

OVERVIEW

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The Audit Report for the year ended 31 March 2022 contains four Chapters. Chapters I to III deal with Social Sector, Economic Sector and State Public Sector Enterprises respectively. Chapter IV deals with follow up of Audit Reports.

This Report contains nine Compliance Audit paragraphs including a Subject Specific Compliance Audit paragraph on implementation of Pradhan Mantri Kisan Samman Nidhi Yojana in Meghalaya.

The findings are based on the audit of selected programmes and activities of the Government departments and State Public Sector Enterprises.

According to the extant procedure laid down, draft audit findings were sent by the Principal Accountant General (Audit) to the respective heads of departments of the State Government with a request to furnish replies within six weeks. In respect of six compliance audit paragraphs out of nine audit paragraphs included in this Report, no response was received.

A synopsis of the important findings contained in this Report is presented below:

SOCIAL SECTOR

Compliance Audit Paragraph

Health and Family Welfare Department

Inability of the State Nodal Agency to protect the interest of the Government in efficient implementation of Megha Health Insurance Scheme - IV and Pradhan Mantri Jan Arogya Yojana, had resulted in extension of undue financial benefit of ₹ 11.38 crore to the insurance company of the Scheme.

(Paragraph 1.2, Page 2)

Procurement of medicines at rates higher than the approved rates of the Central Purchase Board from non-approved manufacturers by the Director of Health Services (Medical Institutions) had resulted in avoidable excess expenditure of ₹ 0.87 crore.

Recommendation: The State Government may initiate inquiry to identify the reasons for procuring medicines from unapproved suppliers at higher rates and fix responsibility on the official(s) concerned for the lapses.

(Paragraph 1.3, Page 5)

ECONOMIC SECTOR

Compliance Audit Paragraphs

Directorate of Fisheries

Injudicious selection of the site for setting up of Modern and Hygienic Fish Market at Saiden, Nongpoh led to its non-utilisation even after more than three years of completion, resulting in idle expenditure of ₹ 1.44 crore.

(Paragraph 2.2, Page 10)

Agriculture & Farmers' Welfare Department

Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) scheme was launched in February 2019 to provide income support and risk mitigation for farmers. Under this scheme, eligible farmers get income support of ₹ 6,000 per annum for meeting expenses related to agriculture and allied activities, as well as for domestic needs. The financial support is released in three equal instalments of ₹ 2,000 every four months. PM-KISAN is a central sector scheme with 100 *per cent* Government of India funding, operated under Direct Benefit Transfer (DBT) mode. For the purpose of this audit, data available at PM KISAN portal in respect of Meghalaya and the beneficiary documents at meg-e-district portal of all 11 District Agriculture Offices were examined.

- Beneficiary enrolment increased from 25,155 at the inception of the Scheme to 1,85,526 as of 31 March 2021, with ₹ 153.39 crore being released as financial benefits.
- The Department is yet to link beneficiaries' data with unique biometric identification seeded data. Updation and validation of beneficiary's data have not been done properly.
- Further, among the deficiencies in implementation noticed by audit, the key observations pertained to: - (i) invalid/incomplete land documents being accepted by implementing agencies and incorrect enrolment of beneficiaries, (ii) Cropped area declared under PM-KISAN Scheme exceeding the total cropped area in the State, and (iii) Scheme benefits extended to 3,923 ineligible beneficiaries amounting to ₹ 3.15 crore and ₹ 29.06 lakh had been credited to ineligible bank accounts (such as payment of scheme benefits to both husband and wife, double payment to same beneficiaries and transfer of scheme benefits to multiple beneficiaries with same bank account).
- Audit found that monitoring of the Scheme was weak as the SPMU was not set up and the State and District Level Monitoring Committees failed to identify risks of ineligible beneficiaries, ineligible bank accounts and possible fraudulent claim of cropped area submitted by beneficiaries.

Recommendations:

1. *The State Government should conduct survey of land to ensure identification of farmers/beneficiaries based on land holding system as per instructions of the MAFW and HLC.*
2. *The State Government may ensure that certificate of land holding is not allowed to be uploaded without the counter-signature of the designated authority.*
3. *The Government may investigate the reasons for not following the scheme norms by the District Agriculture Offices (DAOs) of the districts and fix responsibility accordingly.*
4. *The State Government may carry out a comprehensive review of the land records submitted by the beneficiaries to rule out fraudulent claim of scheme benefits and fix responsibility of the officials involved in deficient scrutiny of documents.*

5. *The State Government may adjust payments made to both husband and wife from subsequent instalments or recover the amount and responsibility be fixed after detailed investigation.*
6. *Immediate steps should be taken to link registered beneficiaries with unique biometric identification seeded data and make it mandatory for new registration.*
7. *The banks may be instructed to ensure the updation of KYC documents of all beneficiaries before releasing any future payments.*
8. *The State Government may investigate issues of double payment and registration of different beneficiaries with same bank account numbers and fix responsibility accordingly. The double payments may be adjusted from subsequent instalments or recovered from respective beneficiaries.*
9. *The Department should ensure that corrective action is taken promptly against failed transactions so that Scheme benefits are not denied/ delayed to eligible beneficiaries.*
10. *The State Government may expedite setting up of SPMU at State level for overall monitoring of the scheme besides ensuring availability of funds for administrative expenses.*
11. *Monitoring should be strengthened so as to eradicate ineligible beneficiaries and include left-out eligible beneficiaries.*

(Paragraph 2.3, Page 13)

Directorate of Horticulture

Due to lack of a coordinated approach in implementation of the project for modernisation and upgradation of Fruit Processing Unit at Dainadubi, North Garo Hills, the project remained incomplete even after ten years of the initial sanction of the project. The expenditure incurred on the project amounting to ₹ 1.11 crore not only proved infructuous but also deprived the local farmers of the economic benefits of modernised fruit processing facility.

Recommendation: *The State Government may investigate the matter and fix responsibility on the official(s) concerned for inordinate delay in completion of project.*

(Paragraph 2.4, Page 25)

STATE PUBLIC SECTOR ENTERPRISES

Functioning of State Public Sector Enterprises

As on 31 March 2022, the State of Meghalaya had 21 SPSEs (19 working and two non-working), which included 17 Government companies and two Statutory Corporations. The combined investment of State and Other Stakeholders as on 31 March 2022 in SPSEs under various important sectors stood at ₹ 8,140.81 crore. The investment was highest in the Power Sector SPSEs (₹ 7,477.80 crore) followed by Manufacturing Sector SPSEs (₹ 347.36 crore). The investment of the State Government (capital and long-term loans) in 21 SPSEs was ₹ 3,340.75 crore consisting of 81.20 per cent

(₹ 2.712.69 crore) towards capital and 18.80 per cent (₹ 628.06 crore) towards long-term loans.

(Paragraphs 3.1.1 & 3.1.2, Page 29)

As per the information furnished by the SPSEs, during 2021-22 the State Government has provided budgetary support of ₹ 668.27 crore in the form of capital (₹ 13.43 crore), long-term loans (₹ 151.26 crore), grants (₹498.58 crore) and subsidy (₹ 5.00 crore).

(Paragraph 3.1.3, Page 33)

As per the information available as on 30 September 2022, 19 working SPSEs had arrears of total 38 accounts ranging from one to six years. The highest arrears of accounts related to Meghalaya Transport Corporation (six Accounts) and Forest Development Corporation of Meghalaya Limited (five Accounts).

(Paragraph 3.1.5, Page 35)

During 2021-22, out of 19 working SPSEs, five SPSEs earned profit (₹ 3.13 crore) as per their latest finalised accounts as on 30 September 2022. Further, the accumulated losses of eight working SPSEs (₹ 3,269.51 crore) had completely eroded their paid-up-capital (₹ 1,162.48 crore).

(Paragraphs 3.1.7.2 & 3.1.7.4, Pages 38 and 39)

Compliance Audit Paragraphs

Meghalaya Power Distribution Corporation Limited (MePDCL)

Award of three works under Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) Phase-I to L2 bidders instead of L1 bidder resulted in avoidable expenditure of ₹ 0.90 crore.

Recommendation: *The State Government may initiate inquiry to ascertain whether the tendering norms were deliberately contravened by the officers of the Department to allow award of work to L2 bidders and initiate disciplinary action against the erring official(s).*

(Paragraph 3.2, Page 46)

Despite advisory issued by Cabinet Secretary, injudicious decision of MePDCL for awarding works under Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA) to contractors at their quoted rates resulted in avoidable expenditure of ₹ 156.14 crore.

(Paragraph 3.3, Page 49)

Re-imburement of Insurance charges without obtaining documentary evidence in support thereof, resulted in undue financial benefits to Turnkey Contractors (TKCs) under DDUGJY and SAUBHAGYA to the tune of ₹ 1.96 crore

(Paragraph 3.4, Page 52)

Injudicious decision of the MePDCL to divert the financial assistance received under Ujwal Discom Assurance Yojana (UDAY) for payment of other loans/ liabilities of the company and by investing the balance funds in short term Fixed Deposit instead of

making immediate repayment of the outstanding loan for which the fund was released by the Government, resulted in avoidable expenditure of ₹ 2.37 crore towards payment of interest and penal interest.

(Paragraph 3.5, Page 54)

Follow up of Audit observations

Analysis of the position of outstanding paragraphs showed that 3,639 paragraphs relating to the period from 1988-89 to March 2022 were outstanding of which, 1,789 paragraphs were more than five years old.

(Paragraph 4.1, Page 57)

As of June 2022, the departments concerned did not submit *suo motu* explanatory notes in respect of nine Performance Audits and 32 Compliance Audit Paragraphs out of 25 Performance Audits and 107 Compliance Audit Paragraphs awaiting discussion by Public Accounts Committee relating to Audit Reports from the years 2010-11 to 2019-20.

(Paragraph 4.3, Page 59)

Review of 17 Reports of the PAC involving 15 Departments presented to the Legislature between April 1995 and March 2020, revealed that none of these Departments had submitted the ATNs to the PAC as of March 2022. Similarly, review of six Reports of COPU involving four Departments, *viz* Transport, Commerce & Industries, Tourism and Power presented to the Legislature between April 2008 and March 2020 revealed that out of 18 ATNs received, seven had been sent to the Assembly Secretariat as of March 2022.

(Paragraph 4.5, Page 60)