015-16	70.74	0.66	0.93
2016-17	22.05	0.04	0.18
Total	225.23	2.21	0.98

Source: Finance Accounts and information furnished by Director, SYAD

Audit observed that even after a lapse of more than 11 years SYAD had not come out with any such policy. As pointed out in paragraphs 1.2.8.2, 1.2.10.2(ii) and 1.2.12 the existing sports infrastructure was not being maintained properly.

During 2012-17, the Department spent only 0.18 to 1.48 per cent of its plan expenditure on repairs and maintenance of the sports infrastructure, thus indicating a low priority accorded by the Department towards maintenance (Table 1.2.5).

SYAD sanctioned an amount of ₹ 2.21 crore during the year 2012-13 to 2016-17 for running and maintenance of sports infrastructure. Out of this, only ₹ 1.28 crore was utilised for repair of indoor sports hall/stadia and replacement of old corrugated galvanised iron (CGI) sheet with dyna roofing of indoor sports halls, etc. The remaining amount of ₹ 0.93 crore was utilised for construction of stone masonry work for retaining wall, sitting gallery, additional rooms for offices and stores, construction of latrines, sign board, staircase and office floor of Director, SYAD.

1.2.11 Monitoring and evaluation

Regular monitoring and evaluation is an effective tool for efficient implementation of schemes undertaken to promote the growth and development of sports and games in

¹⁷ The meeting was chaired by the Chief Minister of Meghalaya and President of SSCM.

the State. Monitoring has to be a continuous process and both programme implementation and outcome indicators are required to be evaluated on a regular basis.

- As per clause-10(a) of the Articles of Association of the SSCM, ‘the Council shall meet at least four times a year to take up matters concerning the progress and activities of various schemes/projects entrusted with the Council’. But contrary to this, it was noticed that during 2012-17, the Council met only twice (08 August 2014 and 28 February 2017).
- Scrutiny of records of the districts covered in the PA revealed that during 2012-17, even though District Sports Officers (DSOs) were posted in the districts who could have been a means for monitoring, the Department did not utilise their services for regular monitoring of the progress of the projects or in order to ensure maintenance of sports infrastructure.

The Director, SYAD stated (October 2017) that constitution of the revised Monitoring Committee on infrastructure, *etc.* had been sent to Government for approval.

1.2.12 Joint physical verification of sports infrastructure

In order to assess the present position of the sports infrastructure created by SSCM, a JPV was conducted by Audit and officers of the SSCM of 30 completed projects (**Appendix-1.2.2**) in the three districts covered in the PA in August 2017. Audit observed deficiencies in three out of 30 projects as under:

- As per record, a sitting gallery, basketball court, tennis ball cricket pitch, boundary fencing, gates, parking yard, retaining wall, *etc.* at Rilbong Sports Complex, Shillong was constructed (October 2012) at an estimated cost of ₹ 0.42 crore. During JPV, the basketball court and a tennis ball cricket pitch estimated to cost ₹ 4.71 lakh were not found to be constructed.

The Director, SYAD stated (October 2017) that a mobile basketball stand had been installed in the Rilbong Sports Complex and was utilised as and when necessary. The reply was however, silent regarding the absence of the tennis ball cricket pitch.

- The Indoor sports hall at Mawngap¹⁸, East Khasi Hills district constructed (December 2016) at an estimated cost of ₹ 1.17 crore was handed over to the Social Cultural Sports Club without any agreement for its utilisation and maintenance.



Photograph - 1.2.3

Indoor sports hall at Mawngap handed over to the Social Cultural Sports Club without any agreement for its utilisation and maintenance.

¹⁸ The Indoor sports hall was handed over to Social Cultural Sports Club, Mawngap on 17 December 2016.

- The football playgrounds at Marmain, Ri Bhoi district constructed (May 2016) at a cost of ₹ 9.80 lakh was found unusable as it was water logged and there were mud slides on three sides of the ground.

Objective 2: Whether the funds allocated were being utilised in an economic and efficient manner

1.2.13 Financial Management

The Director, SYAD released funds to SSCM for construction of sports infrastructure. Details of funds released to SSCM including expenditure incurred towards creation of sports infrastructure during 2012-17 were as under:

Table 1.2.6: Details of funds received and expenditure incurred during 2012-17
(₹ in crore)

Year	Funds received		Expenditure		Balance as on 31/03/2017 (percentage)	
	Ongoing schemes	New schemes	Ongoing schemes	New schemes	Ongoing schemes	New schemes
2012-13	14.83	30.54	13.98	28.47	0.85	2.07
2013-14	3.34	11.85	3.27	9.15	0.07	2.70
2014-15	1.33	7.18	1.33	6.95	-	0.23
2015-16	13.58	22.96	9.09	-	4.49	22.96
2016-17	-	1.60	-	-	-	1.60
Total	33.08	74.13	27.67	44.57	5.41 (16)	29.56 (40)

Source: Information furnished by SSCM

From the above it can be seen that the SSCM could utilise 84 *per cent* of funds received under ‘ongoing schemes’. It could however, utilise only 60 *per cent* of funds received under ‘new schemes’ for construction of sports infrastructure.

The failure to utilise the funds for ‘new schemes’ was despite funds amounting to ₹ 39.61 crore for sports infrastructure still not being fully released to SSCM by SYAD/ Directorate of SYAD (**Appendix-1.2.3**).

Other deficiencies noticed in financial management of the schemes are discussed in the succeeding paragraphs.

1.2.13.1 Irregular investment of funds

Clause 18(a) of the Article of Association of SSCM stipulated that the funds raised through subscriptions, donations, grant or otherwise should be kept in deposit in banks authorised by the Council.

Scrutiny of records revealed that during 2012-17, SSCM received ₹ 122.45 crore as grants to meet its administrative expenses and for construction of sports infrastructure. Contrary to Clause 18(a), SSCM irregularly invested ₹ 62.22 crore in mutual funds during 2015-17. Investment in mutual funds are prone to risk and hence should not have been resorted to. Further, instead of utilising the funds in expeditiously creating infrastructure, the SSCM also invested ₹ 126.07 crore in fixed deposit during 2012-17. As on March 2017, it had an investment of ₹ 28.64 crore in mutual funds and ₹ 6.55 crore in fixed deposits.

The Director, SYAD stated (October 2017) that the SSCM deposited funds for which payment was not immediately required and moreover due to less release of grants-in-aid to the SSCM, interest earned from deposits helped in covering the deficit amount required for running the SSCM. Investing in mutual funds violated Clause 18(a) of the Article of Association of SSCM which stipulates that funds should be kept in banks authorised by the Council. Besides, the funds meant for creation of sports infrastructure were to be expeditiously incurred for the purpose for which it was sanctioned.

1.2.13.2 Interest earned out of Government grants

Clause 18(c) of the Article of Association of SSCM stipulated that at the end of financial year, it shall send the Statement of Accounts to the State Government.

As pointed out in paragraph 1.2.13.1 above, SSCM was utilising the Government grants received, to invest in mutual funds and fixed deposits. From those investments, SSCM earned ₹ 7.61 crore as interest/income¹⁹ from savings bank account (₹ 0.56 crore), fixed deposits (₹ 5.21 crore) and mutual fund investments (₹ 1.84 crore).

Despite such a requirement for sending the Statement of Accounts to the Government at the end of financial year, no records were available to indicate that the same was done. As a result, the information on interest/income of ₹ 7.61 crore earned by SSCM was not disclosed to Government.

1.2.13.3 Diversion of funds for payment of staff salary without Government approval

Out of the total grant of ₹ 122.45 crore received by SSCM during 2012-17 from Director, SYAD, an amount of ₹ 11.44 crore was for meeting its expenditure on salary and allowances. The Council further earned ₹ 1.23 crore from other sources²⁰.

Scrutiny revealed that during 2012-17, SSCM incurred an expenditure of ₹ 14.85 crore for payment of salaries and allowances of staff (**Appendix-1.2.4**). Thus, SSCM incurred an expenditure of ₹ 2.18 crore²¹ in excess of the grants received from Director, SYAD and its own income. The excess expenditure of ₹ 2.18 crore for payment of salary and allowances was met by irregularly diverting the grants received for construction of sports infrastructure/interest earned out of the grants. No records were also available to indicate that SSCM had obtained Government's approval for such diversion.

¹⁹ Interest from savings bank account (₹ 0.56 crore) and fixed deposits (₹ 5.21 crore). Income from mutual fund investments (₹ 1.84 crore).

²⁰ Particulars	Amount earned during 2012-17 (₹ in lakh)
Hiring charges, Rent, Car pass	109.00
Sale of tender paper/IPO/Misc, etc	14.32
Total	123.32

²¹ (₹ 14.85 crore minus ₹ 11.44 crore minus ₹ 1.23 crore)

In reply to paragraphs 1.2.13.2 and 1.2.13.3, the Director, SYAD stated (October 2017) that the Council depended upon the Government for expenditure to run the SSCM besides meeting the expenditure for urgent minor repairs. As funds required exceeded grant-in-aid received, the Council had no other alternative but to find ways and means for the same. The reply however, did not address the issue whether approval from the Government had been taken.

Objective 3: Whether the sports infrastructure in the State increased participation and achieved laurels for the State in various sporting events

1.2.14 Impact assessment

Under this objective, Audit tried to ascertain whether the efforts of the State Government for creating and maintaining sports infrastructure had an impact on the State's sports persons achieving laurels and was also instrumental in increasing participation.

1.2.14.1 Impact on State's sports persons achieving laurels

The State under the aegis of Director, SYAD participated in all the three North East Games (NEGs)²² and one National Games 2015 which were held during the period 2012-17. The details of State's participation and achievement in the Games are as under:

Table 1.2.7: Details of State's participation the North East and National Games

Sl. No.	Games	Number of Sports Disciplines in which Meghalaya participated	No of sport persons participated	Number of Sports Disciplines in which Meghalaya won medals
1	North East Games, 2013	9 sports disciplines	150	42 medals (Gold: 4; Silver: 9 and Bronze: 29)
2	North East Games, 2014	9 sports disciplines	130	40 medals (Gold: 3; Silver: 7 and Bronze: 30)
3	North East Games, 2016	6 sporting events	93	28 medals (Gold: 1; Silver: 2 and Bronze: 25).
4	35 th National Games, 2015	4 sporting events out of 33 events	18	3 medals (1 Gold & 1 Silver in Wushu and 1 Bronze in Judo).

Source: Records of the Director, SYAD

It can be seen from above that there was decreasing trend of the number of sports persons from the State participating in the NEGs. It was also observed that there was a corresponding decrease in the number of medals won by the sports persons. The Directorate did not furnish the ranking of the State in medals tally achieved by the State in those NEGs. In the lone National Games, 2015, the State had a medal ranking of 30th out of 32 participating States, Union Territories and Services Sports Control Board (a combined team of the Indian Armed Forces). This indicated that the State lacked far behind the others in producing medal winners.

During the Exit Conference (15 November 2017), the Joint Secretary and Director, SYAD stated that the State had co-hosted the 12th South Asian Games during 2016

²² 2013 and 2016 (Imphal, Manipur) and 2014 (Itanagar, Arunachal Pradesh).

which resulted in less participation of sports persons in the North East Games. She also stated that the State had participated in various National level, mini, cadet, sub-junior and junior level championships every year through the sports associations and assured to provide the detailed information about the participation. The information was however, awaited (December 2017).

1.2.14.2 Impact on increasing participation in general

The Department had over the years been adding sports infrastructure across the State. During the period 2012-17, 177 sports infrastructure were taken up for construction of which 152 had been completed. Most infrastructure projects were however, constructed on community land without any agreements and absence of clear cut policy on maintenance with local communities and associations with whom the sports infrastructure was associated. Out of the 13 infrastructure which was pointed out by Audit to be in dilapidated condition in paragraph 1.2.9.6 of the Audit Report 2011-12, only two had been repaired within the last five years, indicating the low priority accorded towards maintenance by the Department. Further, the JPV of seven out of 30 projects covered in the current PA revealed that the infrastructure was not being used for the purpose for which it was constructed or were in dilapidated condition.

Thus, due to poor maintenance/non-utilisation of the asset, not only was the infrastructure created falling into disuse, but the primary function of the Department to increase participation was affected to that extent.

1.2.14.3 Availability of coaching facilities

Regular and effective coaching plays a very important role in the scientific and overall development of sports persons. Scrutiny regarding availability of coaching facilities and deployment of coaches revealed the following shortcomings:

- During May 2009, the Director, SYAD issued order regarding setting up of the district training centers with the objective of imparting training and coaching on a regular basis to all sports persons under the control of the DSO as per the guidelines laid down. Audit noticed that despite the order, this was not implemented.
- In nine districts²³, 13 post of coaches in various disciplines such as athletics, boxing, football, archery, taekwondo, badminton and judo were sanctioned between May 2005 and March 2015. These posts had not been filled.
- West Khasi Hills and East Garo Hills districts did not have a single coach while all the other districts of the State had shortage of coaches. In addition, West Jaintia Hills and West Garo Hills did not have any football coach inspite of Meghalaya being regarded as a football loving State which had 176 football playgrounds out of 385 sports infrastructure. Despite the shortages in the districts, nine coaches were posted in the Directorate (**Appendix-1.2.5**).

²³ East Jaintia Hills, East Khasi Hills, West Khasi Hills, South West Khasi Hills, Ri Bhoi, North Garo Hills, East Garo Hills, West Garo Hills and South West Garo Hills.

In reply to the above observations, the Director, SYAD stated (July 2017) that these issues would be taken care of once the Sports Policy was in place.

1.2.14.4 Nurturing of talent

To create excellence in sports and games, it is important not only to create good infrastructure for all sports but is equally important to scout and nurture talent from an early age. In order to harness the available talent, the State needs to put in place a robust system to spot and groom individuals having potential in a given sport so as to develop national/world champions in future. To encourage talented individuals to participate in sports and games, they should not only be provided with scientific training but also get assistance in their studies and scholarships.

In the three districts covered in audit, it was seen that other than for football and athletics there was no system in place to spot and nurture talent. Even for these two disciplines, the talented players were only given training for participating in District/State level tournament. No financial support/scholarship was provided to encourage these young sports persons to continue with their education along with their sporting interest.

For the other sports disciplines, the Department only had a system of organising camps through coaches (regular and contractual) in various disciplines throughout the district. There was no formalised system in place to ensure submission of assessment reports by coaches and scrutiny of the reports by SYAD/Director, SYAD.

During the Exit Conference (15 November 2017) the Joint Secretary and Director, SYAD while accepting that Government had no role in scouting talent stated that different sports associations took care of the talent search programme and were involved in nurturing, training and spotting talent despite their fund constraints.

1.2.15 Conclusion

The follow up audit of the previous PA showed that none of the recommendations had been fully implemented by the State Government. The State did not have a Sports Policy. The Department had not drawn up comprehensive district wise plans for creation of sports infrastructure. Projects were completed after inordinate delay or were incomplete. The sanctioned post of coaches were still not filled and there were shortages of coaches in all the districts of the State. The maintenance of sports infrastructure was not given priority and sports infrastructure were either not utilised or were in dilapidated condition.

In addition to the above, Audit had also pointed out that sports infrastructure was inadequate in many districts. Sports infrastructure were handed over to local community/sports association without any formal agreement spelling out terms of use, maintenance, inspection by the Department, *etc.* There were deficiencies in utilisation and maintenance of JNSC even though it was a major sports infrastructure for Meghalaya. Monitoring both by SSCM and the Director, SYAD was not satisfactory. Funds meant for creation of sports infrastructure were irregularly invested in mutual

funds or were blocked up in fixed deposits. The district training centres were not set up. The deficiencies pointed out above were important pointers responsible for the decreasing trend in the number of sports persons from the State participating in the NEG's and the resultant reduction in the number of medals won by them.

1.2.16 Recommendations

On the basis of the shortcomings and deficiencies observed during audit, the following recommendations are made for development of sports activities in Meghalaya.

- *Government should finalise the Sports Policy at the earliest and put in place a target oriented long-term plan.*
- *A comprehensive plan for creation of sports infrastructure has to be drawn up for each district after assessing the extent of utilisation of existing infrastructure.*
- *The ongoing projects should be completed in a time bound manner to avoid cost escalation and to make the necessary infrastructure available to the sports persons.*
- *Priority should also be accorded for maintenance of Sports infrastructure. Its utilisation and maintenance should be ensured by obtaining an undertaking from the Educational Institutions, Durbar Shnongs, Sports Associations, etc. before commencement of works on community land. Public outreach campaigns to educate the general public should also be carried out at regular intervals.*
- *Adequate requirement of coaches should be assessed and number of coaches should be provided in all districts to impart effective coaching. Sanctioned post of coaches should be promptly filled up. A system of scouting talent at an early age should also be put in place for all sports disciplines.*

URBAN AFFAIRS DEPARTMENT

1.3 Urban Development in Meghalaya

According to the 2011 Census, the urban population in Meghalaya covering 44 urban centres had grown from 1,47,150 in 1971 to 3,30,047 in 1991 and 5,95,450 persons in 2011. This was about 20 per cent of the total population with the Shillong Urban Agglomeration being the largest urban centre with a population of 3,54,759. The process of urbanisation had created a gap between the demand and supply of urban services and infrastructure. The Urban Affairs Department (UAD), Government of Meghalaya is responsible for providing quality urban services and infrastructure. Its main function is to provide basic civic amenities such as housing facilities, drainage system, road transport, market complex, bus terminus, solid waste management and drinking water facilities to urban population. These activities are executed through organisations under the UAD namely Meghalaya Urban Development Authority, Meghalaya Urban Development Agency, Municipal Boards, State Investment Project Management and Implementation Unit and New Shillong Township Development Agency.

The major observations noticed during the Performance audit of Urban Development in Meghalaya are given below:

Highlights

Urban Affairs Department had not prepared Master Plans for eight out of 11 towns. The Master Plans of Shillong, Tura and Jowai have become outdated. Annual Plans were also not prepared.

(Paragraph 1.3.7.1)

Out of 1560 dwelling units sanctioned by the Government of India under ‘Basic Services to Urban Poor’ and ‘Integrated Housing and Slum Development Programme’, the sub-missions under JNNURM, 872 units were completed and only 352 units had been allotted to the beneficiaries. Families of 1208 beneficiaries were deprived of the housing facilities. Implementation of Integrated Slum Development Programme (ISDP) was adversely affected as 120 dwelling units could not be constructed due to non-availability of land.

(Paragraphs 1.3.8.1 and 1.3.8.1 (iv))

Greater Shillong Water Supply Project Phase-III sanctioned in October 2008 was far from completion (May 2017) even after incurring an expenditure of ₹ 132.65 crore. Construction of shopping complex for migratory rural vendors-cum-parking infrastructure at Nazing Bazar, Tura was abandoned from July 2016 which resulted in unfruitful expenditure of ₹ 9.11 crore

(Paragraphs 1.3.8.3 and 1.3.8.4)

GoI did not release ₹ 12.37 crore due to non-compliance with scheme guidelines and failure to complete the projects within the stipulated time.

(Paragraph 1.3.10.2)

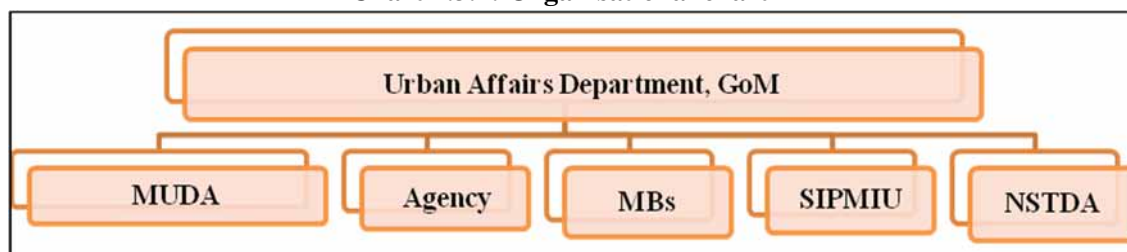
1.3.1 Introduction

In Meghalaya, Urban Affairs Department (UAD) is responsible for ensuring proper planning and management of the urban areas with the emphasis on providing necessary infrastructure and civic amenities including provision of healthy living conditions in all urban centres of the State. In order to achieve this, UAD implemented various schemes for providing drinking water, improvement of slum areas, poverty alleviation programme, construction of drains, sanitation, shopping complex, transport system, parking lots in urban areas, regulation of building construction, *etc.*

1.3.2 Organisational set up

There are five organisations namely Meghalaya Urban Development Authority (MUDA), Meghalaya Urban Development Agency (Agency), Municipal Boards²⁴ (MBs), State Investment Project Management and Implementation Unit (SIPMIU) and New Shillong Township Development Agency (NSTDA) under the administrative control of the UAD. MUDA enforced and implemented the Master Plan prepared by the Department, issued building permissions, enforced development control regulations, *etc.* Agency is the nodal organisation for coordinating and monitoring of urban poverty alleviation and slum improvement programmes. SIPMIU is the nodal agency for implementation of Asian Development Bank (ADB) Project assisted North Eastern Region Capital Cities Development Investment Program (NERCCDIP) and NSTDA was established for the purpose of development of New Shillong Town. The organisational chart of the UAD is detailed below:

Chart 1.3.1: Organisational chart



Source: www.megurban.gov.in

1.3.3 Scope and methodology of Audit

The Performance Audit (PA) covered the activities of UAD, MUDA and Agency for the period 2012-13 to 2016-17. The PA commenced with an entry conference on 04 April 2017 wherein the audit objectives, criteria, scope and methodology were discussed with the Additional Chief Secretary, UAD, GoM and officials from UAD, MUDA and the Agency.

Further, joint physical verifications (JPVs) of the following infrastructure were carried out to assess the existence of the infrastructure and its quality in Tura (July 2017), Shillong (August/September 2017) and Nongpoh (September 2017) along with

²⁴ There are six MBs in Meghalaya viz. Shillong, Tura, Jowai, Baghmara, Williamnagar and Resubelpara.

officers of UAD/MUDA/ National Building Construction Corporation Ltd. (NBCCL)/ Public Health Engineering Department (PHE).

Table 1.3.1: List of projects whose JPV was carried out

Sl. No.	Date of JPV	Name of the project	Location of the project
1	25/07/2017 and 26/07/2017	1. Inter State Bus Terminus (ISBT), Tura 2. Integrated Housing and Slum Development Programme (IHSDP) at Dakopgre and Sweeper Colony, Tura 3. Parking lot at Akhonggre, Tura 4. Infrastructure for migratory rural vendors cum parking infrastructure at Nazing Bazar, Tura	Tura
2	17/08/2017	1. Housing for EWS, LIG & Urban poor at Nongmynsong (Phase-I & II), Shillong 2. Integrated Housing and Slum Development Programme (IHSDP) at Lower Mawprem, Shillong 3. Sewage & Sewerage Treatment Plant at Mawbah, Shillong.	Shillong
3	12/09/2017	1. Greater Shillong Water Supply Scheme, Phase-III	Shillong (Mawphlang)
4	12/09/2017	1. Solid waste management	Nongpoh

After completion of audit, the audit findings were discussed with the Joint Secretary, Urban Affairs Department, Government of Meghalaya and officials of MUDA and Agency in an Exit Conference held on 14 November 2017. The replies and views of the Department have been incorporated at appropriate places in this PA.

1.3.4 Audit Objective

PA on ‘Urban Development in Meghalaya’ was carried out to ascertain whether:

- the institutional mechanism for planning, development and management of urban areas was proper and effective;
- the UAD ensured that planning and formulation of developmental schemes/projects were need based and provision of necessary infrastructure and civic amenities was being done in an economic, efficient, effective and equitable manner so as to have citizen centric responsive urban governance; and,
- the financial resources for urban development were adequate and funds were provided timely and utilised efficiently and effectively.

1.3.5 Audit Criteria

The findings were benchmarked against the following sources of criteria:

- Meghalaya 12th Five Year Plan;
- The Meghalaya Town and Country Planning Act, 1973;
- The Meghalaya Building Bye Laws, 2011;
- Guidelines of JNNURM and its Sub-Missions;
- Government Orders, Instructions/ Circulars issued by the State Government from time to time;
- Prescribed monitoring mechanism; and,
- Meghalaya Financial Rules, 1981.

1.3.6 Acknowledgement

The Indian Audit and Accounts Department acknowledges the cooperation of the Urban Affairs Department of the State Government, the Meghalaya Urban Development Authority and Meghalaya Urban Development Agency in providing necessary information and records for audit.

Audit Findings

1.3.7 Planning

Planning for urban development requires a sound assessment of the ground realities, providing options for sustainable development within the bounds of the demographic, physical, socio-economic, jurisdictional and financial aspects. It is a continuous process and must incorporate a regular evaluation of implementation of the developmental programmes. The process of planning and deficiencies noticed in planning process are discussed in the following paragraphs.

1.3.7.1 Master Plan for cities/towns

‘Master Plan’ is a statutory instrument for controlling, directing and promoting sound and rational development and redevelopment of an urban area and is prepared under the relevant Town and Country Planning Act of a State within the framework of an approved Perspective Plan. The objective of the Master Plan is to lay down strategies and physical proposals for various policies given in the perspective plan depending upon the economic and social needs and aspiration of the people, available resources and priorities. The usual time frame of the Master Plan²⁵ is for a period of 20 years.

The UAD is entrusted with the task of preparation of Master Plans for towns in the State under the Town and Country Planning Act, 1973 to ensure orderly growth and formulation of Urban Plan. The deficiencies observed in the formulation and implementation of the Master Plan is detailed below:

- The Meghalaya Town and Country Planning Act (MTCPA) came into existence in 1973. Till the date of audit (August 2017), the Master Plan had been prepared only for three towns namely Shillong (1991-2011), Tura (1990-2011) and Jowai (1991-2001). No steps had been taken by the UAD to prepare Master Plan with respect to remaining eight (8) towns²⁶.
- The above three Master Plans were subsequently extended only up to 2015. They have not been revised (August 2017) thereafter.
- The Perspective Plan document defines the vision and focuses on the spatio-development policies, strategies and programmes for the development of the State. The Master Plan was to flow from the framework of this approved Perspective Plan. Audit observed that the UAD did not prepare any

²⁵ As per the Urban and Regional Development Plans Formulation and Implementation (URDPFI) Guidelines, 2014.

²⁶ Baghmara, Williamnagar, Resubelpara, Nongpoh, Nongstoin, Umroi, Sohra and Mairang.

Perspective Plan and that the Master Plan was prepared without framing the vision for the spatio-economic development policies of the State.

- UAD did not formulate any strategy to ensure co-operation of the participative departments like Power, Public Works, Public Health Engineering, Transport, Tourism, Education Departments, *etc.* to achieve the objectives envisaged in the Master Plan.

In the absence of Perspective Plan, many of the infrastructural projects were implemented in a haphazard and ad-hoc manner resulting in their remaining incomplete, abandoned, *etc.* as discussed in detail under ‘Project Implementation’ (Paragraph 1.3.8).

The Director, UAD stated (November 2017) that the Master Plans for Tura and Jowai were currently being examined whereas the Master Plan for Shillong would be redone and the work was in progress. He also stated that preparation of Master Plans for Nongstoin, Nongpoh, Williamnagar, Baghmara and Resubelpara was underway and the Master Plans for Mairang, Umroi and Sohra would also be taken up. With regard to the Perspective Plan, the Director further added that the Department had prepared the Master Plans based on the provisions of the MTCPA, 1973 and as such preparation of Perspective Plan was not stipulated in the Act.

The reply of the Department regarding non-preparation of Perspective Plans contradicted the provision of the Urban and Regional Development Plan Formulation and Implementation (URDPFI) Guidelines, 2014 issued by the Ministry of Urban Development, Government of India which required that the Master Plan be derived from the policies given in the Perspective Plan.

1.3.7.2 Implementation of Meghalaya Building Bye Laws, 2011 for management of urban areas

Building Bye laws are the rules and regulations set forth by the government authorities concerned to be followed strictly by any person or organisation that plans to construct a building. The Meghalaya Building Bye Laws (MBBL) came into force since 2011 and extended to Shillong, Tura, Byrnihat and Jowai. MUDA was the enforcing agency. Audit examined the application of MBBL in Shillong and Tura. The deficiencies in implementation of issues such as issue of building permission, site inspection prior to issue of building permission/completion certificates and issue of occupancy certificates are as tabulated below:

Table 1.3.2: Details regarding site inspection, issue of building permissions/ occupancy certificates

Sl. No.	Provision	Shillong	Tura
1	As per Clause 8(e) of the MBBL 2011, ‘for building proposal requiring no modifications the grant of building permission must be intimated by the Authority within 30 days after the receipt of the application or else it will be	Test check of 142 cases revealed that in eight cases there were undue delay of 9 to 66 months in issue of building permission (Appendix-1.3.1). In 10 cases, date of receipt of the application for building permission was not	In six cases, there were undue delay of 5 to 53 months in issue of building permission. (Appendix-1.3.1).

Sl. No.	Provision	Shillong	Tura
	deemed that the permission has been granted'	available. In 47 cases, building permission were not issued. Reasons for not issuing building permission were not on records.	
2	Note below Rule 8 (a) of the MBBL 2011 stated that within 20 days period, the Authority shall visit/investigate the site after giving a notice to the applicant.	In five cases there were delays of one to six months in inspection of site by MUDA (Appendix-1.3.2). In 34 cases, date of site inspection was not available on record.	In five cases, there were delays of one to eleven months in inspection of site by MUDA (Appendix-1.3.2).
3	Clause 10(i) of the MBBL 2011, stipulated that no building or part thereof shall be occupied without having been granted an occupancy certificate by the authority.	In 29 cases, issue of occupancy certificates were not available on record.	Tura had no records regarding issue of completion and occupancy certificates with respect to the building permission granted by it.

Source: Information furnished by MUDA, Shillong and Tura

Delay in issue of building permission, delay in site inspections and non-maintenance of the records relating to issue of completion and occupancy certificates reflected the shortcoming of MUDA in delivering one of the vital citizen centric services.

The Director, UAD stated (November 2017) that the cases relating to Shillong showing delay in issue of building permission were cases of additional building permission granted for construction/change of use. Further, due to shifting of the office and records, details of receipt of application with regard to 10 cases was not available. With respect to 47 cases where building permission were not issued, he stated that those buildings were outside the Municipal area and were constructed much before the enforcement of the MBBL, 2011. As such, only occupancy certificates were issued. The reply was however, silent regarding the delay in issue of building permission, delay in site inspections and non-maintenance of the records relating to issue of completion and occupancy certificates by MUDA, Tura.

(i) Non levy of penalty on MBBL, 2011 violators

Clause 11 of the Meghalaya Building Bye Laws, 2011 stipulated various penalties for violation of the provision of MBBL, 2011 such as imposition of fine, demolition of un-authorised works, sealing of premises, prosecution and criminal proceeding against the offender, etc.

Scrutiny of the records relating to the violation of provision of the MBBL, 2011 during 2012-17 under the jurisdictional area of MUDA, Shillong and Tura revealed that:

- In Tura during 2012-17, there were 117 cases of violation of provisions of MBBL, 2011 in 30 locations (**Appendix-1.3.3**). Out of those cases, no action was taken in 11 cases.

- MUDA, Shillong could not furnish the details of cases of violation of MBBL, 2011 during 2012-17 though sought (June 2017) for.

The Director, UAD stated (November 2017) that details of the cases of violations of MBBL, 2011 under the jurisdiction of MUDA, Shillong could not be furnished to Audit as records relating to 24 cases of violations were under the custody of the Central Bureau of Investigation and the matter was pending with the Hon'ble High Court of Shillong. Reply was however, silent regarding the action taken with regard to cases of violations under the jurisdiction of MUDA, Tura and whether there were only 24 cases of violation of MBBL, 2011 under MUDA, Shillong.

The shortcomings pointed out regarding the Master Plan, the haphazard implementation of the urban development programmes and the failure to stringently implement the building bye-laws showed that the institutional mechanism for planning, development and management of urban areas was not very effective.

1.3.8 Project Implementation

During 2012-17, the UAD implemented the sub-mission projects under the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) to provide the urban areas of the State with facilities such as proper housing, transportation, drinking water, sanitation & sewerage, solid waste management, e-governance, *etc.* Irregularities noticed by Audit in the project implementation are discussed below.

1.3.8.1 Implementation of housing projects for slum dwellers

There were 28 slum pockets identified within the Master Plan area during 1991 which rose to 113 slums by 2015²⁷. A major concern in urban areas was to provide adequate shelter and basic infrastructure facilities to the slum dwellers. Government of India (GoI) had sanctioned funds under Basic Services to Urban Poor (BSUP) and Integrated Housing and Slum Development Programme (IHSDP) the sub-missions under JNNURM. These schemes were implemented by the MUDA and the Agency. The position of the ongoing schemes during the period 2012-17 in the State was as under:

Table 1.3.3: Details of housing projects in Meghalaya during 2012-17

Sl. No.	Name of the project, location, number of dwelling units and scheme	Cost and year of sanction	Target date of completion	Actual date of completion	Present status	Dwelling units occupied by the beneficiaries (as on 30/09/2017)
MUDA						
1	Construction of 600 dwelling units at Nongmynsong, Shillong (Phase-I and II) under BSUP	Phase-I: ₹ 13.76 crore (August 2007)	Jan 2010	Incomplete	Phase-I: Out of 300, 92 units were incomplete.	Phase-I: All 208 completed units occupied.
		Phase-II: ₹ 16.68 crore (Dec 2007)	Jan 2010	Incomplete	Phase-II: Out of 300, 140 units were incomplete	Phase-II: Out of 160 completed units, only 48 were occupied.

²⁷ Source: Draft Shillong Master Plan 2015-2035 and Tura Master Plan 1990-2011.

Sl. No.	Name of the project, location, number of dwelling units and scheme	Cost and year of sanction	Target date of completion	Actual date of completion	Present status	Dwelling units occupied by the beneficiaries (as on 30/09/2017)
MUDA						
2	Construction of 48 dwelling units at Lower Mawprem, Shillong under Integrated Slum Development Programme (ISDP)	₹ 4.01 crore February 2009	September 2011	Jan 2016	Completed after a delay of nearly five years	All 48 dwelling units occupied
AGENCY						
3	Construction of 408 dwelling units at Dakopggre, Tura under IHSDP	₹ 21.82 crore February 2008	April 2013	Jan 2016	Completed after a delay of 33 months	None of the 408 completed units occupied.
4	Construction of 48 dwelling units at Sweeper Colony, Tura under IHSDP		March 2010	Dec 2010	Completed after a delay of 9 months	All 48 dwelling units occupied.
5	Construction of 216 dwelling units at Williamnagar, East Garo Hills under IHSDP	₹ 10.48 crore February 2009	August 2010	Abandoned		
6	Construction of 240 dwelling units at Nongpoh, Ri Bhoi under IHSDP	₹ 9.18 crore February 2009	October 2011	Abandoned		
Total Number of Housing Units: 1560			Completed: 872	Abandoned: 456	Occupied: 352	

As is evident from the table above, out of 1560 dwelling units sanctioned by the GoI, only 872 units (56 per cent) were completed, 456 units (29 per cent) were abandoned and 232 units (15 per cent) were incomplete as of September 2017. Further, out of 872 completed dwelling units, only 352 units (40 per cent) had been allotted to the beneficiaries. As such, out of 1560 beneficiaries, 1208²⁸ beneficiaries were deprived of the housing facilities till the date of audit (August 2017).

Besides the issue pointed above, the other deficiencies observed in the implementation of the housing projects are detailed below:

(i) Identification, selection and allotment of dwelling units to beneficiaries

The audit findings regarding identification, selection and allotment of dwelling units to beneficiaries are as follows:

➤ As per GoI's instruction (August 2007) the State Government was to undertake biometric identification of beneficiaries and place the lists on the State/Municipal/JNNURM websites with a view to ensuring utmost transparency in the implementation of housing and slum development programmes under JNNURM. Audit observed that biometric identification of beneficiaries as instructed by GoI was not conducted in any of the housing projects implemented in the State.

While accepting the audit observation, the Secretary, MUDA stated (November 2017) that there were no local firms readily available to capture the biometric data and hence biometric identification could not be done and identification of the beneficiaries was verified through their Electoral Photo Identity Card (EPIC)/ration card, etc.

➤ The UAD had not completed the selection of beneficiaries for allotment of 408 dwelling units at Dakopggre, Tura which were completed in January 2016. Due to

²⁸ 1560-352=1208

delay in selection of beneficiaries by the UAD, the families of 408 eligible beneficiaries were deprived of the intended benefits even after completion of the dwelling units.

(ii) Deviations from the approved DPR

The approved DPR specified the size of the dwelling units and other amenities. During the JPV, Audit observed that there were deviations as detailed below:

a. Inadequate provision of water supply

An important aspect of these housing projects was the provisioning of underground and/or overhead water reservoirs for ensuring water supply. It was however, seen that reservoirs of either lesser capacity were provided or not provided altogether as detailed below:

Table 1.3.4: Details regarding lesser capacity water reservoirs provided or not provided altogether

Sl. No.	Housing units and location/Implementing agency	As per approved DPR	Actual as observed during JPV	Deviations
1	408 dwelling units at Dakopggre, Tura(NBCCL)	i. Underground Water Reservoir of 2.50 lakh litres capacity.	i. Underground Water Reservoir of 1.25 lakh litres capacity.	Shortfall of 1.25 lakh litres of water.
		ii. Elevated Water Reservoir of 1.00 lakh litres capacity.	ii. Elevated water reservoir had not been constructed.	Plastic water tanks of 2000 litres capacity had been placed on the roof tops of each block.
2	48 dwelling units at Sweeper Colony, Tura (NBCCL)	i. Underground Water Reservoir of 0.50 lakh litres capacity.	i. Underground water reservoir constructed but capacity was not intimated to Audit.	Details of capacity of water reservoir constructed was not available.
		ii. Elevated Water Reservoir of 0.25 lakh litres capacity.	ii. Elevated water reservoir had not been constructed.	Plastic water tanks of 2000 litres capacity had been placed on the roof tops of each block.

Source: JPV Report

Further, in case of Sweeper Colony, Tura, the urban local body was not supplying water and people were utilising the water from a well for their daily needs as shown below:



While accepting the audit observation, the Director, UAD stated (November 2017) that due to cost escalation, the underground water reservoir at Dakopggre, Tura was

constructed with a reduced capacity of 1.25 lakh litres. He also stated that due to shortage of funds, elevated water reservoirs could not be constructed and PVC water tanks of 1000 litres capacity were placed on the rooftops of each of the 34 blocks raising the total installed capacity of tanks to 1.22 lakh litres. The reply was silent regarding the approval given by the competent authority for deviating from the approved estimates.

b. Social amenities/community infrastructure not provided

The admissible component under IHSDP included *inter alia* provisions for community healthcare centre building and community infrastructure for recreational activities. During JPV, several deficiencies were observed as detailed below:

➤ The DPR for the 408 units at Dakopggre, Tura had a provision for a children's park, a community hall, a dispensary and an office/ meeting room for welfare activities at an estimated amount of ₹ 46.34 lakh. None of these were found to have been constructed. No records were also available to indicate how funds amounting to ₹ 46.34 lakh meant for social amenities were adjusted.

While accepting the audit observation, the Director, UAD stated (November 2017) that the estimates for construction of community hall had been submitted to the Government for necessary sanction. He further added that the earth filling, levelling and construction of retaining wall for a children's park was in progress and would be completed by the end of November 2017.

➤ The DPR for the 600 units at Nongmynsong, Shillong had provision for a community-cum-health centre, a dispensary and an office / meeting room for welfare activities at an estimated amount of ₹ 23.61 lakh. During JPV it was seen that none of these infrastructure were available. Instead, only a partially constructed community hall was found lying abandoned.



Photograph – 1.3.2

Incomplete and abandoned community hall at Nongmynsong, Shillong.

While accepting the audit observation, the Secretary, MUDA stated (November 2017) that the community-cum-health centre could not be completed as Hindustan Prefab Limited (HPL) had abandoned the work (February 2015). He also stated that MUDA had now assessed the financial implication required to complete the works and submitted proposal to the Government for financial assistance to complete the work.

c. Other amenities not provided

As per the approved DPR, the dwelling units at Dakopggre and Sweeper Colony, Tura were to have rainwater harvesting facilities and also garbage-vats²⁹. During JPV, none of these were found constructed at either of the site.

Similarly, as per the approved DPR, the dwelling units at Nongmynsong, Shillong were to be provided with rainwater harvesting facility, but this was not found constructed. The dwelling units were also to be provided with street lights estimated to cost ₹ 6.68 lakh, but this was not done.

Absence of social amenities in the housing units would affect the social and living conditions of the beneficiaries. Further, no records were available to indicate that UAD had identified these deviations and calculated the revised cost of these projects because of not creating these facilities in the housing units.

While accepting the audit observation, the Secretary, MUDA stated (November 2017) that the MUDA had assessed the financial involvement for the incomplete works and submitted proposal to the Government for financial assistance for completing the work.

(iii) Idle Expenditure

The construction of 600 dwelling units at Nongmynsong, Shillong (Phase-I and II) estimated at ₹ 30.44 crore under BSUP was given for implementation to Hindustan Prefab Limited (HPL), a GoI enterprise under the agreement signed between MUDA and HPL on 23 March 2007. The project was to be completed by January 2010.

After completing only 96 dwelling units including infrastructure such as retaining wall, roads, pavement, *etc.* valuing ₹ 8.50 crore and foundation work of four housing blocks valuing ₹ 5.59 crore, HPL stopped the work and handed it over to MUDA (February 2015) on ‘as is where is’ basis. HPL could not complete the work as it was facing problems on



Photograph – 1.3.3

Abandoned foundation work of four housing blocks at Nongmynsong, Shillong constructed by HPL.

deployment of labourers due to restrictions by the Dorbar as well as NGOs and there were also incidence of vandalism. After the work was abandoned by HPL (February 2015), the work was taken up departmentally. MUDA could complete the construction of only 272 dwelling units (August 2017).

During JPV, it was observed that no further construction was undertaken in the four housing blocks which were left incomplete by the HPL at the foundation stage. Government should take efforts to complete the project as otherwise the expenditure

²⁹ A waste container for temporarily storing waste.

of ₹ 5.59 crore already incurred on the project which is idle at present would become unfruitful.

The Secretary, MUDA accepted the audit observation during the Exit Conference (November 2017).

(iv) Implementation of Integrated Slum Development Programme (ISDP)

The integrated slum development programme under BSUP strives to achieve a holistic development of slums with a healthy and enabling urban environment by providing adequate shelter and basic infrastructure facilities to the slum dwellers of the identified urban areas.

GoI, approved (February 2009) ₹ 21.30 crore for construction of housing units for economically weaker sections (EWS) and other infrastructure such as sewage treatment plant, drainage, solid waste management, *etc.* under BSUP in five notified slums at Mawbah, Lower Mawprem, Pynthorumkhrah, Demseiniong and Kynjat Phutbol in Shillong, Meghalaya. The project was to be completed within two years and the cost of the project was to be shared between the Centre (₹ 16.58 crore) and the State (₹ 4.72 crore).

The deficiencies in implementation of this project are detailed below:

a. Failure to construct 120 dwelling units due to land not being available

As per the sanction, 168 dwelling units were to be constructed in four notified slums at Lower Mawprem (48 units), Pynthorumkhrah (64 units), Demseiniong (28 units) and Kynjat Phutbol (28 units) at an estimated cost of ₹ 5.45 crore. For acquiring the land for the dwelling units, an amount of ₹ 0.81 crore was also sanctioned.

Scrutiny of records revealed that MUDA acquired (November 2011) 9,900 sq ft of land at a cost of ₹ 0.82 crore only at Lower Mawprem and constructed (January 2016) 48 dwelling units at an expenditure of ₹ 4.01 crore after a delay of nearly five years (Sl No. 2 of Table 1.3.3).

MUDA failed to acquire land at Pynthorumkhrah, Demseiniong and Kynjat Phutbol. As a result the construction of 120 dwelling units at Pynthorumkhrah, Demseiniong and Kynjat Phutbol could not be undertaken thereby depriving the intended benefit of a dwelling unit to 120 EWS families.

The Secretary, MUDA stated (November 2017) that owners of the land at Pynthorumkhrah and Demseiniong did not agree to part with their land at the rate fixed by the Deputy Commissioner (DC). He also stated that in case of land at Kynjat Phutbol, it was found by the DC that the land belonged to the forest department.

The reply indicated that the Department failed to carry out detailed enquiries about the ownership of the land and obtain agreement from the land owners to hand over their land at Government prescribed rates.

b. Construction of drains within the localities of four slums

An amount of ₹ 7.85 crore was sanctioned for construction of 9,061 running metres (RM) of drain (including new & reconstruction) at localities of four notified slums. Audit however, observed that after constructing 5,130 RM of drain and incurring an expenditure of ₹ 4.35 crore, HPL stopped the work (September 2013) because of security related problems faced by the contractor. Thereafter, the work had not progressed further (July 2017). The status of the incomplete drainage work in the localities of four notified slums is shown in the table below:

Table 1.3.5: Status of the incomplete drainage work in the localities of four notified slums

(₹ in lakh)						
Sl. No.	Location	Amount sanctioned	Drainage (in RM)	Completed work (in RM)	Expenditure incurred	Balance work (in RM)
1.	Mawbah	210.00	1425	665	98.00	760
2.	Kynjat Phutbol	26.12	532	410	20.13	122
3.	Pynthorumkhrah	392.37	5710	3183	218.72	2527
4.	Demseiniong	156.50	1394	872	97.90	552
	Total	784.99	9061	5130	434.75	3931

Source: Information furnished by MUDA, Shillong

The failure to complete the work had not only resulted in expenditure of ₹ 4.35 crore becoming unfruitful but had also led to depriving the four notified slums the benefit of having drains for a healthy and enabling urban environment.

c. Wasteful expenditure of ₹ 1.02 crore in construction of STP at Mawbah

An amount of ₹ 1.24 crore was sanctioned for construction of Sewerage Treatment Plan (STP) including laying of pipes and installation of pump at Mawbah, Shillong to be implemented by HPL. The work started in 2011 and after completing 82 per cent of the work and incurring expenditure of ₹ 1.02 crore, HPL stopped the work in September 2013 citing technical problems resulting in ₹ 1.02 crore incurred on the project becoming wasteful and the objective of having a STP at Mawbah also not being met.



Photograph – 1.3.4

Abandoned sewage treatment plant at Mawbah.

Further, though HPL failed to complete the project, MUDA failed to levy the penalty of ₹ 6.22 lakh³⁰ as per terms of agreement signed between MUDA and HPL (March 2007).

The Secretary, MUDA stated (November 2017) that tenders would be floated soon to complete the STP at Mawbah.

³⁰ Five per cent of ₹ 124.33 lakh.

(v) Financial irregularities in implementation of housing projects at Williamnagar

GoI approved (February 2009) the project for construction of 216 dwelling units for the urban poor at Williamnagar, at a cost of ₹ 10.48 crore. The cost was to be borne between the Centre (₹ 6.36 crore) and the State (₹ 4.12 crore). UAD released the GoI's share of ₹ 3.18 crore (received in July 2009) and the State's share of ₹ 2.06 crore to the Agency in March 2010 and March 2011 respectively. The project was executed by NBCCL and the Agency released (November 2010) the central share of ₹ 3.18 crore to NBCCL.

After incurring an expenditure of ₹ 0.48 crore (July 2012), NBCCL abandoned the work citing insurgency problems. Thereafter, the Agency instructed (December 2014 and May 2016) NBCCL to foreclose the work and refund the balance amount so that the same could be refunded back to the GoI. NBCCL had however, not refunded (September 2017) the balance amount of ₹ 2.70 crore (₹ 3.18 crore *minus* ₹ 0.48 crore) on the ground that the balance amount would be refunded to GoI after reconciliation of books and accounts. No action was taken by the Agency to ensure speedy reconciliation of accounts.

Further the Agency had also not refunded the State share of ₹ 2.06 crore received for the project resulting in blockade of funds for more than 6 years.

While accepting the audit observation, the Director, UAD stated (November 2017) that NBCCL had been instructed to refund the unutilised fund.

Though the number of slums had been increasing over the years (28 slum pockets in 1991 to 113 slums in 2015), the UAD was not able to provide adequate shelter. Out of 1560 housing units only 872 were completed and again out of that only 352 allotted to beneficiaries. The completed housing units lacked basic infrastructure facilities such as drinking water, lighting, social amenities, etc. to the extent envisaged. The objective of providing adequate shelter and basic infrastructure facilities to the slum dwellers was therefore not met.

1.3.8.2 Implementation of Solid Waste Management project

Management of solid waste is perceived as a crucial civic service of the urban local bodies with great environment implication. In Meghalaya, out of the 11 towns³¹, Solid Waste Management (SWM) projects had been undertaken at Tura, Nongpoh and Shillong only. While the SWM project in Shillong was being implemented by the Shillong Municipal Board, in Tura and Nongpoh the projects were being implemented by MUDA.

Mention was made in Paragraph 1.6 of the Report of the Comptroller & Auditor General of India on Social, Economic and General and Economic (PSUs) Sectors for the year ended 31 March 2015 that till July 2015 the work for design, fabrication, erection and commissioning of solid waste compost plants at Tura and Nongpoh had

³¹ Shillong, Tura, Jowai, Baghmara, Williamnagar, Resubelpara, Ampati, Nongstoin, Nongpoh, Mawkyrwat and Khliehriat.

not been undertaken resulting in delay in completion of solid waste management (SWM) project and consequent unfruitful expenditure of ₹ 10.24 crore.

Audit test checked the SWM Project at Tura and Nongpoh (September 2017) to ascertain the current status of the works pertaining to SWM at Tura and Nongpoh. The findings revealed the following:

(i) The work of ‘construction of solid waste disposal facility including external electrification, Nongpoh’ was awarded to M/s Marbaniang Enterprise, Nongthymmai, Shillong on 28 February 2011 at a cost of ₹ 2.50 crore and was to be completed by November 2011. During JPV (September 2017), it was observed that though compost plants for solid waste disposal had been completed, the sanitary landfill work was incomplete as construction of layers including clay liners³² had not been done, external electrification including a 63 KVA transformer had not been installed and internal electrification was also not completed.



Photograph – 1.3.5.1

External electrification including a 63 KVA transformer had not been installed.



Photograph – 1.3.5.2

Construction of layers including clay liners had not been done.

(ii) Similarly the work of ‘construction of solid waste disposal facility including external electrification, Tura’ was awarded to Shri Roosevelt P. Marak, Williamnagar on 28 February 2011 at a cost of ₹ 3.65 crore. It was to be completed by November 2011. During JPV (July 2017), it was observed that the sanitary landfill work was incomplete as construction of layers including clay liners had not been done.

The delay of more than five years from the scheduled date of completion deprived the population of Tura and Nongpoh the benefit of crucial civic service of having a solid waste disposal facility.

While accepting the audit observation, the Secretary, MUDA stated (November 2017) that the SWM project at Tura and Nongpoh were expected to be fully commissioned and made operational by the end of 2017-18.

1.3.8.3 Implementation of Greater Shillong Water Supply Project Phase-III

Providing adequate potable water supply to the city is an obligatory function of all Urban Local Bodies (ULBs) in the country. In Meghalaya, this function was

³² Liners are constructed to isolate everything within the landfill from the environment and protects it from contaminating the soil and the water within the ground.

undertaken by the Public Health Engineering Department (PHED), Municipal Boards and Autonomous District Councils. Audit examined the Greater Shillong Water Supply Project (GSWSP) Phase-III which was approved by GoI in October 2008 at cost of ₹ 193.50 crore. The objective of this project was to create infrastructure to provide for the supply of additional 24 million litres of water to the projected population of Shillong Urban Agglomeration from 2011 to 2041. The project was to be implemented by the Public Health Engineering Department on behalf of MUDA who were the nodal agency. Mention was made in Paragraph 1.5 of the Report of the Comptroller and Auditor General of India on Social, Economic, General and Economic (PSUs) Sectors for the year ended 31 March 2015 regarding failure to implement the reforms as per timelines under JNNURM. This led to the deduction of ₹ 17.41 crore of additional central assistance and delay in completion of the project leading to unfruitful expenditure of ₹ 131.84 crore.

Further scrutiny of records along with JPV (September 2017) of the GSWSP Phase-III revealed the following:

➤ The project involved works such as ‘*construction of two stages raw water pumping system, augmentation of capacity of the existing water treatment plant, laying of clean water gravity main and feeder main pipelines, construction of clear water pumping system, laying of distribution system and supply of pipes*’. The work however, had not been completed despite incurring expenditure of ₹ 132.65 crore and even after extension of target dates of completion by more than five years (**Appendix-1.3.4**). The delay in completion of the project had not only resulted in incurring unfruitful expenditure of ₹ 132.65 crore but had also led to depriving the population of Shillong Urban Agglomeration of adequate potable drinking water facilities as envisaged under the project.



Photograph – 1.3.6

Construction of intake pump house in progress and the approach bridge from the pump house to the intake well awaiting completion.

The Secretary, MUDA stated (November 2017) that the GoM had released funds for the project and work was in progress with the overall progress being 70 per cent.

1.3.8.4 Construction of shopping infrastructure for migratory rural vendors-cum- parking infrastructure at Nazing Bazar, Tura

Most of the commercial activities in the city of Tura were concentrated in a few core areas. The major arterial roads that serviced the commercial area were however, restricted by the increase in traffic volume and encroachment of pavements by street vendors and hawkers. In order to rehabilitate the hawkers and vendors of



Photograph – 1.3.7

Incomplete infrastructure for shopping for migratory rural vendors cum parking at Nazing Bazar, Tura.

Nazing Bazar, Tura and to facilitate smooth weekly business transaction of the local population, GoI, sanctioned (December 2009) ₹ 22.78 crore for construction of infrastructure for shopping for migratory rural vendors-cum-parking at Nazing Bazar, Tura. The project was funded by GoI, and was to be executed by National Building Construction Corporation Ltd. (NBCCL). Along with the sanction, GoI released ₹ 9.11 crore as the 1st instalment directly to NBCCL.

NBCCL awarded the contract valuing ₹ 14.67 crore (December 2010) to a firm (M/s Deka Associates) with a stipulation to complete the work within June 2012.

Scrutiny revealed that NBCCL terminated (July 2016) the contract with M/s Deka Associates due to its unsatisfactory performance after incurring expenditure of ₹ 10.86 crore³³ and completing 65 *per cent* of the work. No further construction had taken place after the termination of contract of M/s Deka Associates (July 2017). The objective of rehabilitation of hawkers and vendors for smooth weekly business transaction of the local population of Tura remained unfulfilled.

The Director, UAD stated (November 2017) that the matter had been taken up with the GoI to release the second instalment of the sanctioned amount. Once the instalment was received, the project would be completed within 15 months' time.

1.3.8.5 Non-implementation of e-Governance project

In order to improve the system of Governance using IT applications by making the Urban Local Bodies (ULBs) more efficient and effective in delivering services to the citizen's doorstep, GoI approved (March 2012) the project 'Implementation of e-Governance in Municipalities in Meghalaya' with the pilot project in Shillong Municipality under Urban Infrastructure and Governance (UIG), a sub mission under JNNURM for an amount of ₹ 11.68 crore. The cost of the project was to be borne between the Central Government (₹ 10.51 crore) and State Government (₹ 1.17 crore) and was to be completed in 15 months. As a pre-condition to release of fund, an agreement was signed by the UAD and Shillong Municipal Board (SMB) and sent (October 2012) to GoI. The first instalment of ₹ 2.92 crore was thereafter released by GoI (₹ 2.63 crore) and GoM (₹ 0.29 crore) in July 2013 and January 2014 respectively.

Scrutiny of records revealed that even though the project was to be completed within 15 months, the Director, UAD floated (October 2014) the request for proposal for appointing a project consultant only after 30 months of receiving the sanction. Based on the bids received, Price Waterhouse Cooper (PWC) was selected (February 2015) as the Consultant. The work order was issued (November 2015) to the firm at a cost of ₹ 0.92 crore after eight months caused by the delay in finalising the terms of the agreement. Between November 2015 and September 2016, PWC completed four

³³ ₹ 9.58 crore for work executed by M/s Deka Associates and balance ₹ 1.28 crore for other miscellaneous works.

deliverables/milestones³⁴ and was paid ₹ 18.56 lakh³⁵ as per the terms of the agreement.

During July 2016, GoI conveyed that the project was no longer eligible for funding and the State Government had to complete the project out of its own resources. As the State was not in a position to fund the project, UAD decided (January 2017) that based on available funds, National Informatics Centre (NIC), Shillong be given the responsibility to implement the project within 12 months. UAD also directed PWC to revise the scope of work. Pending finalisation of the revised scope of work, PWC had been retained as the Consultant and NIC was designated as the 'Development Agency' (position as of September 2017).

The failure to complete the work on time resulted in the Department losing central financial assistance of ₹ 7.88 crore (₹ 10.51 crore minus ₹ 2.63 crore). Besides, the objective of providing more efficient and effective delivery of services to the citizen's doorstep also remained unrealised.

1.3.8.6 Non-implementation of Intelligent Transport System (ITS) in buses

As a stimulus package for funding of buses for urban transport under JNNURM to States to enable them to implement the bus-based public transport system, GoI sanctioned (December 2013) the procurement of 240 buses (100 Mini and 140 Midi buses) for ₹ 60.00 crore to Shillong. The cost of the project was to be shared between GoI and GoM in the ratio of 90:10. Till the date of audit (July 2017), as against the total sanctioned cost of ₹ 62.23 crore for procurement of 240 buses, ₹ 50.78 crore had been released (GoI: ₹ 43.35 crore and GoM: ₹ 7.43 crore).

Based on the bids received, MUDA issued works orders in August – September 2014 to Tata Motors Ltd, Ashok Leyland Ltd and Force Motors Ltd for supply of 240 buses (100 Mini and 140 Midi buses). Payment of ₹ 32.96 crore³⁶ had been released to the three motor companies. As of August 2017, only 139 buses had been delivered which were in on-road condition. However, the Shillong populace were deprived of the benefits of the additional 101 buses.

As per the terms and conditions of the supply orders for 240 buses issued during August – September 2014, the buses to be supplied were to conform to the 'Urban Bus Specifications (UBS)-II' published by the Ministry of Urban Development, GoI. The UBS-II stipulated having an Intelligent Transport System (ITS) which provided real-time monitoring and tracking of buses to reduce road congestion and other transport issues.

The Central Sanctioning and Monitoring Committee of GoI in its 5th meeting had sanctioned (December 2013) ₹ 1.19 crore for setting up of an ITS control room

³⁴ Submission of Inception Report; Acceptance of Functional Solution Design; Acceptance of Request for Proposal for selection of SDA/ASP; and Acceptance of Change Management and Capacity Building Plan.

³⁵ ₹ 4.66 lakh on 18 March 2016; ₹ 9.27 lakh on April 2016 and ₹ 4.63 lakh on September 2016.

³⁶ Tata Motors Ltd. ₹ 11.28 crore; Force Motors Ltd. ₹ 11.25 crore and Ashok Leyland Ltd. ₹ 10.42 crore.

(including designing of software and procurement of hardware) for 240 buses under Ancillary Infrastructure of the New Bus funding project. MUDA was designated as the nodal agency for implementing the project. The work order was awarded to M.P Singhanian & Company, Shillong only in June 2015. Though the control room was completed in October 2015, the installation of the hardware and software in the control room for implementing ITS in 139 delivered buses was incomplete even till August 2017 and after incurring expenditure of ₹ 1.25 crore³⁷.

The intended benefits of ITS had therefore, not reached the people of Shillong.

1.3.8.7 Delay in completion and handing over of the projects

(i) *Inter State Bus Terminus (ISBT), Tura, Meghalaya*

In order to provide Tura town with a planned parking lot for long distance buses, GoI sanctioned (March 2012) ₹ 45.32 crore for construction of an Inter State Bus Terminus (ISBT) at Tura, Meghalaya. The cost of the project was to be shared between the Central Government (₹ 41.41 crore) and State Government (₹ 3.91 crore) and the project was to be completed within two years. NBCCL was the executing agency and UAD was to monitor the project.

The NBCCL started the work during January 2013 and completed the project in January 2016 after a delay of one year. The planned ISBT was however, not functioning as UAD had not taken over the parking lot (August 2017) despite repeated requests (04 January 2016 and 24 October 2016) from NBCCL. No recorded reason was available for not taking over the completed project.

Further, a JPV of the ISBT, Tura conducted on 25 and 26 July 2017 revealed several deviations in the works as compared to the approved DPR. The details of the deviations noticed were as under:

- Facilities for security and transport control systems³⁸ estimated to cost ₹ 1.10 crore were not found installed.
- Instead of installing ten ‘high mast lighting of 15 meters length’ estimated to cost ₹ 80 lakh, only four high mast lighting was found installed.
- Instead of constructing an underground water sump of 1.00 lakh litres capacity estimated to cost ₹ 9.00 lakh, an underground water sump of only 0.60 lakh litres was constructed.
- Instead of installing a 500 KVA ‘Outdoor generator’ valuing ₹ 35 lakh, a 200 KVA ‘Outdoor generator’ was found installed. Similarly, instead of installing a 630 KVA ‘Outdoor transformer’ estimated to cost ₹ 15 lakh, a 500 KVA ‘Outdoor transformer’ was found installed.

³⁷ ₹ 1.18 crore for software and hardware for ITS in the Control Room and ₹ 0.073 crore for construction of control room.

³⁸ Automatic Fire alarm System, close circuit TV, TV monitors, audio announcement facilities, electronic security, security arrangements, telephones, digital clocks, traffic lights, battery charging, fuel delivery system, bus control system, control console, diesel fuel installation, standby electrical generator, fuel tank, compressed air facilities, bus wash system, heavy duty vehicle lifting beams and degreasing tank and trolleys.

While accepting the audit observations, the Director, UAD stated (November 2017) that the delay in taking over of the ISBT, Tura was due to pending works like installation of CCTV, TV monitors, provision of sitting arrangement, electric service connection, *etc* which were to be completed by NBCCL. The Director, UAD also accepted the deviation in numbers of high mast lighting, capacity of the UG water sump, capacity of outdoor generator and outdoor transformer but attributed the reason to offset the higher cost of electrical transformer and to provide for items such as electrical water pump for which no separate provision was made in the DPR.

The reply was however, silent about the approval of the competent authority for deviating from the approved estimates. No records were however, available with UAD to indicate that it had directed NBCCL to complete the pending works as stated above.

(ii) Parking lot at Old Jail Complex, Akhonggre, Tura

GoI sanctioned (March 2010) ₹ 4.81 crore for construction of parking lot at Akhonggre, Tura, Meghalaya and NBCCL was designated as the executing agency. The project was to be completed within three years (March 2013). The project started in May 2012 and was completed only in July 2016. UAD had however, not taken over the project (August 2017) despite repeated requests (August 2016 and October 2016) from NBCCL. No recorded reason was available for not taking over the completed project.

The Director, UAD stated (November 2017) that delay in handing and taking over of the project was due to electricity connection which had not been provided by NBCCL even though electrical transformers had been installed. No records were however, available to indicate that UAD had directed NBCCL to complete the pending works as stated above even after being requested by NBCCL to take over the project.

A JPV of the parking lot at Akhonggre, Tura was conducted on 25 and 26 July 2017 and the findings were as under:

➤ As per the approved DPR, an overhead tank of 5000 litres capacity was to be installed at the Akhonggre, Tura parking lot. During JPV, it was seen that instead of an overhead tank of 5000 litres, a PVC tank of 2000 litres only had been installed. No records were available to indicate that GoI/GoM's approval was taken for the deviations in this work.

The Director, UAD stated (November 2017) that since no separate provision for RCC staging of the water tank had been kept in the DPR, the capacity of the overhead water tank had to be reduced to 2000 litres which was sufficient to cater to the needs of the parking lot. The reply was silent about the approval of the competent authority for deviating from the approved estimates.

➤ Since the project had not been taken over by UAD, the parking lot was left unmonitored and it was being utilised by the pick-up vans without any revenue accruing to UAD.

The Director, UAD stated (November 2017) that the DC, Tura had temporarily allowed the parking lot to be utilised by the pick-up vans. The parking lot would be handed over to the CEO, Tura Municipal Board when electrical service connection was obtained. The reply indicated failure of UAD to provide electrical service connection even after more than one year of the project being completed.

1.3.8.8 Management of parking lots

Within Shillong City, UAD provides authorised parking spaces and these are transferred to various agencies such as MUDA and SMB for operation and maintenance. The existing parking lots and the agencies responsible for their operation and maintenance are detailed in **Appendix-1.3.5**. These agencies charge user fee for operation and maintenance of these parking lots.

Scrutiny of records of operation of three parking lots under the jurisdiction of MUDA, Shillong revealed several deficiencies as detailed below:

(i) *Parking lot at Mahavira Park, Jhalupara*

Tender for collecting parking fees from the parking lot at Mahavira Park, Jhalupara, Shillong for the period May 2013 to April 2014 was invited (April 2013) by MUDA at a reserve price of ₹ 3.60 lakh. In response, seven bids were received. MUDA awarded (April 2013) the lease for collecting the parking fees to the highest bidder³⁹ at his offered price of ₹ 10.60 lakh. The bidder however, withdrew his offer (April 2013). Thereafter, instead of settling the offer with second highest bidder who quoted ₹ 7.39 lakh, MUDA arbitrarily extended an undue favour to Smt. Saidom Lamin by awarding (June 2013) her the lease for an amount of ₹ 1.99 lakh for nine months⁴⁰ (June 2013 to February 2014) even though she did not participate in the tendering process.

MUDA again repeatedly extended the lease agreement of Smt. Saidom Lamin from March 2014 to May 2017 arbitrarily fixing the lease amount to be paid by the lessee without calling for fresh bids. Computed with reference to the amount offered by the second highest bidder during the tendering conducted in April 2013, between June 2013 and May 2017 MUDA sustained a loss of ₹ 15.90 lakh on settlement of the parking lot at Mahavira Park, Jhalupara with Smt. Saidom Lamin (**Appendix - 1.3.6**).

The Secretary, MUDA stated (November 2017) that the parking lot was allotted to Smt. Saidom Lamin, the collector of the nearby Pahsyntiew parking lot with a view to ease the congestion. The reply indicated that the principle of tendering for ensuring competitive pricing was violated.

³⁹ Shri H. Basaiawmoit.

⁴⁰ ₹ 6,000 per month for June and July 2013 and ₹ 26,785 per month from August 2013 to February 2014.

(ii) Parking lot at Police Bazar, Shillong

Scrutiny of comparative statement (13 October 2011) of bidding for allotment of lease for collection of parking fees from the parking lot at Police Bazar prepared by the Assistant Engineer, MUDA revealed that MUDA had received five bids for collection of the parking fees. Even before the lease was awarded, the highest bidder withdrew his bid citing financial difficulties.

MUDA awarded (31 October 2011) the bid to the second highest bidder (Shri Nichol Pariat & Others) at the rate of ₹ 6.00 lakh per month for the period from November 2011 to October 2012. The lease agreement was repeatedly extended up to September 2014 without re-tendering. During the said period, different partners of 'Shri Nichol Pariat & Others' disassociated themselves from the lease agreement and in May 2013, MUDA allotted the lease in the name of Shri E. Kharlukhi being one of the partner of 'Shri Nichol Pariat & Others' without signing any agreement.

Shri E. Kharlukhi however, started defaulting in the payment of lease rent since September 2013 and the outstanding rent accumulated to ₹ 16.71 lakh as on 15 September 2014. Due to default in payment, the parking lot was taken over by the MUDA on 18 September 2014 and handed over (September 2014) to Smt. Saidom Lamin as discussed in the next paragraph.

No further action had been taken by MUDA to recover the outstanding dues of ₹ 16.71 lakh. Further, since the lease was awarded to Shri E. Kharlukhi without any agreement, the possibility of recovering the outstanding dues had weakened to that extent.

The Secretary, MUDA stated (November 2017) that steps had been taken to file money suit against the defaulting lessee.

(iii) Granting of lease for parking lots without inviting tender

Tenders for collecting parking fees from the parking lot at Pahsyntiew, Shillong for the period 04 June 2013 to 03 June 2014 were invited thrice⁴¹ at a reserve price of ₹ 30.00 lakh, ₹ 27.20 lakh and ₹ 27.20 lakh respectively. Since only two bids in response to each of the three tender notices, were received, MUDA decided that as three number of bids were not received, the tenders be returned to the bidders without opening them. Thereafter MUDA decided to extend the lease of the previous lessee (Smt. Saidom Lamin) at an agreed rate of ₹ 2.27 lakh per month for the period of nine months (04 July 2013 to 03 April 2014). Even after the expiry of the renewed lease period on 03 April 2014, MUDA failed to explore the possibility of earning higher revenue by re-tendering and instead it kept on repeatedly extending the lease agreement of Smt. Saidom Lamin from 04 April 2014 to 03 April 2017 without any recorded reason.

Similarly, as mentioned in the previous paragraph, MUDA allotted (September 2014) the parking lot at Police Bazar, Shillong to Smt. Saidom Lamin after taking over from

⁴¹ On 03 April 2013, 17 April 2013 and 03 May 2013.

Shri E. Kharlukhi because he defaulted in payment of lease rent. The lease was then given to Smt. Saidom Lamin for a period of one year (26 September 2014 to 25 September 2015) at the rate of ₹ 6.00 lakh per month without tendering. MUDA further extended the lease agreement by two years (01 November 2015 to 31 October 2017) at the same rate of ₹ 6.00 lakh per month without inviting tenders.

By repeatedly extending the lease for both Pahsyntiew and Police Bazar parking lots without inviting tenders, MUDA failed to ensure competitive pricing for the parking lots besides extending undue advantage to one single lessee.

The Secretary, MUDA stated (November 2017) that since only two bids were received against the parking lot at Pahsyntiew, they were rejected in line with the Central Vigilance Commission guidelines and that in case of the parking lot at Police Bazar, the collection work had been entrusted to Smt. Saidom Lamin who had not defaulted in payment. The fact however, remained that repeated extension of leases had deprived MUDA from getting a competitive price for its parking lots.

1.3.9 Monitoring and evaluation

Regular monitoring and evaluation is a key factor for effective and efficient implementation of any programme. Monitoring has to be a continuous process and both programme implementation and outcome indicators are required to be monitored on a regular basis. The deficiencies in the monitoring and supervision aspects are detailed in the succeeding paragraphs.

1.3.9.1 Formation of Meghalaya Town and Country Planning Advisory Council

As per Clause 3 (1) of the Meghalaya Town and Country Planning Act, 1973, the State Government may constitute, by a notification in the official Gazette, the Meghalaya Town and Country Planning Advisory Council (MTCPAC) to advise the State Government in connection with the preparation and publication of the Master Plan. The MTCPAC was constituted in March 2005, but no meetings had been held till the date of audit (September 2017). As such, the objective for which the MTCPAC was brought into existence could not be achieved.

1.3.9.2 Formation of State Level Coordination Committee

As per the Integrated Housing and Slum Development Programme (IHSDP) guidelines, State Level Coordination Committee (SLCC) was to be constituted for examining, approving and periodical monitoring of projects. Further, the SLCC was required to meet at least quarterly for reviewing the progress of ongoing projects and for sanctioning new projects.

The SLCC was constituted in March 2007. During the period covered by Audit (2012-17) no meetings of the SLCC were held thereby defeating the objective for which it was formed.

1.3.9.3 Social Audit

GoI introduced (December 2011) social audit mechanism under JNNURM to monitor projects at community and ULB levels with the objective of ensuring proper implementation of the scheme, transparency and accountability, participation of stakeholders and identifying gaps with a view towards curbing mismanagement. Scrutiny of the records revealed that Social Audit was not conducted in any of the test checked projects as envisaged under the guidelines.

1.3.10 Financial Management

1.3.10.1 Fund Management

During 2012-17, the UAD received ₹ 663.39 crore from the GoI and GoM under various schemes. The funds received were all released to implementing agencies (MUDA, Agency⁴² and ULBs). The position of funds received by MUDA and the Agency only against major schemes and expenditure incurred there against during 2012-17 is detailed below:

Table 1.3.6: Funds received and expenditure incurred by MUDA/Agency against major schemes
(₹ in lakh)

Sl. No.	Name of the Scheme	Total funds received	Total expenditure	Surplus (+) /Deficit (-)
	MUDA			
1.	300 Dwelling Units BSUP Phase-I	1440.12	1453.06	(-) 12.94
2.	300 Dwelling Units BSUP Phase-II	2003.66	2051.51	(-) 47.85
3.	GSWSS Phase-II	13183.54	13220.01	(-) 36.47
4.	Solid Waste Management (SWM) Project (Nongpoh)	569.09	574.50	(-) 5.41
5.	Procurement of 120 Buses under JNNURM	1739.39	1824.13	(-) 84.74
6.	Storm Water Drainage	2446.60	2513.74	(-) 67.14
7.	SWM Project, Tura	786.48	693.38	93.10
8.	Integrated Slum Development Programme (ISDP)	1597.32	1341.92	255.40
9.	Bus Depots	217.00	70.95	146.05
10.	Procurement of 240 Buses under JNNURM	2979.10	2746.19	232.91
	Sub Total	26962.30	26489.39	(-) 254.55 (+) 727.46
	Agency			
1.	SJSRY/Deendayal Antoyodaya Yojana	1213.84	569.19	644.66
2.	Integrated Housing and Slum Development Programme (IHSDP), Nongpoh	104.14	0.00	104.14
3.	IHSDP, Williamnagar	206.06	0.00	206.06
4.	IHSDP, Tura	2113.42	2022.12	91.30
	Sub Total	3637.46	2591.31	(+) 1046.16
	Grand Total	30599.76	29080.70	(+) 1519.07

⁴² Meghalaya Urban Development Agency.

As can be seen from the table above, in six out of ten schemes MUDA utilised funds in excess of the availability. The excess expenditure was met from interest earned (as detailed in paragraph 1.3.10.3). Further despite incurring this excess expenditure many of the projects had not been completed as pointed out in the preceding paragraphs. As of March 2017, MUDA and Agency had unutilised funds of ₹ 17.74⁴³ crore. Non-completion of projects despite excess expenditure and failure to utilise the available funds indicated poor implementation of the schemes.

1.3.10.2 Short/non release of funds by the GoI/GoM

Due to non-compliance with the scheme guidelines, failure to complete the projects within the stipulated time, failure to pursue release of funds by GoI *etc.*, UAD lost GoI assistance to the tune of ₹ 12.37 crore under various schemes of JNNURM as detailed below:

Table 1.3.7: Details of short/non release of fund by GoI (₹ in lakh)

Sl. No.	Name of the Scheme	Reason for short release	Amount sanctioned	Actual release	Short/Non release
1	Procurement of 240 buses under JNNURM	As per the conditions laid down by GoI, financial support to this project would be provided only till 31 March 2017. The project could not be completed within the stipulated period.	4818.00	4335.00	483.00
2	Integrated Slum Development Programme (ISDP) under JNNURM	As per GoI's instruction (01 July 2014) projects which could not be completed within the stipulated period would be cancelled. The project for construction of 168 dwelling units could not be completed within the stipulated period of two years.	414.51	-	414.51
3	Storm Water Drainage under UIG of JNNURM	Due to non-achievement of the mandatory reforms within the timeline recommended by GoI (Appendix-1.3.7), a cut of 10 per cent (₹220.14 lakh) out of 2 nd installment was imposed (September 2011).	220.14	-	220.14
4	Implementation of ITS in 240 buses under JNNURM	As per GoI's decision (14 August 2015) the sanctioned projects where 1 st instalment of Additional Central Assistance had not been released, were to be transferred to the respective States for funding. Though the project was sanctioned (December 2013) by GoI, no records were available to indicate that MUDA had pursued the matter for release of fund after the approval of the project.	119.00	-	119.00
Total			5571.65	4335.00	1236.65

Further due to short release of funds by the GoI, the GoM also did not release its matching share of ₹ 7.80 crore under various schemes as detailed below:

⁴³ MUDA: ₹727.46 lakh + Agency: ₹ 1046.16 lakh.

Table 1.3.8: Details of short release of fund by GoM (₹ in lakh)

Sl. No.	Name of the Scheme	Amount sanctioned	Actual release	Short release
1	Procurement of 240 buses under JNNURM	1405.00	743.10	661.90
2	Integrated Slum Development Programme (ISDP) under JNNURM	117.93	-	117.93
	Total	1522.93	743.10	779.83

Thus, failure to achieve the milestones, complete the projects within the stipulated time, *etc.* resulted in UAD losing GoI assistance of ₹ 12.37 crore. The short release not only affected the implementation of the schemes but also resulted in imposing additional financial burden on the State Government.

1.3.10.3 Parking of scheme funds in fixed deposits

Scrutiny of the fixed deposits register of MUDA, Shillong for the period 2012-17 revealed that funds amounting to ₹ 201.32 crore belonging to Sub-Missions of JNNURM like UIG (procurement of buses), BSUP (construction of dwelling units), IHSDP (Dwelling units and infrastructure like Sewerage Treatment Plant, Sewerage for notified slums, *etc.* in Shillong) were kept in the fixed deposits for one year and more. During 2012-17, MUDA earned an interest of ₹ 9.21 crore on those deposits.

The JNNURM guideline was silent about the utilisation of interest earned on the JNNURM deposits. The funds received by MUDA from GoI/GoM were meant for implementing the schemes and interest earned on the funds/deposits was not an income of MUDA. Scrutiny however, revealed that out of interest of ₹ 9.21 crore earned on the fixed deposits during 2012-16, ₹ 4.27 crore were utilised for meeting the administrative and operational expenses of MUDA.

1.3.11 Conclusion

The Performance Audit showed that the institutional mechanism of UAD for planning, development and management of urban areas was not very effective. The UAD had not prepared Master Plans for eight⁴⁴ towns. The Master Plans of Shillong, Tura and Jowai were prepared without preparing the Perspective Plan. Project implementation was deficient as construction of housing under BSUP and IHSDP were abandoned or not completed depriving 1208 beneficiaries the benefit of housing facilities. Solid Waste Management Project at Tura and Nongpoh were not commissioned even after incurring an expenditure of ₹ 14.56 crore over a period of eight years. The Greater Shillong Water Supply Project Phase-III sanctioned in October 2008 was far from completion even after incurring an expenditure of ₹ 171.25 crore. Procurement of 240 buses under JNNURM to strengthen the bus-based public transport in Shillong was incomplete. There was wasteful expenditure of ₹ 1.02 crore on construction of the abandoned Sewerage Treatment Plant at Mawbah. Construction of shopping complex for migratory rural vendors-cum-parking infrastructure at Nazing Bazar, Tura was abandoned from July 2016 which resulted in unfruitful expenditure of ₹ 9.11 crore. Implementation of e-Governance project in

⁴⁴ Baghmara, Williamnagar, Resubelpara, Nongpoh, Nongstoin, Umroi, Sohra and Mairang.

Shillong Municipal Board (SMB) sanctioned in March 2012 was incomplete and funds to the tune of ₹ 2.73 crore were lying idle. Monitoring and evaluation of the schemes was inadequate and ineffective as the Meghalaya Town & Country Planning Advisory Council and the State Level Coordination Committee failed to meet. Social Audit was also absent. Financial management was inefficient as GoI did not release ₹ 12.37 crore due to non-compliance with scheme guidelines, failure to complete the projects within the stipulated time, *etc.* Scheme funds amounting to ₹ 201.32 crore were kept in fixed deposits and interest of ₹ 4.27 crore earned out of those funds were utilised to meet the administrative and operational expenses of MUDA.

Thus, urban development in Meghalaya was affected to the extent that there were short-comings in the institutional mechanism for planning, development and management of urban areas. The developmental schemes/projects were implemented haphazardly with projects being abandoned or remaining incomplete. The completed projects also suffered from lack of adequate civic and social amenities. The citizen centric services like benefits of e-governance, transport facilities for urban population, housing facilities for slum dwellers, solid waste management, water supply, *etc.* could not be extended to the beneficiaries in the manner envisaged under various schemes.

1.3.12 Recommendations

On the basis of the shortcomings and deficiencies pointed out in the foregoing paragraphs, the following recommendations are made for improving the effectiveness of the working of the UAD for urban development in Meghalaya:

- *Perspective Plan should be prepared and the Master Plans draw its approach and targets from the Perspective Plan. Preparation of Master Plan of eight towns and updation of three towns i.e Shillong, Tura and Jowai should be given priority.*
- *Incomplete housing projects should be completed on priority basis and occupancy of the completed projects should be ensured. STP at Mawbah should be taken up immediately in order to ensure that the expenditure of ₹ 1.02 crore already incurred on the STP does not become wasteful.*
- *Greater Shillong Water Supply Project should be completed as per the revised target date of March 2018 so as to avoid further delays. Construction of shopping complex for migratory rural vendor-cum-parking infrastructure at Nazing Bazar, Tura should be revived in order to ensure that the expenditure of ₹ 9.11 crore already incurred on the project does not become wasteful.*
- *Meetings of the MT&CPAC and the SLCC should be convened to advise GoM in preparation and publication of the Master Plans and also to monitor and evaluate the projects.*
- *Fund management should be done economically and efficiently so as to avoid curtailment of funds by the GoI.*

