CHAPTER III : CIVIL DEPARTMENTS

SECTION 'A' : REVIEW

COMMUNITY AND RURAL DEVELOPMENT AND HOUSING DEPARTMENTS

3.1 Rural Housing - Indira Awaas Yojana

Highlights

Indira Awaas Yojana (IAY) and Pradhan Mantri Gramodaya Yojana – Gramin Awaas (PMGY-GA) were launched in the State during 1986-87 and 2000-2001 respectively as Centrally sponsored schemes to provide financial assistance for construction of houses to rural families living below the poverty line. Implementation of these schemes in the State was affected adversely by the failure of the department to utilise available funds. There was no evidence to establish that proper field surveys were conducted to assess the housing conditions.

The department failed to utilise the available funds of Rs.2.07 crore and Rs.6.97 crore under IAY and PMGY-GA respectively thereby depriving the shelterless families of the benefit of the schemes.

(Paragraphs 3.1.10 and 3.1.23)

173 dwelling units were constructed during 1997-2000 by the Block Development Officer, Betasing Block at a total cost of Rs.38.06 lakh in contravention of the scheme guidelines.

(Paragraph 3.1.14)

Contrary to the scheme guidelines, 444 dwelling units were constructed in two blocks during 1997-2002 at a total cost of Rs.0.98 crore with the plinth area measuring less than the prescribed minimum limit of 20 square metres.

(Paragraphs 3.1.15 and 3.1.16)

Sanitary latrines and smokeless *chullahs* to be provided in the housing units constructed had not been provided in a large number of houses. The beneficiaries were also deprived of the infrastructure and common facilities despite utilisation of Rs.0.78 crore for the purpose.

(Paragraphs 3.1.17 to 3.1.19)

Veracity of expenditure of Rs.3.40 crore incurred on construction of 1,546 houses in West Garo Hills remained doubtful for want of documentary evidence.

(Paragraph 3.1.20)

Against Rs.7.48 crore due to the shelterless persons of East Khasi Hills and West Garo Hills Districts as *per* norms fixed by Government of India only Rs.2.87 crore were provided to them, thus depriving them of the benefit of Rs.4.61 crore.

(Paragraphs 3.1.24 to 3.1.26)

Introduction

3.1.1 To provide housing to the members of Scheduled Castes (SC)/Scheduled Tribes (ST) and freed bonded labourers living below the poverty line (BPL), the Indira Awaas Yojana (IAY) was launched in 1985-86 by the Government of India, as a component of the Rural Landless Employment Guarantee Programme (RLEGP), a Centrally sponsored wage employment programme fully funded by the Centre. With the merger of RLEGP with Jawahar Rozgar Yojana (JRY) in April 1989, the IAY became a component of JRY. From the year 1993-94 the scope of IAY was extended to cover non-SC/ST BPL families in the rural areas and from 1995-96 to widows or next of kin of Defence personnel and paramilitary forces killed in action. Benefits have also been extended to ex-servicemen and retired members of the paramilitary forces. IAY has been delinked from JRY and made an independent scheme with effect from January 1996.

3.1.2 The implementation of IAY was taken up by the State Government in 1986-87. The salient features of IAY were that the plinth area of each housing unit should not be less than 20 square metres and houses should be constructed by the beneficiaries themselves. Each unit the estimated cost of which was prescribed by Government of India at Rs.22,000 for hilly or difficult area like the State of Meghalaya, was to have a kitchen, a smokeless *chullah* and a sanitary latrine. From April 1999, upgradation of unserviceable *kutcha* houses to semi-*pucca* or *pucca* houses was also included under IAY.

3.1.3 To supplement the efforts of IAY, five new schemes were launched by Government of India in 1999-2000[(a)] and 2000-2001[(b)]. Of this, one scheme, *viz*., Pradhan Mantri Gramodaya Yojana – Gramin Awaas (PMGY-GA) was being implemented in the State. The PMGY-GA was, generally, to be based on the pattern of the IAY.

Organisational set up

3.1.4 The Secretary, Community and Rural Development Department (C&RD), who is assisted by the Director, is the nodal officer responsible for implementing the IAY in the State. At district level, the Project Director (PD) of the District Rural Development Agency (DRDA) under the chairmanship of the Deputy Commissioner of the concerned district is responsible for actual implementation of the IAY through 32 blocks headed by the Block Development Officers (BDO). The implementation of the PMGY-GA in the rural areas was entrusted to the Housing Department of the State.

Audit coverage

3.1.5 Reviews on implementation of the RLEGP and JRY for the period 1983-89 and 1989-94 with the component of IRY were included in paragraphs 3.9 and 7.2 of the Reports of the Comptroller and Auditor General of India for the years ended 31 March 1989 and 1994 respectively.

3.1.6 Implementation of IAY in the State during 1997-98 to 2001-2002 was reviewed during February – May 2002 through test check of records of the Director, C&RD, two DRDAs (East Khasi Hills and West Garo Hills) out of seven and six blocks[(c)] out of 32 covering 43 *per cent* (Rs.8.83 crore) of the total expenditure (Rs.20.75 crore) during the period.

3.1.7 Besides, records of the Director of Housing, Shillong and two District Housing Officers (Shillong and Tura) in connection with the implementation of the PMGY-GA during 2000-2001 and 2001-2002 were also test checked covering 46 *per cent* (Rs.4.28 crore) of the total expenditure (Rs.9.25 crore) during 2000-2001 incurred by the District Housing Officers.

Implementation of IAY

Financial management

3.1.8 The expenditure under IAY was shared between the Centre and State in the ratio 80:20 up to March 1999 and 75:25 from April 1999. Central assistance is released every year to the DRDAs in two instalments. The State

[(a)] (i) Credit-cum-Subsidy Scheme, (ii) Samagra Awaas Yojana, (iii) Rural Building Centres and (iv) Innovative Stream for Rural Housing and Habitat Development.
[(b)] PMGY-GA.
[(c)] Mylliem, Mawryngkneng, Mawphlang, Selsella, Betasing and Rongram.

Government is to release its share to the DRDA within one month after the release of Central assistance.

3.1.9 The details of funds received from Government of India and State Government under IAY during 1997-2002 and expenditure incurred thereagainst were as under: -

Table 3.1

(i) New construction

(Rupees in lakh)

Year	Opening balance	Funds released by Govern-ment of India	Funds released by State (Percentage of Government of India's share)	Miscella-neous receipts	Total funds available	Expendi-ture incurred	Unspent balance
1997-98	55.99	41.49	1.39 (3)	--	98.87	62.76	36.11
1998-99	36.11	167.57	17.97 (11)	4.85	226.50	195.16	31.34
1999-2000	31.34	461.71	3.31 (0.72)	0.86	497.22	380.59	116.63
2000-2001	116.63	459.54	201.69 (44)	6.17	784.03	655.38	128.65
2001-2002	128.65	366.31	131.34 (36)	3.48	629.78	469.16	160.62
Total		**1,496.62**	**355.70**	**15.36**		**1,763.05**	

Source: As *per* information furnished (May 2002) by the Director, C&RD.

Table 3.2

(ii) Upgradation

(Rupees in lakh)

Year	Opening balance	Funds released by Government of India	Funds released by State	Miscella-neous receipts	Total funds available	Expendi-ture incurred	Unspent balance
1999-2000	--	127.15	--		127.15	64.60	62.55
2000-2001	62.55	103.26	41.47		207.28	149.20	58.08
2001-2002	58.08	39.28	32.28	14.64	144.28	98.08	46.20
Total		**269.69**	**73.75**	**14.64**		**311.88**	

Source: As *per* information furnished (May 2002) by the Director, C&RD.

3.1.10 The following shortcomings were noticed:-

(i) The concerned DRDAs failed to utilise the funds available for both new construction and upgradation of houses (Rs.2.07 crore) thereby affecting the interest of 730 shelterless persons and 462 persons requiring upgradation of unserviceable *kutcha* houses. Reasons for not utilising the funds were not available on record.

(ii) The share of funds released by the State Government during 1997-2000 constituted 0.72 to 11 *per cent* whereas it was 44 and 36 *per cent* during 2000-2001 and 2001-2002 respectively against 25 *per cent* of Central share required to be released as *per* Government of India guidelines.

(iii) In respect of two test-checked DRDAs (East Khasi Hills and West Garo Hills), the State share of funds for the years 1997-2002 were released belatedly, the delay ranging from one to 17 months (Appendix XIV). The PD of DRDA, West Garo Hills stated that due to delayed or short release of State share, the agency had lost a large amount of Central share which led to accumulation of huge backlog of identified beneficiaries in providing assistance. Reply from the other DRDA is awaited. The reasons for short release of State share during 1997-2000 had not been received from the department.

Physical performance

3.1.11 The department did not fix any target for different categories of beneficiaries (SC/ST, non-SC/ST, etc.). At the instance of Government of India (April 1997), survey of BPL families was conducted by the department during 1997 which identified 1,63,962 families as rural BPL families in the State. The year-wise target and achievement in terms of number of beneficiaries for new construction of houses and conversion of *kutcha* houses to semi-*pucca* or *pucca* houses under IAY during 1997-98 to 2001-2002 were as under: -

Table 3.3

Year	Target		Achievement (SC/ST and non-SC/ST)		Shortfall (Percentage of shortfall)	
	New construction	Conversion	New construction	Conversion	New construction	Conversion
	(in numbers)					
1997-98	--	--	335	--	--	--
1998-99	2,409	--	618	--	1,791 (74)	--
1999-2000	5,125	2,819	1,399	646	3,726 (73)	2,173 (77)
2000-2001	4,340	2,387	2,539	1,492	1,801 (41)	895 (37)
2001-2002	4,690	2,344	529	267	4,161 (89)	2,077 (89)
	16,564	**7,550**	**5,420**	**2,405**	**11,479**	**5,145**

Source: As furnished by the Director, C&RD

3.1.12 The Public Accounts Committee (PAC) in its twenty-fifth Report presented to the Assembly on 8 April 1997 observed that the basic objective of the scheme (RLEGP with the component of IAY) was to alleviate the suffering of the people below the poverty line. Even so, the benefit of IAY was not provided by the department to large number of targeted population as shown in the above table. The shortfall in providing assistance for new construction and conversion of houses with reference to target and achievement for the respective year ranged between 41 and 89 and 37 and 89 *per cent* respectively, reasons for which were neither on record made available to Audit nor stated.

Location of houses

3.1.13 IAY dwelling units should normally be built on individual plots in the main habitation of the village. The houses can also be built in a cluster. But, no cluster approach was adopted and the dwelling units were constructed on the land owned by beneficiaries.

Construction of dwelling units by the department

3.1.14 Government of India guidelines prohibit construction of dwelling units under IAY by Government departments. Contrary to this, the BDO, Betasing Block under DRDA, West Garo Hills constructed 173 dwelling units costing Rs.38.06 lakh during 1997-98 to 1999-2000 instead of providing financial assistance to the concerned beneficiaries for construction of houses by themselves. The BDO stated (June 2002) that houses were constructed to avoid misutilisation of funds. The action of the BDO was arbitrary and unauthorised.

Houses constructed with less plinth areas

3.1.15 One of the salient features of IAY was that the plinth area of each housing unit should not be less than 20 square metres.

3.1.16 Scrutiny of records of the DRDA, West Garo Hills revealed that 444 dwelling units constructed in two blocks (Selsella : 419 units; Betasing : 25 units) during the years 1997-98 to 2001-2002 at a total cost of Rs.0.98 crore had plinth areas of 11 (Selsella) and 18 (Betasing) square metres in violation of the above stipulation. The variation was attributed by the BDOs to meagre allotment of fund and increase in cost of material and labour. The contention is not tenable as houses were constructed with the prescribed plinth area by spending the allotted amount in other blocks of West Garo Hills. Since the plinth area of the houses constructed by the beneficiaries was below the norm prescribed in the scheme, they were not entitled to get the full benefit of the scheme. The proportionate extra financial assistance to these beneficiaries worked out to Rs.0.56 crore[(a)].

[(a)] Selsella : $\frac{\text{Rs.22,000} \times \text{11 sq.m.} \times \text{419 units}}{\text{20 sq.m.}}$ = Rs.50,69,900

Betasing : $\frac{\text{Rs.22,000} \times \text{18 sq.m.} \times \text{25 units}}{\text{20 sq.m.}}$ = Rs. 4,95,000

Rs. 55,64,900

Denial of basic amenities

3.1.17 Construction of smokeless *chullahs* and sanitary latrines was an integral part of IAY houses. Further, Rs.2,500 was specially included in the unit cost of each house as cost of providing infrastructure, such as, drinking water supply, drainage, internal roads, etc. and other common facilities.

3.1.18 It was noticed in audit that out of 4,542 IAY houses constructed/upgraded during the years 1997-98 to 2001-2002 under two DRDAs, smokeless *chullah* and sanitary latrine were not provided to 36 and 54 *per cent* of houses respectively. The details are as under: -

Table 3.4

DRDA	New construction	Upgradation of houses	Total	Smokeless *chullah* provided	Sanitary latrine provided	Shortfall (Percentage of shortfall)	
						Smokeless *chullah*	Sanitary latrine
	(in numbers)						
East Khasi Hills	647	187	834	834	--	--	834 (100)
West Garo Hills	2,483	1,225	3,708	2,085	2,085	1,623 (44)	1,623 (44)
	3,130	**1,412**	**4,542**	**2,919**	**2,085**	**1,623 (36)**	**2,457 (54)**

Source: As *per* information furnished by the PDs, DRDAs, East Khasi Hills and West Garo Hills.

3.1.19 Against the permissible amount of Rs.8.30 crore required to be spent on new construction and upgradation of houses during 1997-2002 by the two test-checked DRDAs, Rs.8.83 crore was spent during the period (East Khasi Hills : Rs.2.14 crore; West Garo Hills : Rs.6.69 crore). Reasons for extra expenditure of Rs.0.53 crore depriving 240 additional beneficiaries of the districts in construction of new houses had not been furnished. Despite huge expenditure including Rs.0.78 crore meant for infrastructure and common facilities, no such facilities were provided to the newly constructed houses. Thus, the beneficiaries had been deprived of the basic facilities of a clean environment, sanitation and infrastructure. Besides, there was nothing on record to establish that plantation of trees was taken up by the beneficiaries to meet their fuel/fodder needs as provided in the guidelines.

Allotment of houses

3.1.20 The houses under IAY were to be allotted either in the name of female member or in the name of both husband and wife of the beneficiary households. While all the 647 houses in East Khasi Hills were allotted in the name of female members, only 937 houses out of 1,019 constructed during

2000-2001 in West Garo Hills were allotted in the name of female members. Allotment position of 1,546 houses constructed during 1997-2002 in West Garo Hills including 82 houses constructed during 2000-2001 was not made available to Audit by the PD of concerned DRDA. In the absence of requisite information and allotment register, the veracity of expenditure of Rs.3.40 crore shown as incurred on construction and allotment of these houses remained doubtful.

Inventory of houses

3.1.21 The scheme required all the implementing agencies to maintain a complete inventory of houses constructed/upgraded with dates of commencement and completion of works, name of the village and block in which the house was located, occupation and category of beneficiaries and other relevant particulars. While the inventory of houses was maintained by the test checked blocks under DRDA, East Khasi Hills, the same were not maintained by the DRDA, West Garo Hills despite construction of 2,483 new houses and upgradation of 1,225 houses during the period covered under review. Reasons for not observing the scheme guideline were not on records produced to Audit.

Implementation of PMGY-GA

Financial outlay and expenditure

3.1.22 Funds for PMGY-GA are released by Government of India to the State Government in two instalments. The details of funds available for the scheme during 2000-2002 and expenditure incurred thereagainst are as under: -

Table 3.5

(Rupees in crore)

Year	Central share	State share	Total funds available	Expenditure incurred	Unspent balance
2000-2001	6.10	3.15	9.25	9.25	--
2001-2002	2.27	4.70	6.97	--	6.97

Source: As furnished by the Director of Housing.

3.1.23 Reasons for failure in utilisation of the entire amount during 2001-2002 which adversely affected the interest of the beneficiaries were not on record.

Denial of financial benefit to the shelterless people

3.1.24 During March and June 2001, the Director of Housing (DH) procured 3,289.80 tonnes of CGI sheets worth Rs.9.21 crore for distribution to the targeted 10,966 beneficiaries of seven districts (three bundles for each beneficiary). In addition, Rs.4 lakh was spent on miscellaneous items like transportation of materials, etc. As *per* instruction (March 2001) of the DH, the CGI sheets were to be allotted only after construction of house up to the roof level by the beneficiaries.

3.1.25 It was noticed in audit that out of 3,289.80 tonnes of CGI sheets procured, 1,529.10 tonnes were provided to two test-checked DRDAs (East Khasi Hills and West Garo Hills) for distribution to 5,097 beneficiaries. Against this, 1,020.60 tonnes of sheets worth Rs.2.87 crore only were distributed to 3,402 beneficiaries till April 2002 and the balance 508.50 tonnes were still to be distributed. Since no other financial assistance was provided to them, construction of houses up to the roof level was beyond the financial scope of these BPL beneficiaries. Besides, against the total financial assistance of Rs.7.48 crore required to be provided to these 3,402 beneficiaries at prescribed rate (Rs.22,000 in each case), assistance in kind totalling Rs.2.87 crore was provided to them at Rs.8,426 *per capita*. This had resulted in denial of financial assistance of Rs.13,564 *per capita* (Total: Rs.4.61 crore) and inflation in coverage of targeted population by 2,098.

3.1.26 The DH stated (May 2002) that the beneficiaries contributed for other materials and components, thereby casting doubt on the selection of beneficiaries as BPL families because of their relatively healthy financial condition.

Monitoring and evaluation

3.1.27 The function of the monitoring cell in the Directorate of C&RD was limited to mere collection of monthly reports from the district level officers for onward submission of a consolidated report to the Government of India. No reports on inspection, if any, conducted by the supervising officers at Block/District/State levels were available with the cell nor could any such report be shown to Audit. State Level Co-ordination Committee (SLCC) was not set up for monitoring the activities/progress in regard to IAY houses. Minutes of the meeting, if any, held at any other level during the period under review could not be made available to Audit. The PAC in its twenty-fifth report observed that the block officials should see that the guidelines (in connection with the implementation of RLEGP with the component of IAY) of the Central Government should be enforced and there should be regular evaluation. But no evaluation was carried out to assess the impact of the scheme thereby violating the instructions of the PAC.

3.1.28 The matter was reported to Government in July 2002; reply had not been received (November 2002).

Recommendations

3.1.29 On the basis of the shortcomings and deficiencies pointed out in the foregoing paragraphs, the following recommendations are made for streamlining the execution of the scheme:

- The department should immediately complete the survey to assess housing and the number of houses lying unoccupied due to unsuitable area and formulate its perspective plans;

- The department should fix its targets taking into account the actual housing shortages and total funds available so that the funds available with the department are correctly and prudently utilised to provide housing facilities to all the shelterless persons;

- The amenities to ensure a clean environment and sanitation to the beneficiaries along with the housing facility should be invariably become part of one package.

SECTION 'B' : PARAGRAPHS

AGRICULTURE DEPARTMENT

3.2 Unfruitful expenditure on Biocontrol Laboratory

Central plan for establishment of a Biocontrol Laboratory in the State remained unfulfilled despite expenditure of Rs.0.50 crore as the external wiring of the laboratory building could not be completed by the department even after three years of construction.

3.2.1 The Government of India approved (May 2000) a plan for establishment of a Biocontrol Laboratory in the State to supplement the State's effort in production of biocontrol agents and biopesticides. Accordingly, grants-in-aid of Rs.0.50 crore were released (between 1994-95 and 1996-97) by the Government of India for construction of laboratory building (Rs.30 lakh) and procurement of equipment and vehicle (Rs.20 lakh). The Laboratory building was completed in March 1999 at a cost of Rs.30 lakh. The equipment was received during May 2000 to April 2002 against payment of Rs.15.64 lakh made between June 2000 and May 2002. A vehicle was purchased in September 2000 at a cost of Rs.4.36 lakh (Amount paid in June 2001). Certificate in support of full utilisation of the grant of Rs.0.50 crore was submitted to the Government of India in August 2000 before purchase of equipment and vehicle, reasons for which had not been furnished (October 2002).

3.2.2 Test check (January 2002) of records of the Director of Agriculture, Shillong (DOA) revealed that though the fund of Rs.30 lakh was sanctioned for construction of building including electrification, the entire amount was spent on construction without external wiring required for electrification. The proposal (July 2000) of the Superintending Engineer–Irrigation (SEI) submitted to Directorate of Agriculture for additional funds of Rs.1.12 lakh for external wiring, was also rejected (July 2000) by the DOA with the instruction to utilise the savings from other schemes for the purpose. External wiring is yet to be completed. Thus, the assets created out of Central funds of Rs.0.50 crore have been lying idle for period ranging from six months to over three years (October 2002).

3.2.3 Imprudent utilisation of Central funds and inaction on the part of the department to complete the external wiring of the building merely for Rs.1.12

lakh rendered the entire expenditure of Rs.0.50 crore unfruitful besides, frustrating the objective of establishing the laboratory.

3.2.4 The DOA stated (October 2002) that (i) the equipment and vehicle were purchased on the assumption that external wiring could be completed within one to two months, (ii) the vehicle was being utilised in case of important official activities to keep the same in running condition and (iii) an agreement for supply of high tension power had been executed with the Meghalaya State Electricity Board in September 2002 and thus the completion of external wiring depended upon the Board. The fact remains that purchase of vehicle and equipment before creation of proper infrastructure was not justified since these could not be utilised for the desired purpose.

3.2.5 The matter was referred to Government in July 2002. In reply (November 2002), the Under Secretary of the department endorsed the response of the DOA.

ANIMAL HUSBANDRY AND VETERINARY DEPARTMENT

3.3 Dairy Development in Meghalaya

The department incurred losses ranging from Rs.35.25 lakh to Rs.4.90 crore on implementation of dairy development schemes during 1997-2002.

3.3.1 With the objective of achieving overall development in the dairy sector, seven schemes[a] were launched in the State between July 1966 and May 1988. Under the schemes, milk is procured from the Dairy Co-operative Societies/farmers for supplying wholesome milk to the consumers after pasteurizing in the departmental plants.

3.3.2 Audit findings based on test-check (April – June 2002) of records of the Director of Animal Husbandry and Veterinary, Shillong (Director), Assistant Dairy Development Officers (ADDO), Shillong, Jowai and Tura and the records of the Plant Managers, Nongstoin and Gangdubi as available with the Director are mentioned in the succeeding paragraphs.

[a] (i) Town Milk Supply Scheme (TMSS), Shillong (July 1966), (ii) Central Dairy (CD), Mawlong, Shillong (May 1987), (iii) Rural Development Extension Centre (RDEC), Jowai (1967), (iv) Creamery and Ghee Making Centre (CGMC), Tura (1973-74), (v) Town Milk Supply Scheme (TMSS), Tura (1977-78), (vi) Milk Chilling Plant (MCP), Nongstoin (1977) and (vii) MCP, Gangdubi (May 1988).

Drawal of funds to prevent lapse of budget grants

3.3.3 During 2000-2001, the Government of India released financial assistance of Rs.1.44 crore to the State Government for implementation of "Integrated Dairy Development Project in non-operation flood, hilly and backward areas in the West Garo Hills and Jaintia Hills Districts". The amount was drawn by the department and credited to civil deposit in March 2001. Rs.16.15 lakh out of Rs.1.44 crore was withdrawn from the civil deposit in January and February 2002 and paid to ADDOs, Tura and Jowai (Rs.8.15 lakh) and a firm (Rs.8 lakh) for purchase of milk processing and testing equipment and two jeeps respectively and the balance Rs.1.28 crore was still lying unutilised (June 2002). Similarly, State funds of Rs.4.30 lakh drawn in March 2002 for purchase of one embossing machine for Central Dairy (CD), Shillong was lying (May 2002) with the ADDO, CD, Shillong in the form of bankers cheque. The amounts were thus drawn only to avoid lapse of budget grant in contravention of the State Treasury Rules, 1985 which prohibit drawal of money in anticipation of demand or to prevent the lapse of budget grants. Reasons for not utilising the Central fund for the intended purpose were not on record.

Expenditure on implementation of schemes was far more than the receipts

3.3.4 In December 1990, the State Government observed that the TMSS, Shillong had been incurring heavy losses every year and that the scheme being semi-commercial should be self sufficient, i.e., receipts should cover expenditure. An analysis of the receipts and expenditure of the TMSS, Shillong for the five years period ending March 2002 showed no improvement in the financial position of the scheme. The year-wise position of revenue receipts and working expenses of the scheme for the years 1997-98 to 2001-2002 is given below:-

Table 3.6

Particulars	**1997-98**	**1998-99**	**1999-2000**	**2000-2001**	**2001-2002**	**Total**
	(Rupees in lakh)					
Receipts						
Sale of milk and milk products	88.50	53.49	44.32	53.39	74.99	314.69
Miscellaneous	0.05	0.03	0.12	0.58	0.65	1.43
Total	**88.55**	**53.52**	**44.44**	**53.97**	**75.64**	**316.12**
Working expenses						
Purchase of milk	87.05	60.20	39.14	15.21	110.20	311.80
Establishment charges	34.16	48.62	49.71	52.53	57.54	242.56
Operational cost	19.54	39.78	39.86	81.94	37.36	218.48
Miscellaneous	6.48	6.90	6.92	6.25	6.62	33.17
Total	**147.23**	**155.50**	**135.63**	**155.93**	**211.72**	**806.01**
Excess of expenditure over income	**58.68**	**101.98**	**91.19**	**101.96**	**136.08**	**489.89**

Source: As furnished by the ADDO, Shillong.

3.3.5 The scheme incurred a loss of Rs.4.90 crore during 1997-2002. The expenditure on establishment alone during this period was Rs.2.43 crore which constituted 77 *per cent* of total revenue receipts (Rs.3.16 crore) while the expenditure on operational cost came to Rs.2.18 crore (69 *per cent*). Though the State Government advised (December 1990) the Director to go into the details of the working of the scheme and to take remedial measures to eliminate the losses, no action was taken (June 2002).

3.3.6 Similarly, in respect of TMSS and CGMC, Tura, RDEC, Jowai, MCP, Gangdubi and MCP, Nongstoin the losses during 1997-2002 ranged between Rs.35.25 lakh and Rs.2.42 crore (Details in Appendix XV).

3.3.7 The loss in respect of TMSS, Shillong and RDEC, Jowai would further increase by Rs.31.99 lakh and Rs.4.84 lakh respectively after payment of outstanding liabilities towards the cost of milk procured during 1997-2002, as detailed below:-

Table 3.7

Name of scheme	Quantity of milk procured during 1997-2002	Cost payable[(a)]	Amount paid	Outstanding liability
	(in litre)	(Rupees in lakh)		
TMSS & CD, Shillong	36,60,901	343.78	311.79	31.99
RDEC, Jowai	4,47,726	42.14	37.30	4.84

Source : As furnished by ADDOs, Shillong and Jowai.

3.3.8 Reasons for failure in clearing the liabilities in time were not on record.

Loss due to curdling

3.3.9 During 1997-98 to 1999-2000, 75,247.82 litres of milk valued at Rs.6.49 lakh were lost at TMSS, Shillong due to curdling, over and above the maximum limit fixed (September 1991) for curdling (1.5 *per cent*). The year-wise position is given below: -

[(a)] At minimum rates varying from Rs.8.50 to Rs.11 *per* litre prevailing during the respective year.

Table 3.8

Year	Milk collected	Loss of milk due to curdling (Percentage)	Maximum permissi-ble loss	Loss in excess of maximum limit	Value of milk lost in excess of permissible limit[(a)]
	(in litres)				(Rupees in lakh)
1997-98	10,97,350.50	73,114.50 (6.66)	16,460.26	56,654.24	4.82
1998-99	5,50,630.00	13,846.50 (2.51)	8,259.45	5,587.05	0.50
1999-2000	5,31,865.00	20,984.50 (3.94)	7,977.97	13,006.53	1.17
Total	**21,79,845.50**	**1,07,945.50**	**32,697.68**	**75,247.82**	**6.49**

Source: As *per* information furnished by the ADDO, Shillong.

3.3.10 No reasons were given by the department for the loss of such large quantities of milk due to curdling which ranged between 2.51 and 6.66 *per cent,* against the 1.5 *per cent* loss admissible.

Shortfall in production of cream

3.3.11 Under the schemes, extra milk is utilised for obtaining cream, butter and ghee. According to norms for production of cream laid down by the department (September 1981), 18 litres of milk should yield one kilogram (Kg) of cream. Scrutiny of records revealed shortfall in production of cream under TMSS, Shillong and RDEC, Jowai during 1997-98 to 2001-2002. The details are given below:-

Table 3.9

(Rupees in lakh)

Name of scheme	Milk utilised during 1997-2002	Cream produced	Cream required to be produced as *per* norm	Shortfall in produc-tion	Loss due to shortfall in produc-tion[(b)]
	(in litres)	(in kilogram)			
TMSS, Shillong	5,93,149.50	26,533.40	32,952.75	6,419.35	4.49
RDEC, Jowai	87,314.50	3,034.15	4,850.80	1,816.65	1.27
Total	**6,80,464.00**	**29,567.55**	**37,803.55**	**8,236.00**	**5.76**

Source: As furnished by the ADDOs, Shillong and Jowai.

3.3.12 Shortfall in production of cream, which resulted in loss of revenue of Rs.5.76 lakh, indicated that either the quality of milk was poor or there was misutilisation.

3.3.13 Remedial action, if any, taken by the department to get the milk products as *per* prescribed norm had not been stated (June 2002).

[(a)] At minimum rate of Rs.8.50 & Rs.9 *per* litre prevailing during the respective year.
[(b)] At minimum rate of Rs.70 *per* Kg prevailing during the period.

3.3.14 The matter was reported to Government in August 2002; reply had not been received (November 2002).

COMMUNITY AND RURAL DEVELOPMENT DEPARTMENT

3.4 Swarnajayanti Gram Swarozgar Yojana

Physical achievement in coverage of below poverty line (BPL) families in West Garo Hills District during 1999-2000 to 2001-2002 was minimal (2.87 *per cent*). There was no infrastructure development (except one in East Khasi Hills) till March 2002 to boost income generation of the *swarozgaris* despite expenditure of Rs.0.66 crore. Besides, there was locking up of Rs.21.28 lakh with the bank due to deposit of excess back end subsidy into Subsidy Reserve Fund.

3.4.1 Swarnajayanti Gram Swarozgar Yojana (SGSY), a holistic programme covering all aspects of self help employment such as organisation of the poor into self help groups, training, credit, technology infrastructure and marketing, was launched in April 1999 by Government of India after closure of earlier self employment programmes[(a)]. The main objective of the scheme was to bring the assisted poor families (*Swarozgaris)* above the poverty line in three years time by providing them income generating assets. The SGSY was being implemented in the State since April 1999. The expenditure under SGSY is shared between the Centre and State in the ratio of 75:25. Government of India was to release funds directly to District Rural Development Agencies (DRDA).

3.4.2 Important audit findings based on test-check (February–May 2002) of records of the Director, Community and Rural Development (C&RD), three DRDAs (East Khasi Hills, West Garo Hills and Jaintia Hills) and six blocks[(b)] (out of 32) are mentioned in the succeeding paragraphs.

(a) Integrated Rural Development Programme (IRDP), Training of Rural Youth for Self Employment (TRYSEM), Development of Women and Children in Rural Areas (DWCRA), Supply of Improved Toolkits to Rural Artisans (SITRA), Ganga Kalyan Yojana (GKY) and Million Well Scheme (MWS).

(b) Mylliem, Mawryngkneng, Mawphlang, Selsella, Betasing and Rongram.

Unutilised Central and State fund

3.4.3 The position of unutilised funds under the erstwhile schemes as of 31 March 1999 and year-wise expenditure and unspent balances during 1999-2002 against Central and State shares received under SGSY are given below: -

Table 3.10

Year	Opening balance	Central share	State share	Total funds available	Expenditure	Unspent balance (Percentage)
	(Rupees in lakh)					
1999-2000	311.29[c]	48.12	16.04	375.45	68.20	307.25 (82)
2000-2001	307.25	83.40	27.80	418.45	88.94	329.51 (79)
2001-2002	329.51	67.99	43.19	440.69	146.76	293.93 (67)
		199.51	**87.03**		**303.90**	

Source: Information furnished by the Deputy Secretary, C&RD, Director, C&RD, Project Directors (PDs) of DRDAs, Williamnagar and Jowai and Receipts and Payments Accounts of DRDAs, Shillong, Tura, Nongstoin and Baghmara.

3.4.4 The details above would indicate that against the available funds of Rs.5.98 crore, the concerned DRDAs could utilise only Rs.3.04 crore leaving an unspent balance of Rs.2.94 crore. This indicated that release of fund was not based on progress of expenditure. The expenditure during the last three years was even less than the amount available from erstwhile schemes.

Physical and financial performance

3.4.5 The scheme provided for coverage of 18 *per cent*[d] BPL families in each block during three years period ending March 2002. Block-wise target of BPL population fixed for coverage during 1999-2002 could not be made available to Audit. The number of BPL families, number of beneficiaries identified and amount spent during 1999-2002 in three test checked districts are as given below:

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[c] IRDP : Rs.150.86 lakh; TRYSEM : Rs.8.90 lakh; DWCRA : Rs.6.76 lakh; SITRA : Rs.1.95 lakh; GKY (excluding DRDA, Nongpoh) : Rs.77.61 lakh; MWS : Rs.65.21 lakh.

[d] 30 *per cent* in 5 years, i.e., 18 *per cent* in 3 years.

Table 3.11

Particulars	East Khasi Hills District	West Garo Hills District	Jaintia Hills District	Total
Total number of rural families	76,656	75,500	34,142	1,86,298
Total number of rural BPL families	42,284	47,542	15,086	1,04,912
Percentage of BPL families to the total rural families	55.16	62.97	44.18	56.31
Number of BPL families targeted to be covered (Intended coverage)	No target fixed (7,611)	No target fixed (8,558)	No target fixed (2,715)	- (18,884)
Number of beneficiaries identified (as of March 2002)	1,690	2,160	441	4,291
Number of beneficiaries covered	Not available (NA)	1,363	NA	1,363
Percentage of coverage	NA	2.87	NA	2.87
Expenditure incurred by test checked DRDAs (Rupees in lakh) (Available fund in lakh of rupees)	63.88 (82.58)	35.06 (142.57)	26.53 (98.17)	125.47 (323.32)
Percentage of financial achievement	77.35	24.59	27.02	38.81

Source: BPL Survey Report & information furnished by PDs of DRDAs, East Khasi Hills, West Garo Hills & Jaintia Hills.

3.4.6 The details above would indicate that against 18,884 families required to be covered by March 2002, the families identified for coverage (4,291) constituted only 23 *per cent* of the intended coverage. Information made available to audit by one (West Garo Hills District) out of three test-checked districts further revealed coverage of only 2.87 *per cent* of the total rural BPL families against the financial achievement of 24.59 *per cent*. The department/DRDAs did not spell out whether the poor physical achievement was due to poor utilisation of available funds or the funds remained unutilised due to poor response of the s*warozgaris* to opt for the programme.

Assistance to beneficiaries – Locking up of funds

3.4.7 Under the scheme, financial assistance was given to the individual and Self-Help Groups (SHG) of Below Poverty Line (BPL) population of rural areas in the form of Government subsidy and Bank loan for setting up enterprises in identified activities based on local resources and skill. Admissible loan amount was equal to the project cost including the amount of subsidy[e]. Subsidy would be back ended as it would be contingent on proper utilisation and repayment of loan. On receipt of loan application, the participating banks were to disburse full amount of project cost to *swarozgaris* and the back end subsidy received was to be kept in Subsidy Reserve Fund (SRF) *swarozgari*-wise to be adjusted in the last few instalments of repayment of loan.

[e] For individual *swarozgari*: 30 *per cent* of the project cost subject to maximum of Rs.7,500.
For SC/ST: 50 *per cent* of the project cost subject to maximum of Rs.10,000.
For SHGs : 50 *per cent* of the project cost subject to a ceiling of Rs.1.25 lakh.

3.4.8 The status of assistance given to the beneficiaries in the form of bank loan up to March 2002 was as follows :

Table 3.12

(Rupees in lakh)

Name of DRDA	Number of BPL families identified	Number of proposals submitted for bank loan	Subsidy released to Bank	Loan given	
				Number of *swarozgari*	Amount
East Khasi Hills	1,690	Individual: 182 SHGs: 76	26.04	Individual: 27 SHGs: 18	6.82 2.70
West Garo Hills	2,160	Nil	1.40	Nil	Nil
Jaintia Hills	441	Nil	Nil	Nil	Nil

Source: Information furnished by PDs of concerned DRDAs.

3.4.9 The details above would indicate the following: -

(i) Out of 4,291 BPL families in three test checked DRDAs only 27 individual beneficiaries and 18 SHGs comprising 180 *swarozgaris* got loan from banks. Such poor coverage in payment of loan (5 *per cent*) indicated that self employment programmes in the State had not gathered momentum.

(ii) Till March 2002, loan totalling Rs.9.52 lakh[f] was disbursed to 18 SHGs and 27 individuals involving back end subsidy of Rs.4.76 lakh[g]. Against this, Rs.26.04 lakh had been deposited into SRF as back end subsidy. This excess deposit over the requirement resulted in locking up of funds of Rs.21.28 lakh (Rs.26.04 lakh – Rs.4.76 lakh) with bank. The loss of interest on locked up amounts in SRF worked out to Rs.0.85 lakh applying 4 *per cent* saving bank interest rate and locking up period for one year.

Idle investment in revolving fund

3.4.10 Revolving fund is to be provided to a SHG when it has passed on to second stage. There was no viable SHG under DRDA, West Garo Hills inasmuch as no bank loan was paid to any SHG. A sum of Rs.8.80 lakh was

(f)
18 SHGs @ Rs.15,000	= Rs.2,70,000
10 individuals @ Rs.25,200	= Rs.2,52,000
10 individuals @ Rs.25,500	= Rs.2,55,000
7 individuals @ Rs.25,000	= Rs.1,75,000
	Rs.9,52,000

(g)
Rs.15,000 @ 50 *per cent* x 18 SHGs	= Rs.1,35,000
Rs.25,200 @ 50 *per cent* x 10 individuals	= Rs.1,26,000
Rs.25,500 @ 50 *per cent* x 10 individuals	= Rs.1,27,500
Rs.25,000 @ 50 *per cent* x 7 individuals	= Rs. 87,500
	Rs.4,76,000

deposited into revolving fund to promote 114 SHGs. This turned out to be an idle investment.

Infrastructure support not provided

3.4.11 Proper infrastructure is necessary for the success of micro enterprises. The infrastructure may be in the area of production, processing, quality testing, storage or marketing, etc. A maximum 25 *per cent* of SGSY fund can be spent to meet the gaps in infrastructure which the line departments are expected to create. During 1999-2002, the test-checked DRDAs spent Rs.1.25 crore of which Rs.0.66 crore (53 *per cent*) was on infrastructure development.

3.4.12 It was noticed that till March 2002, no expenditure on infrastructure development was incurred by the BDOs under West Garo Hills and Jaintia Hills despite availability of Rs.23.53 lakh and Rs.18.95 lakh respectively during 1999-2002 for the purpose. Rs.24 lakh was released to seven BDOs under East Khasi Hills for 10 items of infrastructure, *viz*., six market stall-cum-store room, three slaughter houses and one godown-cum-store room. No infrastructure except one slaughter house at Pynursla had been created till March 2002 to boost income generation of the *swarozgaris*.

Unfruitful expenditure on training

3.4.13 *Swarozgaris* are eligible for assistance only when they possess the minimum skill in terms of technical and managerial skill. Up to 10 *per cent* of SGSY funds are to be set aside for training and the beneficiaries are to be provided basic orientation and skill development training. During 1999-2002, Rs.12.79 lakh was spent by the test-checked DRDAs on training as follows: -

Table 3.13

(Rupees in lakh)

Name of DRDA	Total available fund during 1999-2002	Permissible training fund	Actual expen-diture	Number of beneficia-ries trained	Name of training imparted
East Khasi Hills	82.58	8.26	3.88	1,132	Basic orientation programme
West Garo Hills	142.57	14.26	1.33	3,800	-do-
Jaintia Hills	98.17	9.82	7.58	Not trained	…
Total	**323.32**	**32.34**	**12.79**	**4,932**	

Source: Information furnished by PDs of concerned DRDAs.

3.4.14 The details above would indicate that Rs.7.58 lakh was spent by DRDA, Jaintia Hills without having any records about number of beneficiaries imparted training. The DRDA, West Garo Hills spent Rs.1.33 lakh to impart training to 3,800 beneficiaries. But no assistance in the form of subsidy/loan had been extended to any individual or SHG of that district. The DRDA, East Khasi Hills spent Rs.3.88 lakh on 1,132 trainees against the maximum permissible amount of Rs.0.17 lakh (@ Rs.15 *per* trainee prescribed in the scheme). Thus, the expenditure on training had not served the desired interest/purpose.

3.4.15 The matter was reported to Government in August 2002; reply had not been received (November 2002).

EDUCATION DEPARTMENT

3.5 Irregularities in implementation of computer literacy scheme in schools

The objective of computer literacy and studies could not be achieved due to failure of the department to utilise the Central grant of Rs.23.37 lakh.

3.5.1 The Centrally Sponsored Scheme "Computer Literacy and Studies in Schools (CLASS)" with a revised strategy was implemented by Government of India in March 1994 for two categories of schools, *viz*., (i) Schools already covered for BBC Micros, i.e., having BBC micro computers and (ii) Schools to be covered additionally. According to the strategies of the scheme formulated by Government of India, the State Government was to provide *inter alia* the services of a full time instructor (an employee of the selected agency) for imparting instruction in the first category of schools and hardware configuration to the second category of schools. Besides, the State Government was to set up a cell for monitoring the actual implementation of the scheme in the schools and releasing the funds to the implementing agencies. Grants of Rs.0.69 crore were sanctioned to the State Government by Government of India between March 1994 and March 1997 for implementation of the scheme in the first category of schools during 1993-94 to 1996-97 (Recurring grant: Rs.35.20 lakh), for purchase of hardware with operating system for the 31 schools of second category (Non-recurring grant: Rs.32.04 lakh) and one time grant for opening a cell (Rs.2 lakh). The entire grant of Rs.0.69 crore was drawn by the department between March 1995 and October 1997.

3.5.2 Test check (October – November 2000 and May 2002) of records of the Director of Higher and Technical Education (DHTE), Shillong revealed the following irregularities:-

(i) Recurring grant of Rs.35.20 lakh was sanctioned by the Government of India for implementation of the scheme in 11 schools having BBC micro computers. As reported (November 1996) by the Director of Public Instructions, Meghalaya to the State Government, two institutions were not supplied with such computers. Thus, there was excess release of Rs.6.40 lakh[(a)] for two schools not covered under BBC micros. The excess amount was not refunded to the Government of India, reasons for which were not on records produced to Audit.

(ii) Government of India fixed the ceiling of recurring cost for implementing the project in the first category of schools as Rs.0.80 lakh *per* annum. On inviting tenders, the department selected a local computer institution at the rate of Rs.0.60 lakh *per* school *per* annum for imparting training to the students of nine schools (@ Rs.0.36 lakh), maintenance of hardware (@ Rs.0.10 lakh) and as cost of software, text books, consumables and stationery (@ Rs.0.14 lakh). Between October 1995 and June 1999, the department paid Rs.11.02 lakh to the institute for imparting training during April 1995 to December 1998 (three years nine months). In addition, Rs.0.10 lakh was payable to another institute for imparting training to three teachers. Thus, there was unspent balance of Rs.24.08 lakh[(b)].

Calculated at the rate of Rs.0.60 lakh as fixed by the department, the cost of imparting training, etc. to nine schools for three years nine months worked out to Rs.20.25 lakh. Payment of lower amount (Rs.11.02 lakh) than the amount fixed by the department was indicative of the fact that either full time training was not imparted to the students or facilities like software, text books, etc. were not provided adequately.

(iii) Out of the non-recurring grant of Rs.32.04 lakh, Rs.1.86 lakh was earmarked for payment to the National Informatics Centre (NIC), New Delhi for procurement of operating system (NIC UNIX SVR 4.0"). Against this, the department paid (February 1997) Rs.3.64 lakh to the NIC by demand draft out of the unspent recurring grant of Rs.24.08 lakh and the balance recurring grant of Rs.20.44 lakh was lying in the cash chest of the DHTE in the form of bankers cheque. Reasons for excess payment of Rs.1.78 lakh and the purpose served by payment of Rs.3.64 lakh were neither on records produced to Audit nor stated.

(iv) Against the requirement of 31 computers for 31 schools, the department purchased (between July 1997 and May 1999) 33 computers from three firms. The additional two computers were purchased for the computer

[(a)] Rs.35.20 lakh ÷ 11 x 2 = Rs.6.40 lakh

[(b)] Recurring grant received:			Rs.35.20 lakh
Less:	Expenditure on imparting training:	Rs.11.02 lakh	
	Committed liability:	Rs. 0.10 lakh	Rs.11.12 lakh
			Rs.24.08 lakh

cell of the Directorate at the cost of Rs.1.76 lakh. Reasons for diversion of funds meant for purchase of computers for the schools were not on records made available to Audit. Payment totalling Rs.31.11 lakh was made to the firms between July 1997 and July 1999 out of the non-recurring grant of Rs.32.04 lakh and the balance Rs.0.93 lakh was lying in the cash chest in the form of bankers cheque.

(v) The one time grant of Rs.2 lakh was neither utilised nor refunded to the Government of India and was lying in the cash chest in the form of bankers cheque, reasons for which were not on records produced to Audit.

(vi) The scheme had been discontinued from April 1999. Therefore, as *per* Government of India's instruction (April 1999), the unspent grant was refundable to Central Government. But the unspent grant of Rs.23.37 lakh[c] was not refunded till the date of audit (May 2002). Reasons for such unauthorised retention of Central fund had not been furnished.

3.5.3 From the foregoing paragraphs it is observed that there was lack of initiative to ensure achievement of the objective out of the grants sanctioned by Government of India, thereby depriving the students from the benefit of computer literacy and studies, besides, locking up of Central funds to the tune of Rs.23.37 lakh for period ranging from four to seven years.

3.5.4 The matter was reported to Government in January 2001 and July 2002; reply had not been received (November 2002).

FOREST AND ENVIRONMENT DEPARTMENT

3.6 Undue financial benefit to a Government company and consequent locking up of fund

The department showed undue favour to a Government company by placing Rs.18 lakh meant for establishment of wildlife sanctuary at its disposal.

3.6.1 Under the scheme "Establishment of wildlife sanctuary under East and West Garo Hills – 1995-96", the State Government sanctioned (March 1996) Rs.18 lakh to the Chief Conservator of Forests, Wildlife, Meghalaya for construction of office building of the Divisional Forest Officer (DFO)-cum-Conservator of Forests, Tura. The required land for construction of the

[c] Non-recurring grant: Rs.20.44 lakh; Recurring grant: Rs.0.93 lakh; One time grant: Rs.2 lakh.

building was not available with the department while sanctioning the fund. Reasons for sanction of funds without ensuring basic requirement for its utilisation were not on records made available to Audit.

3.6.2 In accordance with the department's instruction (March 1996), the DFO, Wildlife Division, Tura drew the amount of Rs.18 lakh and placed (March 1996) the same with a Government company (Forest Development Corporation of Meghalaya Limited) under a Demand Draft for temporary custody with the intention to draw the amount during next financial year. Such action of the department was in contravention of the State Treasury Rules, 1985 which prohibits drawal of money in anticipation of demands or to prevent the lapse of budget grants. The department could not utilise the fund during subsequent years too as the required land was yet to be allotted. Consequently, the entire amount of Rs.18 lakh had been retained by the company till August 2001. The company refunded only Rs.9.15 lakh so far (September 2001: Rs.4 lakh; Between May and September 2002: Rs.5.15 lakh) at the request of DFO and the balance Rs.8.85 lakh was still lying with them (September 2002). The DFO stated (September 2002) that out of Rs.9.15 lakh, Rs.8 lakh was utilised on purchase of cement, rod, bricks, etc. for construction of office building and balance Rs.1.15 lakh was under utilisation.

3.6.3 Thus, due to imprudent action of the department, the company enjoyed undue financial benefit of Rs.18 lakh at the cost of State exchequer. Besides, inefficiency in the application of funds had burdened the State finances by Rs.11.98 lakh[(a)] due to retention of Rs.18 lakh outside Government account during 1996-97 to 2001-2002.

3.6.4 The Deputy Secretary of the department admitted the fact (September 2002).

(a)

Amount	**Germane period**		**Average rate of interest on loan raised by Government from the market during germane period**	**Cost of inefficiency**
(Rupees in lakh)	**Year**	**Month**	**(*Per cent*)**	**(Rupees in lakh)**
18.00	5	5	11.33	11.05
	(1996-97 to August 2001)			
14.00	--	7	11.33	0.93
	(September 2001 to March 2002)			**11.98**

HEALTH AND FAMILY WELFARE DEPARTMENT

3.7 Locking up of funds due to failure in utilisation of X-ray machines

The department failed to utilise the X-ray machines procured at a cost of Rs.0.85 crore for two to three years due to lack of necessary infrastructure resulting in locking up of funds to that extent.

3.7.1 The State Government sanctioned (March 1999 and March 2000) Rs.1.82 crore[a] for procurement of 21 high power X-ray machines (300 MA) for strengthening the existing health care infrastructure. The machines were to be installed in three hospitals and 18 Community Health Centres (CHC). Supply order for eight machines was placed with a Calcutta based firm in April 1998 before expenditure sanction (March 1999) and for the 13 machines in March 2000 with the same firm at the rate of Rs.7.75 lakh each as approved (February 1998 and March 2000) by the Departmental Purchase Advisory Board. The guarantee period for the machines was two years from the date of commission.

3.7.2 Test check (April-May 2000) of records of the Director of Health Services (MI) (DHS), Shillong revealed that the firm supplied the machines in August-September 1998 (eight machines) and March 2000 (13 machines) to the respective hospitals and CHCs. Against the total value of Rs.1.63 crore, payments totalling Rs.1.48 crore were made to the firm in March and July 1999 (Rs.0.62 crore) and May 2000 (Rs.0.86 crore) and the balance Rs.0.15 crore was yet to be paid, reasons for which had not been furnished. Out of 21 X-ray machines, nine machines were made functional and the balance 12 machines were yet to be made functional (May 2002).

3.7.3 According to the status report furnished (May 2002) to Audit by the DHS, 12 machines could not be made functional due to (i) absence of room and inadequate power supply (two machines), (ii) incomplete construction of X-ray room and absence of three phase electric connection (one machine), (iii) incomplete construction of X-ray room and non-creation of the post of radiographer (one machine), (iv) non-creation of the post of radiographer (six machines) and (v) absence of three phase electric connection (two machines). The matter regarding required room and power supply/power connection had been taken up with the concerned department and proposal for creation of post of radiographer was under consideration by Government. Reasons for

[a] March 1999: 8 X-ray machines: Rs. 62.01 lakh
March 2000: 13 X-ray machines: Rs.120.38 lakh
Rs.182.39 lakh

purchase of machines before ensuring basic requirement for proper utilisation of the same were neither on records made available to Audit nor stated. Besides, the ground for absence/incomplete construction of room for installation of four X-ray machines was inconsistent with the proposal for purchase of X-ray machines made (March 1999 and February 2000) by the DHS to Government stating that the machines would be installed within the existing building infrastructure.

3.7.4 Thus, inability of the department to utilise the 12 machines even after two to three years of their receipt resulted in locking up of Government funds to the extent of Rs.0.85 crore[(b)]; besides, depriving the patients of the benefit of high power X-ray machines.

3.7.5 The matter was referred to Government in May and June 2002; reply had not been received (November 2002).

SOIL CONSERVATION DEPARTMENT

3.8 Avoidable extra expenditure on cash crop plantation

The department incurred avoidable extra expenditure of Rs.8.67 lakh due to delay in handing over the land used for cash crop plantation.

3.8.1 The department took over 100 hectares (ha) of land for plantation of cash crop (rubber), between January 1977 and January 1991 from the Sirdarship of Sohbar (Komorrah) and a private land owner (Dholai) for specific periods as specified in the agreement executed with the land owners. The details are as under: -

Table 3.14

Serial number	Location of land	Area of land as *per* agreement (in ha)	Date of agreement	Stipulated period of agreement (years)	Expiry date of stipulated period
1.	Komorrah (Ryngshkap)	35	January 1977	20	January 1997
2.	Dholai	5	March 1989	10	March 1999
3.	-Do-	10	March 1990	10	March 2000
4.	-Do-	50	January 1991	10	January 2001

Source: Agreement and information furnished by the Divisional Soil Conservation Officer, Cash Crops Division, Shillong.

(b) Amount so far paid: Rs.148 lakh ÷ 21 x 12 = Rs.84.57 lakh.

3.8.2 According to the agreements, on expiry of the stipulated period, the land along with the plantation created thereon was to be handed over to the respective land owners for subsequent maintenance by them.

3.8.3 Test check (July 2002) of records of the Divisional Soil Conservation Officer (DSCO), Cash Crops Division, Shillong revealed that contrary to the agreements, the land was not handed over to the respective owners even after expiry of the stipulated period. Consequently, the Division incurred an expenditure of Rs.8.67 lakh on maintenance of plantation beyond the stipulated period and till handing over the land (April – May 2002).

3.8.4 While admitting the fact, the Commissioner and Secretary of the department stated (September 2002) that the delay in handing over the Dholai plantation was due to oversight and that of Komorrah was because of uncertainty of the authority to take over the plantation. But the DSCO informed (August 2000) the Director of Soil Conservation that he was totally unaware of the fact of expiry of the agreed period of agreement of this plot of land (Komorrah).

3.8.5 Thus, lack of diligence in timely handing over the land resulted in avoidable extra expenditure of Rs.8.67 lakh. Responsibility for the lapse had not yet been fixed.

GENERAL

3.9 Failure to respond to Audit objections and compliance thereof

3.9.1 Accountant General (Audit) (AG) arranges to conduct periodical inspection of the Government departments to test check the transactions and verify the maintenance of important accounting and other records as *per* prescribed rules and procedures. These inspections are followed up with Inspection Reports (IRs). When important irregularities, etc. detected during inspection are not settled on the spot, these IRs are issued to the Heads of offices inspected with a copy to the next higher authorities. The Meghalaya Financial Rules, 1981 provide for prompt response by the executive to the IRs issued by the AG to ensure rectificatory action in compliance of the prescribed rules and procedures and accountability for the deficiencies, lapses, etc. noticed during his inspection. The Heads of offices and next higher authorities are required to comply with the observations contained in the IRs and rectify the defects and omissions promptly and report their compliance to the AG. Serious irregularities are also brought to the notice of the Head of the Department by the office of the Accountant General (Audit). A half-yearly report of pending IRs is sent to the Secretary of the department concerned to facilitate monitoring of the Audit observations in the pending IRs.

3.9.2 Inspection Reports issued up to March 2002 pertaining to 57 offices of four departments disclosed that 500 paragraphs relating to 191 IRs remained outstanding at the end of November 2002. Of these, 33 IRs containing 65 paragraphs had not been replied to/settled for more than 10 years. Year-wise position of the outstanding IRs and paragraphs is detailed in the Appendix XVI. Even the initial replies, which were required to be received from the Heads of offices within six weeks from the date of issue were not received in respect of two offices for 20 paragraphs of three IRs issued between January 1994 and March 1997. As a result the following serious irregularities commented upon in these IRs had not been settled as of November 2002.

Table 3.15

Serial number	Nature of irregularities	Number of paragraphs	Amount (Rupees in crore)
1.	Rules relating to custody and handling of cash, maintenance of cash book and Muster Roll not observed	11	0.03
2.	Recovery of departmental receipts, advances and other recoverable charges were either delayed or not made	56	1.00
3.	Improper maintenance of store account/absence of physical verification of stores/ local purchase of stationery in excess of authorised limit/ expenditure without sanction	23	0.53
4.	Drawal of fund in advance of requirement	18	7.46
5.	Wanting payees' receipts/ sanctions	31	0.67
6.	Over payments/ inadmissible payments	14	0.28
7.	Utilisation certificates not submitted	10	3.63
8.	Others	337	39.68
		500	**53.28**

3.9.3 A review of the IRs which were pending due to non-receipt of replies in respect of the departments mentioned in the Appendix XVI revealed that the Heads of the offices, whose records were inspected by AG and the Heads of the Departments, *viz*. Directors of Sericulture & Weaving, Soil Conservation and Industries and Principal Chief Conservator of Forest failed to discharge due responsibility as they did not send any reply to a large number of IRs/Paragraphs indicating their failure to initiate action in regard to the defects, omissions and irregularities pointed out in the IRs of the AG. The Secretaries of the concerned department, who were informed of the position through half-yearly reports, also failed to ensure that the concerned officers of the department take prompt and timely action.

3.9.4 The above also indicated inaction against the defaulting officers and thereby facilitating the continuation of serious financial irregularities and loss to the Government.

3.9.5 It is recommended that Government should look into this matter and ensure that procedure exists for (a) action against the officials who failed to send replies to IRs/Paragraphs as *per* the prescribed time schedule, (b) action to recover loss/outstanding advances/overpayments in a time bound manner and (c) revamping the system of proper response to the Audit observations in the department.

3.9.6 The matter was reported to the Government in September 2002; reply had not been received (November 2002).

3.10 Follow up on Audit Report

3.10.1 With a view to ensuring accountability of the executive in respect of all the issues dealt in the various Audit Reports, the Public Accounts Committee (PAC) issued instructions (July 1993) for submission of *suo motu* explanatory notes by the concerned departments from 1986-87 onwards. As regards submission of Action Taken Notes (ATN) on the recommendations of the PAC, the Committee specified the time frame as six weeks and six months.

3.10.2 A review of the Reports of the Comptroller and Auditor General of India for the years from 1984-85 to 2000-2001 in respect of paragraphs on Civil and Works Departments as of August 2002, disclosed as under:-

(a) The departments of the State Government had not submitted *suo motu* explanatory notes on 231 paragraphs of Audit Reports for the years from 1986-87 to 2000-2001. The details are given in Appendix XVII.

(b) The departments failed to submit ATN on 47 paragraphs out of 55 paragraphs for the years from 1984-85 to 2000-2001 on which the recommendations were made by PAC in its 19th to 22nd, 24th, 25th, 27th to 29th, 31st and 33rd Reports presented before the State Legislature between April 1995 and June 2000. The details are given in Appendix XVIII.