



**CHAPTER III**  
**PERFORMANCE REVIEWS**

- 3.1 Horticulture Development Scheme**
- 3.2 Nutritional Support to Primary Education**
- 3.3 Modernisation of Police Force**
- 3.4 Drinking Water Supply Schemes**

## CHAPTER III : PERFORMANCE REVIEWS

### AGRICULTURE DEPARTMENT

#### 3.1 Horticulture Development Scheme

##### *Highlights*

*Horticulture development schemes were taken up in Meghalaya to ensure integrated development of horticulture and allied activities. The impact of implementation of the schemes was not evaluated to ascertain the progress in the development of horticulture and allied activities taken up under various State and Central schemes.*

- **The Director of Horticulture and the District Horticulture Officers of East Khasi Hills, West Garo Hills and East Garo Hills Districts failed to utilise 8 to 94 per cent of funds available during 2002-07 under the Centrally Sponsored Technology Mission Scheme indicating ineffective implementation of the scheme.**

**(Paragraph 3.1.10.1)**

- **The report on utilisation of funds furnished to the Small Farmers' Agri-Business Consortium (SFAC) by the Director of Horticulture did not depict the actual state of affairs.**

**(Paragraph 3.1.10.2)**

- **Cash book for the financial transactions under Technology Mission schemes were not maintained by the Managing Director of the State SFAC and the District Horticulture Officer (DHO), East Garo Hills District. The DHO of Ri-Bhoi District did not produce cash book and supporting records for Technology Mission Schemes and North Eastern Council sponsored schemes for the years 2002-07, although Rs.13.82 crore was transferred to him by the Director of Horticulture for implementation of these schemes.**

**(Paragraph 3.1.10.4)**

- **For the State Plan schemes, targets in terms of production per unit, number of units to be set up or number of beneficiaries to be covered were not fixed. Record of physical achievement under various schemes was also not maintained by the Department.**

**(Paragraph 3.1.11)**

- **The Department sustained loss of Rs.2.87 crore on running and maintenance of fruit preservation/processing centres and Orchard cum Horticulture Nurseries under State Plan Schemes during 2002-07.**

(Paragraph 3.1.12.1)

- **The Department incurred extra expenditure of Rs.1.50 crore under the Technology Mission schemes.**

(Paragraphs 3.1.13.2, 3.1.13.4 & 3.1.13.5)

- **Failure in setting up of mushroom units, bio-control laboratory, etc. under the Technology Mission schemes resulted in locking up of Central funds of Rs.2.03 crore.**

(Paragraph 3.1.13.6)

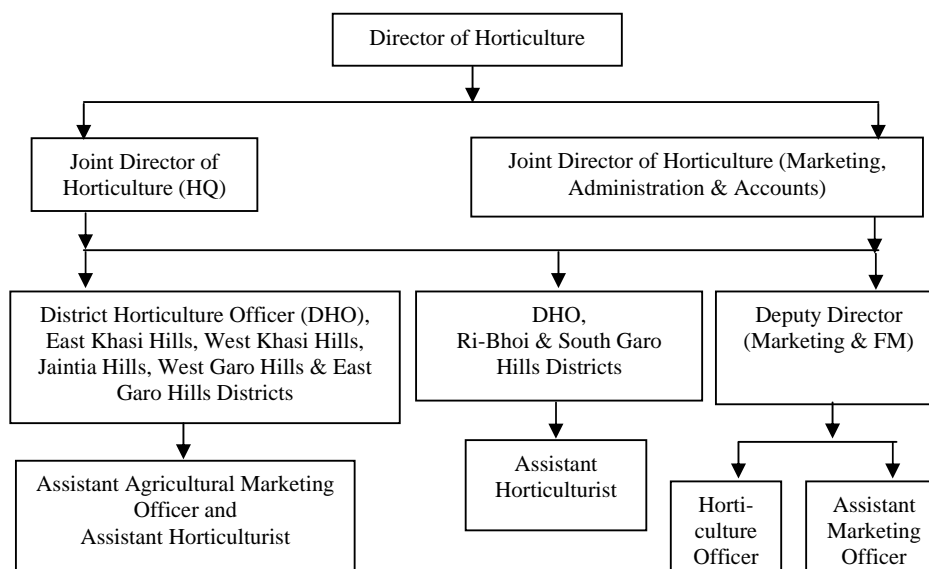
### **3.1.1 Introduction**

The horticulture sector, which includes fruits, vegetables, spices, plantation crops, cashewnut, etc., has ample potential for development in Meghalaya. To ensure integrated development of horticulture and allied activities, various State Plan schemes and North Eastern Council (NEC) sponsored schemes are being implemented in the State by the Directorate of Horticulture. Besides, a Centrally Sponsored Scheme 'Technology Mission' (TM) was also launched by the Union Ministry of Agriculture (MOA) in 2001-02 with the objective of ensuring convergence and synergy among numerous ongoing Governmental programmes in the field of horticulture development.

### **3.1.2 Organisational Set Up**

At the Government level, the Commissioner and Secretary of the Agriculture Department is responsible for overseeing the implementation of horticulture development schemes. There is a State Level Steering Committee (SLSC) set up (March 2001) under the Chairmanship of the Chief Secretary to monitor the implementation of the schemes under TM. The Director of Horticulture is the Nodal Officer of the TM. The organisational set up of the Directorate of Horticulture is as under:

Chart 3.1



The Assistant Agricultural Marketing Officers and Assistant Horticulturists are assisted by the Horticulture Inspectors and Agricultural Marketing Inspectors, Assistant Horticulture Inspectors, Assistant Agricultural Marketing Inspectors, Horticulture Demonstrators, Agricultural Marketing Supervisors, etc.

### 3.1.3 Scope of Audit

A review of the implementation of the horticulture development schemes covering the period 2002-07 was carried out through a test-check (April-May 2007) of the records of the Director of Horticulture (DoH) and four<sup>1</sup> out of seven District Horticulture Officers (DHO) covering 31 per cent (Rs.38.47 crore) of the total expenditure (Rs.122.20 crore) including funds disbursed by the DoH. Results of the review are discussed in the succeeding paragraphs.

### 3.1.4. Audit Objectives

The performance audit was conducted with the objective of assessing whether:

- the objectives of the schemes were achieved;
- adequate funds were provided by the Central/State Governments and funds were utilised for the intended purpose;
- various schemes were implemented economically and effectively and as per prescribed guidelines;
- production was achieved as per norms/targets; and,
- implementation of scheme was effectively monitored and periodically evaluated to check their effectiveness and economic viability.

<sup>1</sup> East Khasi Hills, West Garo Hills, East Garo Hills and Ri-Bhoi.

### **3.1.5 Audit Criteria**

The audit criteria used in the performance audit were as follows:

- Annual targets of State plan schemes;
- Operational guidelines for implementation of the Technology Mission Schemes;
- Proposal for NEC sponsored schemes; and,
- System prescribed for monitoring.

### **3.1.6 Audit Methodology**

An entry conference was held in May 2007 with the DoH wherein the audit objectives and criteria were explained and strengths and weaknesses of the Department in implementing the scheme were discussed.

For the performance review, districts were selected on the basis of stratified random sampling. Utilisation of funds allotted by the Union and State Governments, adherence to scheme guidelines, realisation of beneficiaries' contribution, *etc.* were analysed using the available data.

After completion of the review, an exit conference was held (August 2007) with the Secretary, Agriculture Department and the DoH for discussion of the Audit findings. The replies and views of the State Government where received have been incorporated in the review at appropriate places.

### **Audit Findings**

#### **3.1.7 Planning**

Planning for implementation of various horticulture schemes in the State is formulated by the DoH on the basis of feed back received from the DHOs. The State Plan schemes and the NEC sponsored schemes are approved by the State Government and the schemes under TM are approved by the SLSC. The beneficiaries under the schemes are selected by the field officers in consultation with the villagers.

#### **3.1.8 Funding Pattern**

Provision for the State Plan schemes as well as NEC funded schemes is made in the State budget. For implementation of the NEC sponsored schemes, funds are released by the NEC to the State Government, which in turn releases them to the implementing agencies.

For the schemes under TM, funds released by the Government of India (GOI) are routed through Small Farmers' Agri-Business Consortium (SFAC) for further release to State level SFAC. The State level SFAC releases funds to the DHOs on the direction of the DoH. Separate bank accounts are to be maintained for funds relating to TM at district level.

### 3.1.9 Financial Management

Funds released by the Central and State Governments and the NEC during 2002-07 for implementation of various horticulture development schemes in the State, expenditure incurred and unutilised funds were as under:

**Table 3.1: State Plan Schemes**

(Rupees in crore)

Year	Allotment			Expenditure			Savings		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
2002-03	4.92	4.19	9.11	4.80	3.80	8.60	0.12	0.39	0.51
2003-04	5.61	5.16	10.77	5.54	4.85	10.39	0.07	0.31	0.38
2004-05	6.65	5.37	12.02	6.56	5.13	11.69	0.09	0.23	0.32
2005-06	6.52	5.72	12.24	6.41	5.39	11.80	0.11	0.33	0.44
2006-07	8.98	6.02	15.00	8.20	5.95	14.15	0.78	0.08	0.86
<b>Total</b>	<b>32.68</b>	<b>26.46</b>	<b>59.14</b>	<b>31.51</b>	<b>25.12</b>	<b>56.63</b>	<b>1.17</b>	<b>1.34</b>	<b>2.51</b>

Source: Information furnished by the DoH.

**Table 3.2: NEC Sponsored Schemes**

(Rupees in crore)

Year	Opening balance	Funds released by the NEC	Total	Funds released by the State Government	Shortfall in release of funds by State Government
2002-03	...	0.12	0.12	...	0.12
2003-04	0.12	2.01	2.13	0.78	1.35
2004-05	1.35	0.75	2.10	2.10	...
2005-06	...	0.20	0.20	0.20	...
2006-07	...	2.50	2.50	...	2.50
<b>Total</b>		<b>5.58</b>		<b>3.08</b>	

Source: Information furnished by the DoH.

**Table 3.3: Schemes under Technology Mission**

(Rupees in crore)

Year	Opening balance	Funds received by the DoH from GOI	Total	Fund released to the DHOs	Undis-bursed balance with the DoH (Per cent)
2002-03	2.23	7.76	9.99	2.87	7.12 (71)
2003-04	7.12	8.50	15.62	9.00	6.62 (42)
2004-05	6.62	13.96	20.58	16.60	3.98 (19)
2005-06	3.98	17.00	20.98	17.04	3.94 (19)
2006-07	3.94	20.19	24.13	16.98	7.15 (30)
<b>Total</b>		<b>67.41</b>		<b>62.49</b>	

Source: Information furnished by the DoH.

Year-wise expenditure incurred against the funds allocated in respect of NEC sponsored schemes and TM schemes were not furnished by the Department.

Availability of adequate funds was not a constraint to the scheme. There were deficiencies in financial management leading to shortfall in release of available funds. There were also instances of recurring losses on implementation of the State Plan Schemes, blocking of funds, extra expenditure on area expansion, etc. as would be evidenced from the observations in the succeeding paragraphs.

### 3.1.10 Financial Management

#### 3.1.10.1 Delay in release of central funds and non-utilisation of available funds

According to the operational guidelines for implementation of the schemes under TM, the Secretary Horticulture/Director, Horticulture/Nodal officer of the State must ensure that funds are released immediately to the districts as soon as these are received from GOI.

Out of Rs.69.64 crore (including opening balance of Rs.2.23 crore) released by the GOI to the DoH during 2002-07, Rs.62.49 crore was released to the DHOs (district level implementing agencies) and the balance Rs.7.15 crore remained undisbursed with the DoH till March 2007. The undisbursed funds with the DoH during 2002-07 ranged between 19 and 71 per cent.

Out of Rs.62.49 crore, Rs.29.15 crore was released to the DHOs of three test-checked districts (East Khasi Hills: Rs.9.56 crore; East Garo Hills: Rs.11.60 crore; West Garo Hills: Rs.7.99 crore). Of this, Rs.8.45 crore was lying unutilised with the DHOs of these districts. Records of Ri-Bhoi District were not produced to Audit. Taking into account the unutilised balance (Rs.1.06 crore) with these three DHOs at the beginning of the year 2002-03, the total unutilised funds available with them worked out to Rs.9.52 crore, year-wise position of which is given below:

**Table 3.4**

(Rupees in lakh)

Year	Opening balance	Funds received by the DHO from the DoH	Total funds available	Expenditure incurred by the DHOs	Unutilised funds with the DHO (Per cent)
<b>I. EAST KHASI HILLS DISTRICT</b>					
2002-03	38.20	82.59	120.79	30.00	90.79 (75)
2003-04	90.79	27.18	117.97	78.06	39.91 (34)
2004-05	39.91	172.88	212.79	171.14	41.65 (20)
2005-06	41.65	204.47	246.12	227.48	18.64 (8)
2006-07	18.64	468.95	487.59	123.02	364.57 (75)
<b>Total</b>		<b>956.07</b>		<b>629.70</b>	
<b>II. WEST GARO HILLS DISTRICT</b>					
2002-03	43.55	55.63	99.18	52.89	46.29 (47)
2003-04	46.29	68.77	115.06	52.83	62.23 (54)
2004-05	62.23	238.19	300.42	146.00	154.42 (51)
2005-06	154.42	192.93	347.35	152.93	194.42 (56)
2006-07	194.42	243.13	437.55	171.65	265.90 (61)
<b>Total</b>		<b>798.65</b>		<b>576.30</b>	
<b>III. EAST GARO HILLS DISTRICT</b>					
2002-03	24.57	36.57	61.14	3.79	57.35 (94)
2003-04	57.35	63.08	120.43	36.29	84.14 (70)
2004-05	84.14	353.59	437.73	181.51	256.22 (59)
2005-06	256.22	247.02	503.24	291.96	211.28 (42)
2006-07	211.28	459.63	670.91	349.56	321.35 (48)
<b>Total</b>		<b>1,159.89</b>		<b>863.11</b>	
<b>Grand Total (I + II + III)</b>	<b>106.32</b>	<b>2,914.61</b>	<b>3020.93</b>	<b>2069.11</b>	<b>951.82</b>

Source: Information furnished by the DoH.

As can be seen from the table above, there were huge unutilised funds year after year indicating the inability of the implementing agencies in utilising even the funds that were released by the DoH.

Thus, the DHOs of the three test-checked districts could not utilise 8 to 94 *per cent* of the funds released by the DoH. Failure in timely utilisation of available funds not only led to locking up of Rs.16.67 crore but also reflected ineffective implementation of the scheme. The DoH stated (October 2007) that the unutilised funds were due to non-completion of approved schemes. Reasons for failure to complete the approved schemes had not been stated.

### **3.1.10.2 Incorrect reporting about utilisation of funds**

According to the utilisation certificate furnished to the Project Co-ordinator, SFAC by the DoH, out of Rs.67.41 crore received during 2002-07 for implementation of the TM schemes, Rs.62.12 crore was utilised in full till March 2007. Position given in Table 3.3 above, however, shows that out of Rs.67.41 crore received by the DoH from the GOI during 2002-07, Rs.62.49 crore was released to the DHOs leaving Rs.4.92 crore unutilised as of 31 March 2007 (excluding opening balance of Rs.2.23 crore). Besides, there was unutilised funds of Rs.8.45 crore (excluding opening balance) with the DHOs of three test-checked districts as of March 2007 (sub-paragraph 3.1.10.1 above). The position of funds utilised by the DHOs of other four districts (West Khasi Hills, Jaintia Hills, Ri-Bhoi and South Garo Hills) out of Rs.33.34 crore released to them during 2002-07, though called for (January 2008) from the DoH, had not been furnished. Even taking into consideration that the entire funds released to these four districts were utilised, the utilisation of funds out of Rs.67.41 crore received during 2002-07 worked out to Rs.54.04 crore<sup>2</sup>.

Thus, the report on utilisation of funds furnished to the SFAC did not depict the actual state of affairs.

### **3.1.10.3 Irregular Parking of Central Funds**

Funds released by the GOI/NEC for implementation of various horticulture development schemes were either kept in civil deposit or in bank account. The details are discussed below:

- The MOA released (March 2006) grants-in-aid of Rs.4.71 lakh to the State Government for implementation of National Project on Organic Farming. In contravention of GOI guidelines for immediate release of funds to districts/departments, the State Government released the funds to the DoH after a delay of one year in March 2007. Similarly, Rs.49.50 lakh released by the NEC in July 2006 for Strawberry Cultivation in Meghalaya was sanctioned (February 2007) by the State Government to the DoH after a gap of seven months.

<sup>2</sup> {Rs.67.41 crore – (Rs.4.92 crore + Rs.8.45 crore)}.



Both the above amounts were initially kept (March 2007) in “8443 Civil Deposit” by the DoH and withdrawn in May 2007 for implementation of the schemes. This is in violation of the State Treasury Rules, 1985, which prohibit drawal of money in anticipation of demand or to prevent lapse of budget grants.

The reason for parking of these funds in Civil Deposit was not on record.

While accepting the delay, the Deputy Secretary of the Department stated (February 2008) that “the delay in release of funds was unavoidable as the financial system had to go through different channels”. The fact remains that such inordinate delay in release of funds led to delay in implementation of the schemes.

- Unspent balance of Rs.4.28 lakh under different completed Central Sector Schemes was lying unutilised in the current account maintained by the DoH with the bank for last five to seven years<sup>3</sup>.

#### **3.1.10.4 Non-maintenance of Basic Records**

The Managing Director of the State SFAC and the DHO of East Garo Hills, Williamnagar did not maintain cash book for the financial transactions under the TM schemes since April 2006. The DHO, Ri-Bhoi did not produce cash book and supporting records for TM schemes and NEC sponsored schemes for the years 2002-03 to 2006-07, although Rs.13.82 crore was transferred to him by the DoH for implementation of these schemes (TM: Rs.12.28 crore; NEC: Rs.1.54 crore). In the absence of such vital records, the veracity of financial transactions of the Managing Director/DHOs could not be ascertained in audit.

During exit conference (August 2007), the Secretary of the Department stated that the concerned drawing and disbursing officers would be instructed to complete the cash books.

#### **3.1.11 Implementation**

During 2002-07, the Department implemented 30 State Plan schemes for development of horticulture (Rs.29.79 crore). Details of these schemes along with the year-wise allocation are given in **Appendix 3.1**. Besides, 11 schemes under TM (Rs.62.49 crore), two NEC funded schemes<sup>4</sup> (Rs.3.08 crore) and two Central Sector Schemes<sup>5</sup> (Rs.47.85 lakh) were also implemented during the period.

For the State Plan schemes, targets in terms of production per unit, number of units to be set up or number of beneficiaries to be covered were not fixed. No record of physical achievement under various schemes was maintained by the

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<sup>3</sup> Vegetable Development Scheme: Rs.0.02 lakh since 1999-2000; Spices Development Scheme: Rs.0.63 lakh since 2000-01; Tropical Arid Zone: Rs.1.85 lakh since 2000-01; Phytosanitary: Rs.1.63 lakh since 2001-02; Tea Nursery under Tea Board: Rs.0.15 lakh since 2001-02.

<sup>4</sup> Citrus Rejuvenation of Orange Mandarin Project and Strawberry Cultivation Scheme.

<sup>5</sup> Phytosanitary Certificate Issuing Centre and Tea Nurseries.

Department. Hence, Audit was unable to conclude whether the State derived any benefit from implementation of these schemes.

In case of schemes under TM, Rs.62.49 crore received from the GOI during 2002-07 were released to the districts as per approved targets. But consolidated records of achievement *vis-à-vis* targets were not available with the State SFAC. However, information received from the four test-checked districts showed that during 2002-07, shortfall in achievement of targets under various schemes ranged between 5 *per cent* and 100 *per cent* (details in **Appendix 3.2**). Thus, the State was unable to derive full benefit under TM.

Irregularities noticed in the implementation of various schemes are discussed in the succeeding paragraphs.

### **3.1.12 State Plan Schemes**

#### **3.1.12.1 Loss on Running and Maintenance of Fruit Processing Centres and Orchard cum Horticulture Nurseries**

Under the State Plan schemes, two fruit preservation/processing centres were set up in Shillong (1954-55) and Dainadubi (1964-65) for generating employment by imparting training and demonstration on fruit processing to unemployed youth and housewives. Besides, nine orchard cum horticulture nurseries were also set up (actual date not available) in the State for production and sale of new improved varieties of planting material and for imparting demonstration and training to the farmers for raising quality seedlings.

An analysis of the receipts (sale proceeds) and expenditure (running and maintenance) of these fruit preservation/processing centres and nurseries showed that the expenditure of Rs.2.44 crore incurred on running and maintenance of these centres during the five year period ending 31 March 2007 was far in excess of the revenue receipts (Rs.97 lakh), resulting in loss of Rs.1.47 crore. As regards nine orchard cum horticulture nurseries in four test-checked districts, in one nursery at Samgong, the receipts exceeded the expenditure during two out of five years. However, there was an overall loss of Rs.0.44 lakh during the five year period. In the nursery at Dewlieh the total loss during 2002-07 was Rs.11.81 lakh despite a profit of Rs.3.73 lakh during 2005-06. In all other nurseries, there was loss in all the years. The total loss of all the nine nurseries was Rs.1.40 crore during the period under review. Year-wise position is given in **Appendix 3.3**.

The DoH stated (May 2007) that the difference between the expenditure and revenue was due to procurement of packing material from outside the State involving high cost of transportation and handling and fixation of rate for finished product more or less at par with other fruit processing factories in the country. The fact remains that two processing centres were running on losses and thus, not economically viable. Reasons for incurring losses in running the nurseries had not been stated (November 2007).

### **3.1.12.2 Blocking of funds due to failure in Establishment of Horticulture Nursery**

In March 1998, the State Government sanctioned Rs.30 lakh for establishment of a large sized horticulture nursery at Moirang. Of this, Rs.28 lakh was earmarked for acquisition of land and the balance amount of Rs.2 lakh was meant for cost of boundary demarcation, erecting pillars, *etc.* on the proposed land. The Department paid (May 1998) Rs.28 lakh to the Deputy Commissioner, Ri-Bhoi, Nongpoh for acquisition of the required land.

According to the DoH (May 2007), the proposed land which was selected after conducting proper survey could not be acquired due to non-availability of assured water sources. The Department also did not take any effective step to identify an alternative site required for setting up the nursery. Consequently, the nursery could not be set up resulting in blocking of Rs.30 lakh for over nine years (1998-07). The amount of Rs.30 lakh has been lying in bank accounts of DC (Rs.28 lakh) and DoH (Rs.2 lakh).

### **3.1.12.3 Loss due to Non-realisation of Sale Proceeds**

Under different State Plan Schemes<sup>6</sup>, agricultural inputs were procured by the DHOs for sale to beneficiaries at subsidised rates. The sale proceeds were to be deposited into the Treasury through *challans*. But sale proceeds of Rs.22.84 lakh for the years 2002-07 were not realised from the beneficiaries by the DHOs of West Garo Hills (Rs.15.28 lakh) and East Garo Hills (Rs.7.56 lakh) resulting in a loss of Rs.22.84 lakh to the Government. Reasons for non-realisation of the sale proceeds as well as action taken for realisation of the same were not on record.

### **3.1.13 Technology Mission Schemes**

The Centrally Sponsored Technology Mission *inter alia* aims at increasing the quantum of production and productivity of horticulture crops<sup>7</sup> in the region. The major objective of the mission is to increase production through area expansion under various horticulture crops. The supporting activities such as drip irrigation, greenhouses, *etc.* also form part of the mission.

Audit scrutiny revealed the following irregularities in the implementation of the TM schemes:

#### **3.1.13.1 Selection of Beneficiaries**

For effective monitoring and implementation of TM schemes, a Coordination Committee was required to be constituted in each district under the chairmanship of the District Collector and District Horticulture Officer as

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<sup>6</sup> Tuber Crop Development, General Horticulture Development, Vegetable Development, Agricultural Marketing Development, Plant Protection Development, Spices Development and Tea Package Scheme.

<sup>7</sup> Fruits, vegetables, root and tuber crops, spices, cashew nut, medicinal plants, aromatic plants and floriculture.

Member Secretary. No such committee was formed in the three test-checked districts (East Khasi Hills, West Garo Hills and East Garo Hills). Beneficiaries were selected in consultation with the Village Council. The DHO, Ri-Bhoi did not furnish any information (May 2007) regarding constitution of the committee.

During exit conference (August 2007), the Secretary of the Department admitted the fact, but gave no reason for non-formation of the committee.

### **3.1.13.2 Extra Expenditure on Area Expansion**

According to the guidelines for TM schemes, individual or group of farmers and self help groups were entitled to 50 *per cent* financial assistance towards the cost of area expansion for ‘Vegetables’ at one unit measuring one hectare of land and for ‘Floriculture’, at one unit measuring 0.2 hectare land subject to a maximum of Rs.13,000.

For area expansion of anthurium (floriculture) in 35 units (17.3 acres) of land, the DHO, East Garo Hills District incurred (2005-06) an expenditure of Rs.51.66 lakh on procurement of planting material (Rs.38.50 lakh), coco peat (Rs.4.41 lakh) and on payment of cash assistance to 35 farmers (Rs.8.75 lakh). In addition to cash assistance, planting material and coco peat were also issued to these farmers. As per prescribed norm, the maximum permissible expenditure for area expansion of 35 units was Rs.4.55 lakh. Reasons for incurring additional expenditure of Rs.47.11 lakh were not on record.

During 2005-06, the DHO, East Garo Hills targeted 150 units for area expansion of vegetables (coloured capsicum). Instead of providing assistance to the farmers for area expansion of the targeted units, the DHO executed the work through a private contractor at a cost of Rs.19.50 lakh. Had the assistance been given to the farmers, the expenditure could have been restricted to Rs.9.75 lakh (50 *per cent* of the total cost). Reasons for such unauthorised action were not on record.

### **3.1.13.3 Avoidable Expenditure**

For implementation of the scheme ‘Area Expansion on Cashew nut’, the DHOs of three test-checked districts (East Garo Hills, West Garo Hills and East Khasi Hills) procured 63,995 cashew grafts at a cost of Rs.21.02 lakh from private suppliers at the rates of Rs.32 and Rs.36 per graft (June 2004 – December 2005).

According to the DoH, the cashew grafts were purchased from the local suppliers approved by him. But the prescribed rate for cashew graft during the period of purchase was neither on record nor stated by the DoH. However, in January 2007, the DoH fixed a rate of Rs.12 for each cashew graft from departmental nurseries. Even taking into account this rate, the DHOs incurred an extra expenditure of Rs.13.34 lakh on procurement of cashew grafts, as detailed below:

**Table 3.5**

District	Month and year of procurement	Quantity procured	Rate per cashew graft	Amount paid	Amount at the rate of Rs.12 per cashew graft	Extra expenditure
		(in number)	(in rupees)	(Rupees in lakh)		
East Garo Hills	June 2004 and February 2005	10,999	32.00	3.52	1.32	2.20
West Garo Hills	June 2004	5,310	36.00	1.91	0.64	1.27
	June, July and December 2005	39,200	32.00	12.54	4.70	7.84
East Khasi Hills	June and August 2004 and July 2005	8,446	36.00	3.04	1.01	2.03
<b>Total</b>				<b>21.01</b>	<b>7.67</b>	<b>13.34</b>

Source: Stock Register, Supply Orders and Suppliers' Bills.

#### **3.1.13.4 Drip Irrigation – Extra Expenditure**

Drip irrigation is a technology for providing irrigation to plants through network of pipes. It includes emitting water by micro sprinklers, mini sprinklers, micro jets, etc. Guidelines for implementation of TM schemes issued by the MOA provide for assistance to the farmers at 50 per cent of the cost with a maximum ceiling of Rs.28,500 per hectare.

It was noticed that instead of providing assistance to the farmers, the DHOs of East Khasi Hills, West Garo Hills and East Garo Hills districts procured (2002-06 to 2005-06) 373 drip irrigation sets at a cost of Rs.1.06 crore (East Khasi Hills: 81 sets: Rs.23.08 lakh; West Garo Hills: 37 sets: Rs.10.55 lakh; East Garo Hills: 255 sets: Rs.72.68 lakh) and distributed the sets to the farmers. As per prescribed norm, 50 per cent (Rs.53.15 lakh) of the cost of these sets was to be paid to the farmers as assistance. But due to procurement of these sets by the DHOs themselves, the Department had to incur additional expenditure of Rs.53.15 lakh.

The DHO, West Garo Hills stated (May 2007) that since the majority of the farmers were small land holders, they were unable to contribute their share. The DHO, East Khasi Hills stated (June 2007) that the majority of the farmers were small and marginal. Replies are not tenable because the action of the DHOs was contrary to the instructions of the GOI and thus, arbitrary. Reply from the DHO, East Garo Hills had not been received (November 2007).

#### **3.1.13.5 Greenhouse - Excess Assistance to the Farmers**

Greenhouse technology is used for providing favourable growth conditions to the plants inside fabricated structures with ultra violet stabilized cladding material. It is used to protect the plants from adverse climatic conditions. Guidelines of TM schemes provide for financial assistance to the farmers for greenhouse (other than flowers) at the rate of 40 per cent of cost of Rs.200 per sqm area or Rs.40,000 whichever is lower for a maximum area of 500 sqm. In

case of greenhouse for flowers with facility for fogging, temperature control, etc., the rate of assistance shall be limited to Rs.1.50 lakh for 500 sqm.

It was noticed that during 2005-06, for an area of 20,250 sqm, the DHO, East Garo Hills incurred an expenditure of Rs.65.81 lakh for greenhouses for vegetables (coloured capsicum). As per prescribed norm, expenditure of Rs.16.20 lakh was permissible for the area covered for greenhouse for vegetables. Thus, the DHO incurred an expenditure of Rs.49.61 lakh in excess of the permissible limit.

### **3.1.13.6 Locking up of Central Funds**

Under the TM scheme, the GOI released (2001-07) Rs.2.18 crore for setting up two integrated mushroom units (Rs.1 crore in 2001-03), one bio-control laboratory (Rs.80 lakh in 2002-03), one disease forecast unit (Rs.8 lakh in 2002-03), four centres for certification of organic farming (Rs.20 lakh in 2002-03 and 2004-05) and one technical support unit (Rs.10 lakh in 2005-06). Of this, only Rs.14.85 lakh was utilised (August 2006) by the Managing Director of the State SFAC through the Executive Engineer (Irrigation), East Khasi Hills for civil works of one integrated mushroom unit and the balance amount was lying unutilised in his bank account. Reasons for not setting up the units/centres despite availability of funds were not on record. Failure to utilise the available funds not only showed the apathy of the Department in setting up the units/centres but also resulted in locking up of Rs.2.03 crore.

### **3.1.14 Schemes Sponsored by the NEC**

#### **3.1.14.1 Extra Expenditure on Implementation of Citrus Rejuvenation of Orange Mandarin Project**

To protect the orange plantation created by the people and to maintain sustainable production and productivity, the project for rejuvenation and development of orange plantation in the Jaintia Hills, East Khasi Hills and West Garo Hills districts was included under the NEC Plan. According to the project report, 1,000 hectares of forest garden was targeted for rejuvenation at the rate of Rs.25,000 per hectare. The NEC approved the project (March 2003) at an estimated cost of Rs.3.35 crore and released Rs.1.73 crore in three instalments (March and September 2003 and July 2004) to the Department for implementation of the project. Of Rs.1.73 crore, the DoH released Rs.1.08 crore to the DHOs of East Khasi Hills District (Rs.0.36 crore), Jaintia Hills District (Rs.0.44 crore) and West Garo Hills district (Rs.0.28 crore).

The amount of Rs.25,000 earmarked for rejuvenation was considered (May 2004) very high by the DoH and therefore, it was decided to reduce the amount to Rs.12,500 per hectare for rejuvenation of orange plantation. Though the decision was conveyed by the DoH to all the DHOs in May 2004, the DHOs incurred expenditure of Rs.1.08 crore during 2004-05 and 2005-06 for rejuvenation of 434 hectares of orange plantation area in East Khasi Hills (145 hectare: Rs.36 lakh), Jaintia Hills (175 hectare: Rs.44 lakh) and West

Garo Hills (114 hectare: Rs.28 lakh) in violation of norms which resulted in an extra expenditure of Rs.53.75 lakh.

Reasons for violating the instructions of the DoH by the DHOs were not on record.

#### ***3.1.14.2 Central Sector Scheme – Idle Investment and Locking up of Funds***

In 2000-01, the MOA sanctioned Rs.9.48 lakh to set up a Phytosanitary Certificate Issuing Centre for inspection, fumigation and disinfection of exportable agricultural and horticultural produce. The State Government released the amount to the DoH in March 2001, which spent Rs.7.85 lakh on procurement of furniture, equipment and on other contingencies. But the centre could not be established due to non-availability of required accommodation. Consequently, the furniture, equipment, *etc.* were lying unutilised with the DoH. The balance amount of Rs.1.63 lakh was kept in the bank account of the DoH. Despite failure in establishment of the centre, the MOA released further grant of Rs.6.62 lakh to the State Government for strengthening the offices of Phytosanitary Certificates Issuing Authorities, which was retained in the Government account.

Thus, despite availability of funds, the DoH failed to establish the proposed centre during the six-year period which resulted in idle investment of Rs.7.85 lakh and locking up of Rs.8.25 lakh, besides frustrating the objective of setting up the Centre.

#### ***3.1.15 Monitoring and Evaluation***

The existence of an effective monitoring system is a pre-requisite for smooth functioning of a scheme. For the TM Schemes, the SLSC was responsible at State level for implementation and monitoring. It was observed that the Department had virtually no monitoring system in respect of the horticulture development schemes. There was no prescribed procedure for submission of periodic reports to higher authorities and to oversee the performance of the district level officers as well as the activities of the beneficiaries in the State. None of the schemes had ever been evaluated either at the Directorate level or District level. Thus, the overall impact of the schemes remained largely unassessed.

#### ***3.1.16 Conclusion***

The Director of Agriculture and the District Horticulture Officers failed to utilise the available funds under the Centrally Sponsored Technology Mission scheme. Fruit processing/preservation centres and orchard cum horticulture nurseries set up under the State Plan Scheme had been incurring losses consistently. There were cases of extra expenditure due to procurement and distribution of drip irrigation sets and area expansion through contractors instead of providing financial assistance to the farmers and also due to adoption of improper rate in the project report. The schemes were not

monitored and the impact of implementation of the scheme was not evaluated. The objectives of the scheme, thus remained largely unachieved.

### **3.1.17 Recommendations**

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

- **Proper utilisation of funds with reference to objectives of the scheme should be ensured by the State Government.**
- **Appropriate action should be taken to increase the revenue of the fruit preservation centres and nurseries so that they are self sustaining in the long run.**
- **For the State Plan Schemes, targets in terms of production per unit, number of units to be set up and number of beneficiaries to be covered should be fixed and achievement of the targets should be monitored on a regular basis.**
- **Timely financial assistance should be provided to the farmers as per the prescribed norms of the Technology Mission Scheme.**
- **The Department should devise an appropriate monitoring and evaluation system to oversee the implementation of the schemes at various levels and take necessary timely corrective action.**

The matter was reported to the Government in July 2007; reply had not been received (February 2008).



## EDUCATION DEPARTMENT

### 3.2 Nutritional Support to Primary Education

#### *Highlights*

*The scheme, commonly known as Mid-Day Meal Scheme, was launched by the Government of India with the intention to boost the universalisation of primary education by increasing enrolment, retention and attendance in schools and simultaneously improving the nutritional level of students in primary classes. Review of implementation of the scheme revealed non-conducting of survey to assess the number of children enrolled in primary classes and absence of records relating to verification of the quality of foodgrains. Evaluation of the scheme as a whole was also not done and as such, the impact of the scheme remained unassessed.*

- The Director of Elementary and Mass Education failed to disburse 50 to 100 per cent of funds available during 2002-07 indicating ineffective implementation of the scheme.

(Paragraph 3.2.10.2)

- The primary school children of the State were deprived of the benefit of cooked meal due to non-release of Central funds of Rs.6.59 crore during 2006-07.

(Paragraph 3.2.10.4)

- Lifting of foodgrains allocated by the GOI for the enrolled children reported by the State Government without any basis, resulted in an additional subsidy burden of Rs.3.86 crore on the GOI.

(Paragraph 3.2.11.1)

- The Deputy Commissioners of East Khasi Hills and West Garo Hills extended undue financial benefit of Rs.56 lakh to the wholesalers due to payment for transportation cost of foodgrains which were lifted by the school authorities.

(Paragraph 3.2.11.2)

- During 2002-07, the primary school children of the State were deprived of the intended benefits of the scheme because of failure in distribution of cooked meal in most of the school days.

(Paragraph 3.2.11.3)

- **A large number of primary schools in the State were not provided with infrastructural facilities like kitchen-cum-store, drinking water, etc. required for the supply of cooked mid-day meals.**

**(Paragraph 3.2.11.6)**

### **3.2.1 Introduction**

Union Ministry of Human Resource Development (MHRD) launched (August 1995) the Centrally Sponsored Scheme “Nutritional support to Primary Education” (commonly known as the Mid-Day Meal Scheme) with the intention to boost the universalisation of primary education by increasing enrolment, retention and attendance in schools and simultaneously improving the nutritional level of students in primary classes.

The programme initially focussed on children at the primary stage (class I to V) in Government, local bodies and Government aided schools. In October 2002, it was extended to cover children studying in the Education Guarantee Scheme (EGS) and Alternative and Innovative Education (AIE) Centres. Central support was provided by way of supply of free foodgrains through the Food Corporation of India (FCI) at the rate of 100 grams per child per school day where cooked meals were served and at the rate of 3 kg per student per month where foodgrains were distributed.

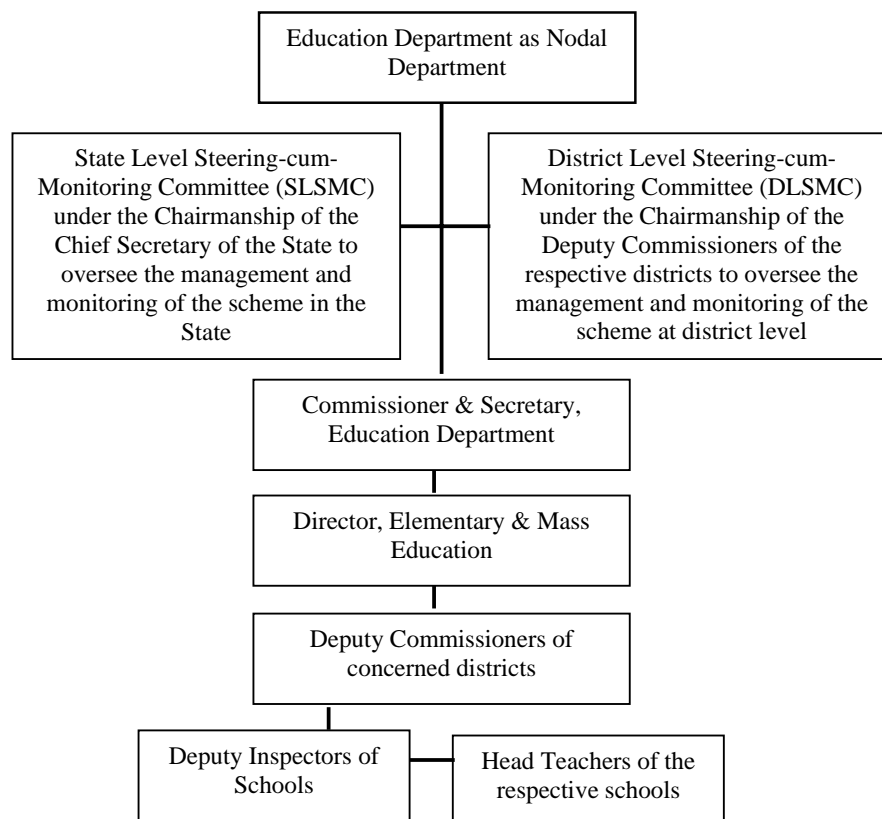
In December 2004, the MHRD issued revised guidelines which emphasised provision of cooked meals with minimum 300 calories and 8-12 grams of protein content. There was special focus on enrolment, retention, attendance, etc. of children belonging to disadvantaged sections. Assistance for management, monitoring and evaluation (MME) was also provided. The scheme was further revised in September 2006 in order to increase the nutritional value of cooked meal to 450 calories with 12 grams of protein content and simultaneously providing for essential micronutrients and de-worming medicines.

In Meghalaya, the scheme was introduced in 1995 and cooked meals are being provided since 2002-03 covering children up to class IV.

### **3.2.2 Organisational Set Up**

Organisational structure for implementation of the scheme in the State is detailed below:

**Chart 3.2**



### 3.2.3 Scope of Audit

Performance review of the scheme covering the period 2002-03 to 2006-07 was conducted (July-September 2007) through a test-check of the records of the Commissioner and Secretary of the Department, Director of Elementary and Mass Education (DEME), Deputy Inspector of Schools (DIS) of six (out of seven) districts<sup>1</sup> and Food Corporation of India (FCI) covering 94 per cent (Rs.17.90 crore) of the total amount disbursed to the implementing agency during 2002-07 (Rs.19.08 crore). In each selected district, 14 primary schools (Rural 10; Urban 4) and six EGS/AIE centres (Rural 4; Urban 2) were selected. Results of the review are discussed in the succeeding paragraphs.

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<sup>1</sup> East Khasi Hills (capital district), West Khasi Hills, Ribhoi, Jaintia Hills, West Garo Hills and East Garo Hills.

### **3.2.4 Audit Objectives**

Audit objectives were to assess whether:

- house hold survey was carried out to identify beneficiaries/children;
- annual work plans were drawn up efficiently to achieve the objectives of the programme;
- objective of universalisation of primary education was achieved by improving enrolment, attendance and retention of children in general at the primary level and in particular, to those belonging to disadvantaged sections;
- there was nutritional improvement of the children in primary classes;
- the State Government's contribution as well as the Central funds were released on time to the implementing agencies; and,
- efficient reporting, inspection and monitoring system existed.

### **3.2.5 Audit Criteria**

The following audit criteria were used in the performance audit:

- Guidelines issued by the GOI;
- House hold survey report;
- Annual work plans and State budget; and,
- Prescribed monitoring mechanism.

### **3.2.6 Audit Methodology**

During the course of the performance review of the scheme an entry conference was held (September 2007) with the DEME in which the audit objectives, scope, criteria and methodology were explained. For the performance review, districts and schools were selected on the basis of simple random sampling. Annual work plans, identification of children, sanctions, release orders, distribution of foodgrains to schools, *etc.* were analysed in the course of review using the available data. Audit findings were discussed with the Commissioner and Secretary of the Department (October 2007) in an exit conference. But para-wise replies to the observations made in the review were not furnished during discussion.

## ***Audit Findings***

### ***3.2.7 Planning***

To facilitate the operation of the scheme, the State Government was to furnish an annual plan to the GOI indicating *inter alia* the number of primary schools in the blocks/areas, number of children enrolled in primary classes of these schools, the number of school days, the quantity of foodgrains required per school, *etc.* However, no survey was conducted by the Department to ascertain the details of children enrolled in schools. Consequently, no target was fixed for increase in enrolment and reduction in the rate of dropouts within a specific time frame. The enrolment figures projected in the Annual Working Plan (AWP) for the year 2006-07 (AWP was not prepared for the years 2002-06) also suffered from inconsistencies. In respect of three test-checked districts, projected enrolment figures for the year 2006-07 (3,42,555) in AWP were different from those reported (2,81,829) by the DIS/DCs to the DEME.

### ***3.2.8 Funding Pattern***

Central assistance is provided to the State by way of (i) free supply of foodgrains from the nearest godown of FCI at the rate of 100 grams of wheat/rice per student per school day, (ii) subsidy for transport of foodgrains from the nearest FCI Depot to the primary school subject to a maximum of Rs.50 per quintal, revised to Rs.100 per quintal for Special Category States (SCS) from October 2004. The cost of transportation is reimbursed by the GOI to the District Rural Development Agencies (DRDAs). Prior to 2004-05, cost of cooking (including ingredients such as pulses, vegetables, cooking oil, condiments, cost of fuel and wages payable to the cooking agency) was being met by the States. In the revised scheme (September 2004), cooking cost at the rate of Re.1 per child per school day is provided as Central assistance in addition to 15 *per cent* of Additional Central Assistance (ACA) provided under the Pradhan Mantri Gramodaya Yojana (PMGY) during 2004-05. When the scheme was again revised in June 2006, assistance to the SCS was enhanced to Rs.1.80 (provided these States contributed a minimum of 20 paise) with provision of assistance for construction of kitchen-cum-store up to a maximum of Rs.60,000 per unit per school and replacement of kitchen implements at an overall average cost of Rs.5,000 per school.

Besides, assistance for MME at a minimum rate of 0.9 *per cent* of the total assistance on foodgrains, transportation cost and cooking cost was provided from 2004-05. From 2005-06, this was increased to a minimum of 1.8 *per cent* of such assistance.

### 3.2.9 Financial Management

#### 3.2.9.1 Budget and Expenditure

The details of funds released by the Union and State Governments and disbursement thereagainst during 2002-07 are given below:

**Table 3.6**

(Rupees in crore)

Year	Components	Funds released by the GOI to the State Government	Opening balance with the DEME	Funds released by State Government to the DEME			Funds disbursed by the DEME to the DIS	Unspent balance with the DEME (Per cent)
				Central funds	State's share	Total		
2002-03		...	1.39	...	1.35	2.74	1.37	1.37 (50)
2003-04	Cooking cost	...	1.37	...	1.07	2.44	1.37	1.07 (78)
2004-05		5.44	1.07	5.44	1.35	7.86	...	7.86 (100)
2005-06	Cooking cost	6.88	7.86	6.88	1.35	16.21	7.53	8.68 (54)
	MME	0.20		0.12				
2006-07	Cooking cost	6.60	8.68	7.67 <sup>(2)</sup>	2.11	18.46	8.81	9.65 (52)
	MME	0.27						
	Replacement of cooking utensils	0.72						
	<b>Total</b>	<b>20.11</b>		<b>20.11</b>	<b>7.23</b>		<b>19.08</b>	

Source: Sanction letters of GOI and State Government and Cash Books.

In addition, the GOI released during 2002-07 Rs.1.83 crore to the DRDAs as reimbursement of transportation cost of foodgrains.

#### 3.2.9.2 Inadequate Budget Provision

According to the guidelines of the revised scheme issued by the GOI in 2004, the State Government was to make adequate provision in the annual budget in anticipation of actual flow of Central assistance for the scheme. But adequate provision was not made in the annual budget prepared by the State Government for the years 2005-07 indicating lack of planning in implementation of the scheme. The details are as under:

**Table 3.7**

Year	Enrolment of children	Cooking cost as per norm	Budget provision (Original)	Shortfall (Per cent)
	(in numbers)	(Rupees in crore)		
2005-06	5,97,555	10.04 <sup>(3)</sup>	1.35	8.69 (87)
2006-07	6,27,596	21.09 <sup>(4)</sup>	1.50	19.59 (93)

Source: Information furnished to the GOI by the State Government, guidelines and Detailed Appropriation Accounts.

<sup>(2)</sup> Included Central funds of Rs.7.90 lakh carried over from 2005-06.

<sup>(3)</sup> 5,97,555 x 0.8 x Re.1 x 210 days: Rs.10.04 crore

<sup>(4)</sup> 6,27,596 x 0.8 x Rs.2 x 210 days: Rs.21.09 crore

### 3.2.10 Financial Irregularities

#### 3.2.10.1 Delay in Release of Central and State Funds

Funds received by the State Government from the GOI were released to the DEME after a delay of one to six months, as detailed below:

**Table 3.8**

(Rupees in crore)

Year	Amount released by the GOI	Month and year of release	Amount released by the State Government	Month and year of release	Delay (in months)
2004-05	5.44	February 2005	5.44	March 2005	1
2005-06	6.88	September 2005	6.88	March 2006	6
	0.12	December 2005	0.12	March 2006	3
2006-07	7.32 (6.60 + 0.72)	November 2006	7.32	March 2007	4
	0.08	March 2006 (re-validated in November 2006)	0.08	March 2007	4
	0.27	November 2006	0.27	March 2007	4

Source: Sanction letters and Cash Books.

During 2002-07, State's share of funds was also released during March of the respective year. Release of funds at the fag end of the years, however, left the DEME with little time to disburse the amount to the DISs within the financial year.

#### 3.2.10.2 Undisbursed Funds

Out of the available funds of Rs.28.73 crore during 2002-07, Rs.9.65 crore remained undisbursed with the DEME. The undisbursed amount with the DEME during the period ranged from 50 to 100 per cent. During 2004-05, though the entire amount of Rs.6.79 crore (excluding opening balance) was drawn by the DEME in March 2005, these were released to the DISs after a delay of three months in July 2005.

#### 3.2.10.3 Withdrawal of Funds to avoid lapse of Budget Grants

Funds amounting to Rs.19.48 crore released by the State Government at the fag end of the years 2002-03 (Rs.1.35 crore), 2005-06 (Rs.8.35 crore out of Rs.16.21 crore) and 2006-07 (Rs.9.78 crore out of Rs.18.46 crore) were initially kept in "8443 Civil Deposit" during March of each year and withdrawn during the subsequent year for utilisation. This was contrary to the State Treasury Rules, 1985, which prohibits drawal of money in anticipation of demand or to prevent lapse of budget grants.

Further, the DEME even after drawal of funds retained the funds for 89 days to 462 days before disbursement to the respective DIS for reasons neither on record nor stated. The position is given below:

Table 3.9

(Rupees in crore)

Year	Amount	Date of Drawal with reference to Main Cash Book	Date of disbursement to the DIS	Delay in disbursement
2002 – 03	1.35	31 March 2003 (credited to Civil Deposit and withdrawn on 21 July 2003)	21 July 2003	...
2003 - 04	1.07	31 March 2004 (converted to Banker's cheque)	7 July 2005	462 days
2004 - 05	6.79	31 March 2005	1 July 2005	91 days
2005 - 06	8.35	31 March 2006 (credited to Civil Deposit and withdrawn on 7 June 2006)	5 September 2006	89 days
2006 - 07	9.78	31 March 2007 (credited to Civil Deposit and withdrawn on 16 May 2007)	17 May 2007	...

Source: Cash Books and Treasury Challans.

#### 3.2.10.4 Denial of Central Assistance

According to the guidelines for the revised scheme issued by the GOI in 2004, Central assistance required for implementation of the scheme was to be transferred to the State Government in due course and thus, adequate provision was to be made in the annual budget of the State Government in anticipation of actual flow of Central assistance. The first instalment of Central assistance for cooking cost was to be released in May/June for the period from July to December and the second instalment during November/December for the period from January to June of the succeeding year. Release of each instalment was subject to a certificate from the State Government that at least two-thirds of the previous instalment and full amount of earlier instalments were utilised.

The GOI, while approving (September 2006) the Annual Work Plan for the year 2006-07, considered 210 school days to work out the entitlement of foodgrains. But entitlement for cooking assistance was approved by the Programme Approval Board as Rs.13.19 crore for 146 school days. Reason for considering 146 school days for cooking assistance instead of 210 school days was not on record. Of Rs.13.19 crore, the GOI released the first instalment of Rs.6.60 crore in November 2006. The balance amount of Rs.6.59 crore was, however, not released by the GOI, reasons for which were not on record. The certificate required to be sent to the GOI for release of subsequent instalment, though called for (August and September 2007) from the DEME and the nodal Department, was not produced to Audit. In the absence of this certificate, Audit could not ascertain the actual position of utilisation of funds released by the GOI and also the reason for non-release of Rs.6.59 crore. The fact remains that cooked meal could not be provided to the children even during the reduced number of 146 school days because of short release of funds thereby frustrating the objective of the revised scheme.



### 3.2.10.5 Diversion of Funds

According to the Cash Book for the year 2003-04 maintained by the DIS, Tura, Rs.5.06 lakh meant for the Mid-Day Meal Programme was diverted (15 April 2003) for payment of salary to the teachers of non-Government lower primary schools. The amount was, however, recouped after 69 days on 12 June 2003. The action of the DIS was contrary to the instruction of the GOI.

### 3.2.11 Programme Implementation

#### 3.2.11.1 Additional Subsidy Burden

Foodgrains required for distribution to the schools are allocated by the GOI on the basis of figures of enrolment of children furnished by the State Government. In Meghalaya, no survey was conducted by the State Government to assess the number of children enrolled in primary classes and the number of enrolled children was furnished to the GOI without any basis. Accordingly, foodgrains were allocated by the GOI for lifting from the FCI (cost of which is reimbursed to FCI by the GOI).

Compared to the number of children (6-11 years) enrolled in the schools that appeared in the Annual Working Plan & Budget of the Sarva Shiksha Abhiyan (SSA)<sup>5</sup>, there was excess reporting of enrolled children by the State Government during 2003-07 (information for 2002-03 was not available). Consequently, the GOI allocated excess quantity of foodgrains. The details are given in the table below:

**Table 3.10**

(Quantity in quintals)

Year	Number of enrolled children as per SSA	Foodgrains required*	Foodgrains lifted	Foodgrains lifted in excess of requirement
2003-04	3,80,327	81,664.80	93,734.02	12,069.22
2004-05	4,12,822	82,564.40	95,122.80	12,558.40
2005-06	4,44,480	74,672.64	1,00,414.20	25,741.56
2006-07	4,87,956	81,976.61	99,878.86	17,902.25
		<b>3,20,878.45</b>	<b>3,89,149.88</b>	<b>68,271.43</b>

Source: Information furnished by the DEME and Annual Working Plan & Budget of the SSA.

\* Worked out by Audit based on number of children enrolled and prescribed norm for cooked meals.

During 2003-07, the State Government lifted 38,914.99 tonnes of foodgrains from the FCI against 32,087.85 tonnes required for the number of enrolled children assessed by the SSA, thereby passing on an additional subsidy burden of Rs.3.86 crore to the GOI. Details are given in **Appendix 3.4**. Reasons for lifting of excess foodgrains were not on record.

<sup>5</sup> The SSA, launched (January 2001) by the GOI to attain universal elementary education in the country, was one of the development programmes which were convergent to the Mid-day Meal Programme.

### 3.2.11.2 Undue Financial Benefit to the Whole-Salers

According to the scheme guidelines, the Deputy Commissioners were responsible for transportation of foodgrains from the FCI godown to the schools either directly or through authorised agencies. Test-check of the records of the DIS, West Garo Hills and East Khasi Hills revealed that in these two districts the foodgrains were always (East Khasi Hills: 2002-07; West Garo Hills: 2002-03 to January 2006) lifted by the school authorities from the godown of the whole-salers at their cost. However, in West Garo Hills arrangements for supply of foodgrains through fair price shops was made in February 2006.

It was further noticed that though foodgrains were lifted by the school authorities themselves, the whole-salers claimed Rs.1.61 crore as transportation charges of foodgrains to the school premises of East Khasi Hills and West Garo Hills Districts during 2002-07 (Rs.99 lakh) and 2002-06 (Rs.62 lakh) respectively from DCs. Of this, Rs.56 lakh was re-imbursed to the whole-salers by the DCs of the concerned districts (East Khasi Hills: Rs.28 lakh; West Garo Hills: Rs.28 lakh) till the date of audit. The action of the DCs was unjustified and resulted in undue financial benefit of Rs.56 lakh to the whole-salers.

### 3.2.11.3 Shortfall in Providing Cooked Meal

For providing cooked meal to the school children, the State Government, in 2001-02, fixed the rate of Rs.63.06 per child per annum which remained in force till revision of the scheme guidelines by the GOI in September 2004. But release of funds for the purpose was much below the actual requirement, as detailed below:

**Table 3.11**

(Rupees in lakh)

Year	Enrolment as reported to the GOI by the State Government	Funds released to the DIS for disbursement to the schools/centres	Net funds available with the DIS	Number of days on which cooked meal could be served with the available funds at prescribed rate <sup>6</sup>	Shortfall in number of days and percentage of shortfall in brackets
2002-03	4,34,702	137.06	137.06	105	105 (50)
2003-04	4, 85,980	137.06	137.06	94	116 (55)
2004-05	5,02,573	Nil	-	0	210 (100)
2005-06	5,97,555	561.92	547.38 <sup>(7)</sup>	96	114 (54)
2006-07	6,27,596	869.30	630.18 <sup>(8)</sup>	50	160 (76)

Source: Release orders of funds issued by the State Government and Cash Books.

The table above shows that the shortfall of days on which the cooked food could not be served to the children in schools ranged between 105 and 210 days (i.e., 50 per cent to 100 per cent in various years). During 2004-05,

<sup>6</sup> 2002-2004: (Total school days (210) x Amount released) ÷ (Enrolment x Rs.63.06)

2005-06: Net funds available ÷ (Enrolment x Re.1)

2006-07: Net funds available ÷ (Enrolment x Rs.2)

<sup>(7)</sup> Excluding Rs.14.54 lakh refunded by the DIS.

<sup>(8)</sup> Excluding unspent balance of Rs.239.12 lakh available with the DIS of six districts as of March 2007.

cooked food was not provided to 5.03 lakh children due to release of funds by the State Government at the fag end of the year. The position further worsened in East Garo Hills District during 2005-06, as the cooking cost of Rs.58.35 lakh meant for providing cooked meal to 58,348 children, released to the DC in July 2005 was disbursed to the DIS in March 2006 thereby depriving the targeted children of cooked food during 2005-06. According to the DEME (December 2006), the Central and State Government officials, while inspecting the schools in the State, observed that cooked meal were not served to the students regularly and in many schools, cooked meals were served only once or twice a week. Thus, the objective of improving the nutritional status of children remained largely unachieved.

#### **3.2.11.4 Doubtful Implementation of Scheme**

Audit scrutiny revealed the following instances of improper maintenance of acquittance rolls, cash books, *etc.* by the DISs, which made the implementation of the scheme questionable:

- During October 2003 to January 2004, the DIS, East Khasi Hills, Shillong disbursed Rs.36.58 lakh to different schools for providing cooked meal to the children. But proper acquittance in support of actual disbursement of Rs.1.73 lakh meant for 73 schools was not available.
- Cash Books for the period from April 2002 to August 2005 were not maintained by the DIS, Ri-Bhoi, Nongpoh for recording transactions under the scheme. However, as per disbursement records for the year 2002-03, cheques for Rs.0.40 lakh meant for providing cooked meal to the children of 19 primary schools were not collected by the schools concerned. Further, cheques for Rs.0.89 lakh issued (between 18 January 2006 and 10 May 2006) by the DIS to 15 primary schools as cooking cost were not encashed by the school authorities till August 2007. Consequently, children of these schools were deprived of the intended benefit during 2002-03 and during January to May 2006.
- During 2002-07, the DIS, Mairang, West Khasi Hills District received Rs.88.84 lakh for implementation of the scheme in schools/centres under his jurisdiction. But Cash book showing receipt and disbursement of the amount was not maintained. Records of disbursement and bank reconciliation statement were also not produced to Audit. In the absence of these records, proper utilisation of available funds could not be ascertained in audit. Non-recording of financial transactions in the cash book is fraught with the risk of misappropriation.
- In three test-checked districts (East Khasi Hills, West Khasi Hills and Ri-Bhoi), lifting orders of allotted quota of foodgrains were issued by the concerned DCs during second/third week of the respective month leaving little scope for delivery of the foodgrains to the concerned schools. In East Garo Hills district, lifting orders of foodgrains were issued after a delay of one to four months, which indicated that the intended benefit of providing dry ration/cooked meal to the children was not extended in time.

### 3.2.11.5 Quality of Foodgrains

According to the guidelines for the revised scheme issued by the GOI in 2004, FCI was to issue foodgrains of best available quality, which would in any case be at least of Fair Average Quality (FAQ). District Collectors (DCs) were to ensure that foodgrains of at least FAQ were issued by the FCI after joint inspection by a team consisting of FCI and DC's nominees. DIS were required to submit monthly reports to the DEME certifying that foodgrains received and disbursed to the schools were of FAQ. But no such report was submitted by the DIS. In the absence of this report, the quality of foodgrains supplied for the school children could not be ascertained. The possibility of supplying inferior quality of foodgrains could not be ruled out in view of Planning Commission's observations<sup>9</sup> about supply of unsatisfactory rice in some parts of the West Khasi Hills District.

### 3.2.11.6 Infrastructure Facilities

For supply of cooked meals, the guidelines prescribed the physical infrastructure, such as, kitchen-cum-store, adequate water supply for drinking, cooking device (stove, chulha, etc.), containers for storage of foodgrains and other ingredients and utensils for cooking and serving.

Information obtained from 120 selected lower primary schools/EGS centres (20 from each district) of the test-checked districts and scrutiny of records revealed that there was a severe lack of infrastructure, as detailed below:

**Table 3.12**

Particulars	Number of schools/centres out of 6,497 schools/centres in the six test-checked districts
Schools without kitchen-cum-store	6,473
Schools without drinking water facility	4,974
Schools without adequate cooking devices/utensils	2,182

Source: Information furnished by the DIS.

Inadequate infrastructure indicated ineffective implementation of the scheme in the State, because regular serving of cooked meal to the children was not possible without required infrastructure.

### 3.2.11.7 Lack of Initiative in Improvement of Nutritional Status of the Children

To achieve the secondary objective of improving the nutritional status of the children in the primary classes, the scheme guidelines envisaged that the SLSMC was to ensure the convergence of primary health care and nutrition. But health check-up was never conducted in any of the test-checked schools/centres. As a result, nutritional deficiencies in children were not

<sup>9</sup> Observation was made by the members of the Planning Commission during their visit in 2004-05.

identified for providing nutritional supplements. The Special Officer, Education Department stated (September 2007) that steps were being taken to collaborate with departments like Health, Welfare and Food and Nutrition Board. Reasons for not taking such action earlier had not been stated.

### **3.2.11.8 Non-maintenance of Records**

(a) Records/registers showing receipt and issue of stores, cooked meals served, presence of parents during cooking and serving and mid-day meal attendance to ensure effective monitoring of the nutritional status of children, regularity in attendance as well as retention in and completion of primary education were not maintained by the test-checked schools/centres. As an inspection team consisting of officers from the Central and State Governments during their visit (2006-07) to many schools/centres observed non-maintenance of proper records, the DEME directed (December 2006) the DIS to issue instruction in this regard to all schools/centres.

(b) As per the scheme guidelines, the State Government was to furnish to the GOI monthly attendance figures in primary classes, monthly statement certifying the quantity of foodgrains lifted from the FCI and details regarding the quantity of foodgrains transported every month to the schools. But no such figures/statement were furnished to the GOI. In the absence of this information, actual requirement of foodgrains *vis-à-vis* quantity actually lifted and utilised and impact of the scheme by way of improvement in attendance, reduction in dropouts for achieving universalisation of primary education could not be assessed in audit.

### **3.2.12 Monitoring and Evaluation**

For proper monitoring of the scheme, guidelines *inter alia* provided as under:

- Setting up of State, District and Block level Steering-cum-Monitoring Committees (SMC) to oversee the management and monitoring of the programme, assess its impact and take corrective steps.
- Village Education Committee (VEC), Parents Teachers Association (PTA) and School Management-cum-Development Committee (SMDC) were to ensure that all children get a meal of satisfactory quality effecting improvement of nutritional status, regularity in attendance and retention on completion of primary education. Besides, implementation of varied menu and overall quality of mid-day meal was to be monitored by the block level SMC and officers of the nodal Department.

The SMCs at all levels were formed only in February 2005 and hence there was no monitoring of the scheme during 2002-04. Besides, records in support of monitoring of the scheme by the State level SMC during 2005-07 were not produced to Audit. Regular monitoring of implementation of the scheme by the VEC/PTA/SMDC also remained unassessed due to non-availability of relevant records with the test-checked schools/centres.

The State Government had not yet developed the computerised management information system for proper monitoring of the scheme as envisaged.

The overall impact of implementation of the scheme was also not assessed at any level. Contribution of the scheme in enhancement of learning level of the children in primary classes also remained unevaluated due to absence of any report with the nodal Department regarding average marks obtained by the children. There was no record to ascertain the effort, if any, taken by the Department to give special focus to children belonging to disadvantaged sections.

### **3.2.13 Conclusion**

The overall impact of the scheme was far from satisfactory, since the nodal Department failed to provide cooked meal to the school children during most of the school days. Health check-up of children was not conducted to identify nutritional deficiencies and provide nutritional supplements. Under the scheme, the number of enrolled children was reported to the GOI by the State Government without any basis. Fund management was poor and the DEME had not disbursed 50 to 100 *per cent* of the available funds to the implementing authority. Infrastructural facilities like kitchen-cum-store, drinking water, *etc.* were not available in most of the schools/centres. The scheme was also not evaluated to ascertain the extent of achievement of objectives.

### **3.2.14 Recommendations**

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

- **Children enrolled in the primary classes should be identified after conducting proper survey to ensure that only the eligible children are covered in the scheme.**
- **Funds should be released on time and utilised for the purpose for which these are sanctioned.**
- **Efforts should be made to serve cooked meal to the targeted group of children with increased nutritional value on all the school days to achieve the twin objective of nutrition as well as retention of children in primary level of education system.**
- **Monitoring system at each level should be strengthened and a system of evaluation to assess the impact of the programme should be evolved.**

The matter was reported to the Government in September 2007; reply had not been received (February 2008).

## HOME (POLICE) DEPARTMENT

### 3.3 Modernisation of Police Force

#### *Highlights*

*The scheme of Modernisation of Police Force was launched by the GOI for modernising the police force in the country to enable them to effectively face the emerging challenges to internal security. The planning for implementation of the scheme in the State was not effective. Important components under the scheme, like police infrastructure, mobility, etc. did not get priority during actual implementation. The financial management of the scheme was poor and allocated funds could not be utilised. Consequently, the objectives of the scheme could not be realised even after 37 years of its implementation.*

- **The Central and State Governments had not released Rs.23.94 crore to the implementing Department thereby adversely affecting the implementation of the scheme. Delay in release of Central assistance also led to ineffective implementation of the scheme and non-utilisation of funds by the Department.**

(Paragraphs 3.3.9.2, 3.3.9.3 & 3.3.9.4)

- **The Department failed to provide basic infrastructure to its police force, like buildings for Police Stations/Out Posts, rest rooms and toilets for the women police.**

(Paragraphs 3.3.11.2 & 3.3.11.3)

- **The intention of increasing the mobility of police force was defeated because of failure of the Department in providing the required number of vehicles to its force as per norms.**

(Paragraph 3.3.12)

- **There was short supply of weapons to the police force despite incurring an expenditure of Rs.1.69 crore during 2002-07.**

(Paragraph 3.3.13.1)

- **The functioning of the Police Training School in the State was not effective because of shortfall in imparting professional training as well as in conducting weaponry practice to the police personnel.**

(Paragraph 3.3.14.1)

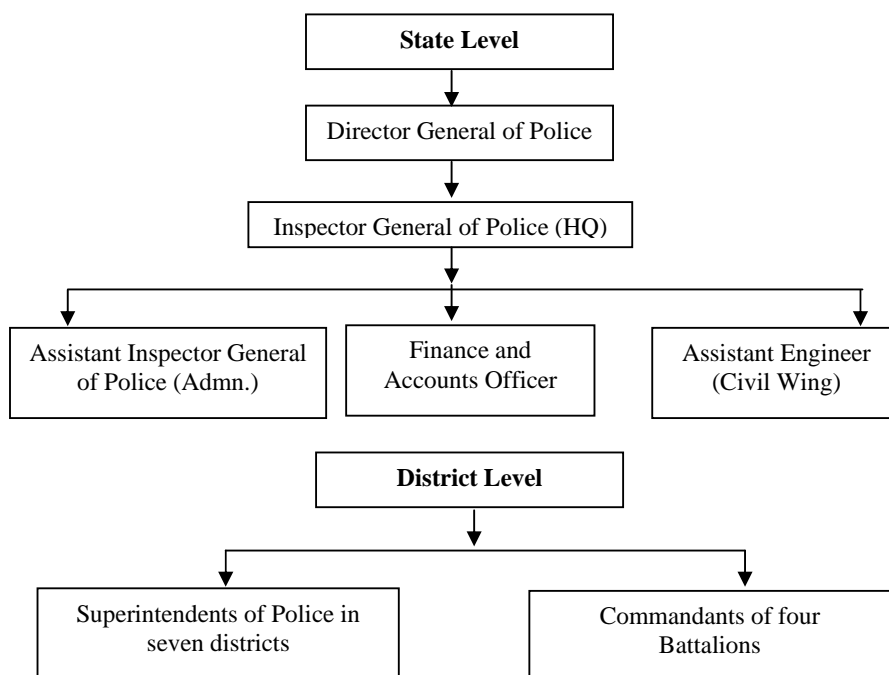
### 3.3.1 Introduction

The scheme ‘Modernisation of Police Force’ (MPF) was launched in 1969-70 by the GOI for modernising the police forces in the country to enable them to effectively face the emerging challenges to internal security. The basic objective of the scheme was to meet the deficiencies in the State Police Force and to achieve its planned development and modernisation. A revised scheme involving substantial Central assistance was launched by the GOI in February 2001 for a ten year period starting from 2000-01. The main components of the scheme are Housing, Buildings, Mobility, Training, Equipment, Communication and Computerisation. The scheme is being implemented in Meghalaya since 1973-74.

### 3.3.2 Organisational Set Up

At the Government level, the Commissioner and Secretary of the Home (Police) Department is responsible for overseeing the implementation of MPF. There is a State Level Empowered Committee (SLEC) set up (May 2001) under the Chairmanship of the Chief Secretary to monitor the implementation of the modernisation plan. Organisational structure for implementation of the scheme in the State is detailed below:

**Chart 3.3**



### 3.3.3 Scope of Audit

A review of the implementation of the scheme during 2002-03 to 2006-07 was conducted through a test-check (April-May 2007) of the records of the Home (Police) Department, Director General of Police (DGP) and Inspector General of Police (IGP) covering 41 per cent (Rs.12.54 crore) of the total expenditure



of Rs.30.24 crore. Out of seven districts in the State, three<sup>1</sup> were selected for audit. In the selected districts, records of the Superintendent of Police (SP), two Police Battalions<sup>2</sup> (out of four), five unit offices<sup>3</sup>, six (out of 27) Police Stations<sup>4</sup> and two outposts<sup>5</sup> (out of 55) were test-checked. Besides, records of the Police Training School and Directorate of Forensic Science Laboratory were also test-checked. Results of the review are discussed in the succeeding paragraphs.

### **3.3.4 Audit Objectives**

The performance review was conducted with the objective of assessing whether:

- the objectives envisaged in Police Modernisation plan were achieved;
- planning for implementation of the scheme was carried out in a sound manner;
- adequate funds were provided by the Central/State Governments and funds were utilised for the intended purpose;
- various components of the scheme were implemented economically, efficiently and effectively and as per approved plan/prescribed norms; and,
- implementation of the scheme was effectively monitored.

### **3.3.5 Audit Criteria**

Audit findings were benchmarked against the following criteria:

- Perspective Plan of the Department;
- Norms prescribed by the Bureau of Police Research and Development (BPR&D);
- Prescribed output and benchmarks of performance;
- Norms regarding satisfaction level of housing, training of the police personnel, creation of infrastructure and procurement of weaponry; and,
- Monitoring mechanism prescribed.

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<sup>1</sup> East Khasi Hills, West Garo Hills and Jaintia Hills Districts.

<sup>2</sup> 1<sup>st</sup> and 2<sup>nd</sup> Meghalaya Police Battalion.

<sup>3</sup> Police Training School, Meghalaya Police Radio Organisation, Forensic Science Laboratory, Special Branch and State Crime Record Bureau/Criminal Investigation Department.

<sup>4</sup> Shillong Sadar, Laitumkrah, Tura Sadar, Phulbari, Jowai and Khliehriat Police Stations.

<sup>5</sup> Selsela and Rajabala Outposts.

### 3.3.6 Audit Methodology

An entry conference was held in April 2007 with the IGP (HQ) wherein the audit objectives, scope and criteria were explained and suggestions as well as perceptions relating to the strengths and weaknesses of the Department in implementing the scheme were discussed.

For the performance review, districts and battalions were selected on the basis of stratified random sampling. Perspective plan, annual plans, utilisation of funds allotted by the Union and State Governments, execution of various activities, *etc.* were analysed using the available data. Audit findings were discussed with the Commissioner and Secretary of the Department in an exit conference on 25 October 2007 and the replies of the Department have been incorporated at appropriate places in the review.

### Audit Findings

#### 3.3.7 Plan Formulation

Proper planning is imperative for achieving the objectives of a programme in a systematic and efficient manner. A Perspective Plan for the period 2000-05 was drawn up (recast afresh in September 2001) by the Department involving an outlay of Rs.50.74 crore. The Annual Plans (APs) were to flow from the five year plan. For the years 2002-07, APs involving an outlay of Rs.54.17 crore were approved by the GOI.

##### 3.3.7.1 Delay in Submission/Approval of Annual Plan

The details regarding submission/approval of AP by the State Government were as follows:

**Table 3.13**

Year	Due date of submission of the annual action plan to the Ministry of Home Affairs (MHA)	Date of submission	Date of approval by MHA
2002-03	31 May 2002	4 September 2002	13 November 2002
2003-04	15 May 2003 (extended up to 7 November 2003)	28 October 2003	18 November 2003
2004-05	20 April 2004	17 June 2004	27 July 2004
2005-06	15 May 2005	25 May 2005	13 July 2005
2006-07	5 May 2006	13 July 2006	12 September 2006

*Source: Correspondence of the MHA and the Department.*

From the above, it is seen that the State Government had delayed the submission of the AP to the MHA for all the years except 2003-04. The delays ranged up to three months. Consequently, the approval of the AP by the MHA was also delayed and in two out of five years, the MHA approved the plan in the third quarter of the relevant financial year leaving insufficient time to spend the scheme funds in the same year.

### 3.3.8 Funding Pattern

The expenditure under MPF was financed during 2002-03 on 50:50 basis by the Union and the State Governments. The ratio was changed to 75:25 during 2003-06. Thereafter, the scheme was fully funded by the GOI.

The Central share during 2002-03 was in the form of 50 *per cent* grant and 50 *per cent* loan. In addition to release of funds to the State Government, the GOI released funds out of its share to different agencies as cost of vehicles, arms and ammunitions, *etc.* to be supplied to the State (termed as assistance in kind).

### 3.3.9 Financial Management

#### 3.3.9.1 Financial Position

Funds released by the Central and the State Governments during 2002-07 for implementation of the MPF (including Central assistance in kind<sup>6</sup>), expenditure incurred thereagainst and unutilised funds were as under:

**Table 3.14**

(Rupees in crore)

Year	Appro-ved outlay	Central share (Per cent)	State share (Per cent)	Ope-ning bal-a-nce	Funds received from Centre	Funds received from State	Total funds avail-able	Expen-diture	Unspent balance (Per cent)
					Cash (assis-tance in kind)				
2002-03	10.37	5.19 <sup>(7)</sup> (50)	5.18 <sup>(7)</sup> (50)	0.25	0.42 (0.12)	5.17	5.84	5.60	0.24 (4)
2003-04	9.88	7.41 (75)	2.47 (25)	0.24	1.56 (3.83)	1.45	3.25	1.45	1.80 (55)
2004-05	10.90	8.18 (75)	2.72 (25)	1.80	2.00 (5.59)	0.55	4.35	0.58	3.77 (87)
2005-06	15.02	11.27 (75)	3.75 (25)	3.77	1.78 (2.29)	...	5.55	2.89	2.66 (48)
2006-07	8.00	8.00 (100)	Nil	2.66	4.53 (3.36)	...	7.19	4.53	2.66 (37)
<b>Total</b>	<b>54.17</b>	<b>40.05</b>	<b>14.12</b>		<b>10.29 (15.19)</b>	<b>7.17</b>		<b>15.05</b>	

Source: Approved Annual Plans, GOI's sanction letters and information furnished by the Under Secretary of the Department.

From the above it will be observed that in none of the years did the Centre and the State contribute their full complement of funds. The funds short received ranged between 1 *per cent* and 73 *per cent* and totalled Rs.21.52 crore. Further, even out of the funds received, the Department was unable to utilise them fully. The percentage of unspent funds ranged between 4 and 87.

In addition, assistance of Rs.8.97 crore was released in kind by the GOI during 2002-05 under the Special Central Assistance/ Reimbursement of Security Related Expenditure (SRE) schemes. The year-wise position was as under:

<sup>6</sup> Weaponry, vehicles, other equipment, *etc.*

<sup>(7)</sup> Difference of Rs.0.01 crore is due to rounding.

Table 3.15

Items	(Rupees in crore)		
	2002-03	2003-04	2004-05
Vehicles	2.00	1.98	...
Bullet Proofing of Vehicles	1.20	...	0.14
Communication Equipment	1.09	1.10	...
Arms and Ammunition	1.46	...	...
<b>Total</b>	<b>5.75</b>	<b>3.08</b>	<b>0.14</b>

Source: Information provided by Assistant Inspector General of Police (Administration).

### 3.3.9.2 Short release of Central Funds

The Department could not utilise 4 to 87 per cent of funds available during 2002-07, mainly due to late release of funds by the GOI during the last month of the financial years 2003-04 (Rs.1.56 crore), 2004-05 (Rs.2 crore), 2005-06 (Rs.1.78 crore) and 2006-07 (Rs.4.53 crore).

The State Government also released the funds to the implementing Department after a delay of 4 to 11 months, as detailed below:

Table 3.16

Year	Amount released by the GOI	Month and year of release by the GOI	(Rupees in crore)			
			Amount released by the State Government	Month and year of release by the State Government	Delay (in months)	Short release of Central funds
2003-04	1.56	March 2004	0.03	August 2004	4	1.53
2004-05	2.00	March 2005	1.03	January 2006	9	...
			0.25	March 2006	11	0.72
2005-06	1.78	March 2006	1.61	December 2006	8	0.17
<b>Total</b>	<b>5.34</b>		<b>2.92</b>			<b>2.42</b>

Source: Copies of release orders of funds and Cash Books.

Release of funds by the GOI at the fag end of the years 2003-07, however, left the Department little time to utilise the amount within the financial year.

Besides delay in release of funds, Central funds of Rs.2.42 crore were not released by the State Government to the implementing Department thereby adversely affecting the implementation of the scheme.

### 3.3.9.3 Shortfall in Release of Funds by the GOI

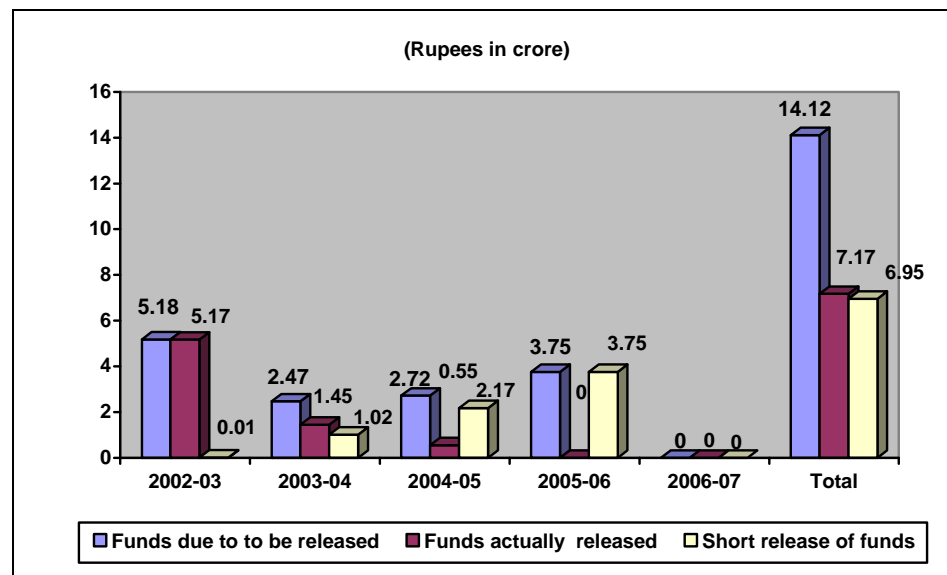
Though the GOI was committed for providing assistance of Rs.40.05 crore during 2002-03 to 2006-07, the assistance released to the State Government was only Rs.25.48 crore (cash: Rs.10.29 crore; kind: Rs.15.19 crore), resulting in shortfall in Central assistance by Rs.14.57 crore.

### 3.3.9.4 Short Release of Funds by the State Government

Against Rs.14.12 crore due to be released by the State Government (as per the funding pattern) during 2002-07 for implementation of the MPF, the actual release was Rs.7.17 crore only. Thus, there was short release of Rs.6.95 crore

violating the condition for sharing of funds. Year-wise position is given below:

**Chart 3.4**



Source: Approved Annual Plans and information furnished by the Under Secretary of the Department.

### 3.3.10 Implementation and Progress of Police Modernisation

The annual plans for the years 2002-07 approved by the MHA provided for implementation of various components under the MPF scheme during the period. The various components, approved outlay for each component for 2002-07 and expenditure incurred thereagainst are given below:

**Table 3.17**

Components	Approved outlay	Expenditure incurred		
		Cash	Kind	Total (Percentage to approved outlay)
Buildings	21.31	...	9.65	9.65 (45)
Mobility	11.47	3.72	2.76	6.48 (56)
Weaponry	2.28	0.31	1.38	1.69 (74)
Training	0.62	0.31	...	0.31 (50)
Security equipment	3.40	2.72	...	2.72 (80)
Communication system	7.17	3.48	0.67	4.15 (58)
Forensic Science Laboratory equipment	1.56	0.60	0.64	1.24 (79)
Common Integrated Police Application Project	0.15	...	0.09	0.09 (60)
Others	6.21	3.91	...	3.91 (63) <sup>(8)</sup>
<b>Total</b>	<b>54.17</b>	<b>15.05</b>	<b>15.19</b>	<b>30.24</b>

Source: Approved Annual Plans, Release Order of funds and Utilisation Certificates.

<sup>(8)</sup> Office automation (Rs.2.95 crore); Aids to investigation (Rs.0.41 crore); Items for traffic (Rs.0.30 crore); Home Guards (Rs.0.25 crore).

Position of implementation of some of the major components of the scheme is discussed in the succeeding paragraphs.

### **3.3.11 Buildings**

#### **3.3.11.1 Low Level of Satisfaction in Housing**

The BPR&D in its Five Year Projection on Modernisation and Upgradation of Police Infrastructure opined (March 2000) that the performance of the police was better in States where accommodation was available in large numbers. The National Police Commission (NPC) also recommended 100 *per cent* accommodation for all police personnel. As per the BPR&D data, for 100 *per cent* satisfaction, the State required 7,338 quarters for lower subordinates<sup>9</sup> and 365 quarters for upper subordinates<sup>9</sup> of police force.

During 2002-07, construction of 46 quarters were taken up under the MPF scheme against the approved outlay of Rs.1.21 crore (upper subordinates: Rs.69 lakh; lower subordinates: Rs.52 lakh). Though the entire amount was advanced (2002-07) to the executing agency (Meghalaya Government Construction Corporation Limited) for construction of the targeted number of quarters, 10 quarters remained incomplete (March 2007). Failure to complete targeted number of quarters under the MPF scheme showed the apathy of the Department in achieving the satisfaction level in respect of housing which has a significant bearing on the performance of the Police force in the State.

#### **3.3.11.2 Failure to provide basic Infrastructure to the Police Force**

Police Station (PS) is one of the most important field operative units. Hence it is important that it is located and accommodated in a proper building for smooth functioning. As per the BPR&D, each PS and Out Post (OP) must have a building, boundary wall, cost of which was also worked out by the BPR&D as Rs.21.87 lakh and Rs.9.37 lakh per PS and OP respectively. But 35 out of 82 PSs and OPs in the State were functioning in semi-permanent buildings, as detailed below:

**Table 3.18**

Category	Existing number	Accommodation in semi-permanent buildings
Police Stations	27	12
Outposts	51	19
Border Outposts	4	4
<b>Total</b>	<b>82</b>	<b>35</b>

*Source: Information furnished by the Assistant Engineer (Civil), Engineering Cell*

Though construction of seven buildings for two PSs and five OPs at the approved cost of Rs.1.51 crore was taken up during 2003-07, two of these buildings (taken up in 2005-06) for the Rongara and Borsora Police OPs were not completed. The physical progress of these works was 20 *per cent* (March 2007). Financial progress is not available.

<sup>9</sup> Lower Subordinates: Constables and Head Constables.

Upper Subordinates: Assistant Sub-Inspectors, Sub-Inspectors and Inspectors.

Similarly, construction of eight buildings (2003-07) approved by the MHA at a cost of Rs.3.99 crore for the Meghalaya Police Radio Organisation, Police Reserve, *etc.* were either not completed or in progress. The details are as under:

**Table 3.19**

Particulars of the buildings	Year	Works taken up		Works in progress		Works not started	
		Number of works	Cost approved by the MHA	Number of works	Progressive expenditure	Number of works	Approved cost
			(Rupees in lakh)		(Rupees in lakh)		(Rupees in lakh)
Repeater Station buildings	2004-05 & 2006-07	4	102.00	2	18.50	2	52.00
Meghalaya Police Radio Organisation Building	2005-06 & 2006-07	2	179.00	1	76.50	1	29.00
Border management Headquarters	2004-05	1	100.00	1	14.00	...	...
Police Reserve Building, Baghmara	2003-04	1	18.00	...	...	1	18.00
<b>Total</b>		<b>8</b>	<b>399.00</b>	<b>4</b>	<b>109.00</b>	<b>4</b>	<b>99.00</b>

*Source: Information furnished by the Assistant Engineer (Civil), Engineering Cell.*

Despite shortfall in proper buildings for the police force, construction works of four buildings (approved cost: Rs.99 lakh) taken up during 2003-2007 were not started by the Department (March 2007), indicating lack of initiative in providing basic infrastructure to the police force.

### **3.3.11.3 Absence of Basic Amenities for the Women Police Personnel**

According to the BPR&D, in all zonal offices, range offices, reserve lines, SP's office, sub-divisions and police stations, a rest room and a toilet were to be provided for women police. For Meghalaya, the cost of the rest room and the toilet for 38 of these offices was worked out (March 2000) by the BPR&D as Rs.34.20 lakh. In the test-checked PS and OP, four PSs were provided with such basic amenities for women police. In one of the test-checked PSs (Tura), rest room was not provided although toilet was available. The position of these amenities in respect of the Laitumkhrah Police Station was not furnished.

The Deputy Secretary of the Department (DS) stated (October 2007) that the rest rooms and toilets could not be provided because the cost of these amenities as worked out by the BPR&D was quite less. The reply did not indicate whether the GOI was approached to increase the cost.

### **3.3.12 Mobility**

Police mobility is inextricably linked to their performance. The BPR&D has prescribed scales for various types of operational vehicles required for Police Stations, District Armed Reserve and Armed Police Battalion. Against the approved outlay of Rs.11.47 crore for providing mobility during 2002-07, expenditure during the period was Rs.6.48 crore.

The requirement of vehicles for the police force as per BPR&D's norms (January 1998) and actual position in the test-checked districts as of March 2007 are shown below:

**Table 3.20**

Category of vehicles	Unit	Total vehicles		Excess (+)
		Required	Available	Shortage (-)
(In numbers)				
Heavy Vehicles	1 <sup>st</sup> and 2 <sup>nd</sup> MLP Battalions	58	22	(-) 36
	SPs of three Districts <sup>10</sup>	21	25	(+) 4
		<b>79</b>	<b>47</b>	<b>(-) 32</b>
Medium Vehicles	1 <sup>st</sup> and 2 <sup>nd</sup> MLP Battalions	16	12	(-) 4
	SPs of three Districts	51	33	(-) 18
	Six Police Stations	-	1	(+) 1
		<b>67</b>	<b>46</b>	<b>(-) 21</b>
Light Vehicles	1 <sup>st</sup> and 2 <sup>nd</sup> MLP Battalions	26	30	(+) 4
	SPs of three Districts	42	128	(+) 86
	Six Police Stations	12	9	(-) 3
		<b>80</b>	<b>167</b>	<b>(+) 87</b>
Motor Cycles	1 <sup>st</sup> and 2 <sup>nd</sup> MLP Battalions	10	5	(-) 5
	SPs of three Districts	21	30	(+) 9
	Six Police Stations	18	2	(-) 16
	Two Police Outposts	4	Nil	(-) 4
		<b>53</b>	<b>37</b>	<b>(-) 16</b>
<b>Total</b>		<b>279</b>	<b>297</b>	

Source: Information furnished by the Commandants of Battalions, SPs of Districts and in-charge of Police Stations/Out Posts.

The above table shows that the two battalions are functioning with a shortage of 40 heavy and medium vehicles and five motor cycles. Similarly, there was shortage of 18 medium vehicles with the SPs of three districts. Six PSs and two OPs were also operating with a shortage of three light vehicles and 20 motor cycles. In contrast, 90 light vehicles were provided in excess of requirement to the SPs of three districts (86 vehicles) and two battalions (four vehicles). Since there was shortage of heavy and medium vehicles and motor cycles with the PSs/OPs and the battalions, retention of excess vehicles with the SPs was not justified.

Further, against 260 available vehicles (heavy, medium and light), the sanctioned strength of drivers was 217 and the men-in-position was 208. Thus, there was short deployment of 52 drivers against the available vehicles.

Shortage of required vehicles with the battalions and PSs/OPs and shortfall in availability of drivers indicated mobility deficiency and inability to mobilise the force at short notice for emergency operations. Failure to meet the mobility deficiency in the police force despite availability of funds and expending Rs.6.48 crore during 2002-07 showed the lackadaisical attitude of the Department towards improvement of the effectiveness of police force.

The DS stated (October 2007) that as the light vehicles are more suitable and compatible to the difficult road conditions and hostile hilly terrain of the State, these were provided in excess of requirement. The reply is not tenable

<sup>10</sup> East Khasi Hills, Jaintia Hills and West Garo Hills Districts.



because the action of the Department is contrary to the BPR&D norms and also because excess light vehicles were provided to the SPs rather than the PS, where the operational need is more.

### 3.3.13 Weaponry

#### 3.3.13.1 Shortfall in Supply of Weaponry and Equipment

One of the important aspects of modernisation and upgradation of police force is the scale of weapons with which the police force has to be equipped. Scrutiny of records revealed that despite expenditure of Rs.1.69 crore during 2002-07, 10 to 98 per cent of the required weaponry were not supplied in the three test-checked districts. Similarly, there was huge shortfall (17 to 100 per cent) in supply of protective equipment (body protector, steel helmet, etc.). In contrast, 1,829 bullet proof jackets were supplied to two test-checked districts and one battalion without requirement and in another battalion in excess of requirement<sup>11</sup>. Details of shortfall in supply of weaponry and equipment in the test-checked districts are given below:

**Table 3.21**

(In numbers)

Weapon	Requirement/Supply	East Khasi Hills	West Garo Hills	Jaintia Hills	1 <sup>st</sup> MLP Battalion	2 <sup>nd</sup> MLP Battalion
AK 47	Requirement	80	30	20	...	961
	Supply	30	20	13	42	20
	Shortfall	50	10	7	...	941
	Percentage of shortfall	63	33	35	...	98
7.62 SLR	Requirement	877	100	175	829	961
	Supply	200	90	50	435	325
	Shortfall	677	10	125	394	636
	Percentage of shortfall	77	10	71	48	66
5.56 INSAS	Requirement	130	25	136	...	961
	Supply	30	25	10	30	75
	Shortfall	100	...	126	...	886
	Percentage of shortfall	77	...	93	...	92
9mm Carbine	Requirement	171	50	30	175	175
	Supply	71	50	16	138	120
	Shortfall	100	...	14	37	55
	Percentage of shortfall	58	...	47	21	31
Glock Pistol	Requirement	...	...	4	2	...
	Supply	10	1	1	...	...
	Shortfall	100	...	3	...	...
	Percentage of shortfall	...	...	75	...	...
9 mm Pistol	Requirement	311	50	15	...	111
	Supply	111	31	11	...	50
	Shortfall	200	19	4	...	61
	Percentage of shortfall	64	38	27	...	55

Source: Information furnished by the SPs of East Khasi Hills, West Garo Hills and Jaintia Hills and the Commandant of 1<sup>st</sup> MLP Battalion.

<sup>11</sup> West Garo Hills: 400; Jaintia Hills: 100; 1<sup>st</sup> MLP Battalion: 430; 2<sup>nd</sup> MLP Battalion: 899.

Table 3.22

## Protective Equipment

(In numbers)

Equipment	Requirement/ Supply	East Khasi Hills	West Garo Hills	Jaintia Hills	1 <sup>st</sup> MLP Battalion
Poly Carbonate Shield	Requirement	900	200	60	...
	Supply	100	125	25	...
	Shortfall	800	75	35	...
	Percentage of shortfall	89	38	58	...
Poly Carbonate Lathi	Requirement	919	300	60	200
	Supply	81	125	25	300
	Shortfall	838	175	35	...
	Percentage of shortfall	91	58	58	...
New Body Protector	Requirement	950	300	60	941
	Supply	50	124	25	0
	Shortfall	900	176	35	941
	Percentage of shortfall	95	59	58	100
Steel Helmet	Requirement	927	200	...	941
	Supply	73	166	52	0
	Shortfall	854	34	...	941
	Percentage of shortfall	92	17	...	100

Source: Information furnished by the SPs of East Khasi Hills, West Garo Hills and Jaintia Hills and the Commandant of 1<sup>st</sup> MLP Battalion.

Thus, the objective of the MPF scheme to equip the police force with sufficient weaponry remained unfulfilled.

### 3.3.14 Training and Manpower

Training is pre-requisite for effective functioning of police force. The MPF scheme provided for infrastructure facilities and equipment for police training institutes in the State. During 2002-07, the Department incurred an expenditure of Rs.31 lakh on training equipment.

Audit scrutiny revealed the following irregularities in imparting training:

#### 3.3.14.1 Shortfall in imparting Training by the Police Training School

The only Police Training School (PTS) of the State, established in 1977, is responsible for imparting in-service training of Inspectors/Sub-Inspectors/Assistant Sub-Inspectors and Head Constables. Further, as per the BPR&D, any police personnel, at the time of recruitment or later, who is likely to use various weapons, must have minimum practice as per prescribed scale. Details showing the number of persons who had undergone professional training and practice to use weapons in the PTS during 2002-07 are given below:

Table 3.23 : Position of Professional Training

Particulars	2002-03	2003-04	2004-05	2005-06	2006-07
Number of lower and upper subordinates police personnel	5,845	5,224	5,721	5,575	9,376
Number of police personnel trained	1,075	1,222	721	390	1,374
Percentage of persons trained	18	23	13	7	15

Source: Data available in "Crime in India" published by the National Crime Record Bureau and information furnished by the Principal, PTS.

**Table 3.24 : Position of Practice in use of weapons**

Name of weapon	Prescribed scale of practice per person (in rounds)	Practice actually given per trainee (in rounds)	Shortfall (in rounds)	Percentage of shortfall
.303 Rifle	40	20	20	50
9 mm Carbine	50	20	30	60
AK 47 Rifle	50	10	40	80
5.56 INSAS with bay scale	50	10	40	80
7.62 SLR	40	20	20	50
9 mm Browning Pistol	40	24	16	40
.38 Revolver	36	12	24	67

Source: BPR&D norms and information furnished by the Principal of the PTS.

The above tables show that during 2002-07, professional training was imparted to only 7 to 23 *per cent* of upper and lower subordinate police personnel. Besides, though there was increase of 3,801 police personnel in 2006-07 over the previous year, training was imparted to only 1,374 personnel during the year. Similarly, shortfall in the practice of weaponry was as high as 80 *per cent*. Deficiencies in the training and practice not only indicated ineffective functioning of the PTS but would also affect the efficiency and striking ability of the police during exigencies.

The DS stated (October 2007) that the PTS was responsible for imparting training to the unarmed police personnel. As regards shortfall in the practice in weaponry, the DS stated (October 2007) that more emphasis was given on imparting classes on law and allied subjects for the unarmed police personnel. The reply is not tenable because as per activities provided in the five year perspective plan for MPF, the PTS was responsible for imparting basic training to the unarmed police personnel as well as in-service training to Inspectors, Sub-Inspectors, Assistant Sub-Inspectors and Head Constables.

### **3.3.14.2 Special Training Centre**

The Special Training Centres (STC) at the 1<sup>st</sup> and 2<sup>nd</sup> Battalions of the Meghalaya Police are responsible for imparting basic training to the newly recruited Armed Branch Armed Police Constables. Besides, the cadre courses and specialised courses were also to be conducted in these centres.

According to the information furnished (May 2007) by the Commandant of the 2<sup>nd</sup> Battalion, the practice of weapons was done one to 10 times annually during 2002-07. But no such information was furnished by the Commandant of the 1<sup>st</sup> Battalion. As such, the performance of the STC at 1<sup>st</sup> Battalion could not be assessed in audit.

### **3.3.14.3 Deployment of Untrained Police Personnel for the Security of Very Important Persons (VIPs)**

The Special Branch (SB) of the Department is responsible for the security of VIPs of the State as well as for other security related matter. During 2002-07, an expenditure of Rs.2.72 crore was incurred on the security equipment.

While communicating (November 2002) the recommendations of the Evaluation Committee on Weapons Standardisation for VIP Security<sup>12</sup>, the MHA observed (November 2002) that the standardisation of weapons should be accompanied by an appropriate training schedule and minimum firing requirement of these specialised weapons by the personnel of the VIP Squadrons in line with the norm of National Security Guard/Special Protection Group. According to the MHA (November 2002), it was also essential for the personnel attached for security duty of VIPs to attend Commandos/VIP security advance course from time to time.

Although 24 Personal Security Officers and 13 Close Protection Teams of the SB were deployed for the security of VIPs, only two out of 22 Inspectors and 11 out of 82 Sub-Inspectors attended VIP security training (theoretical) during 2002-07.

For weapons standardisation for VIP securities, 10 AK-47 Rifles were provided to the SB in May 2006. However, only one annual range practice was undertaken during 2006 for minimum firing requirement of AK 47 Rifles and no personnel attached for VIP security duties were detailed for any Commandos/VIP security advance course.

Absence of requisite training may result in ineffective performance of the police deployed for the security of VIPs.

### 3.3.15 Manpower

Adequate manpower is imperative for effective functioning of the Police Department. In order to keep pace with the population growth, BPR&D recommended an annual growth of 2 per cent in police manpower. Contrary to this recommendation, the manpower in the Department decreased by 3 per cent in 2004-05 over the previous year. Though there was an increasing trend during 2005-07, the total increase during these two years (3 per cent) was less than the prescribed norm. The details are given below:

**Table 3.25**

Particulars	2002-03	2003-04	2004-05	2005-06	2006-07
Sanctioned strength	10,338	10,338	10,226	10,227	10,371
Men-in-position	8,683	9,166	8,929	8,930	9,202
Total number of vacancies	1,655	1,172	1,297	1,297	1,169
Percentage of vacancies to sanctioned strength	16	11	13	13	11
Total number of women police	134	134	125	126	271
Percentage of women police to the total number of police	2	1	1	1	3

Source: Data available in the "Crime in India" published by the National Crime Records Bureau and Information furnished by the Assistant Inspector General (Inspection).

The above table shows that the total number of women police force constituted only one per cent of the total police force of the State during 2003-06. There was, however, marginal improvement (by 2 per cent) during 2006-07.

<sup>12</sup> Constituted by the MHA to ascertain the nature of police weaponry being utilised on VIP security duties in India.

### **3.3.16 Installation of Police Communication Network**

The Police Communication Network (POLNET) is a satellite based integrated network which envisages installation of Very Small Aperture Terminals (VSAT) and Multi Access Radio Telephone (MART) to link the National Capital with all the State Capitals. According to MHA (May 2005), the project must be implemented in 2005-06.

During 2002-03 and 2004-05, GOI released Rs.37.88 lakh to the Director, Coordination, Police Wireless (DCPW), New Delhi for implementation of POLNET. Accordingly, eight POLNET terminals were installed during 2003-04 and 2004-05. In addition, 34 Remote Station Units (RSU) and eight Base Station Units (BSU) were also installed during 2005-06 and 2006-07. However, one BSU was not working since 2006-07. Consequently, POLNET services were not fully operational in the State.

The DS stated (October 2007) that the BSU was not working due to damage of outdoor unit in cyclonic storm and the matter had been taken up with the DCPW and the Deputy Director, POLNET for rectification of the damaged equipment.

### **3.3.17 Forensic Science Laboratory**

#### **3.3.17.1 Ineffective Functioning of the Forensic Science Laboratory**

The only Forensic Science Laboratory (FSL) of the State was established in 1987. During 2002-07, the Department procured various equipment<sup>13</sup> at a cost of Rs.2.10 crore to upgrade the infrastructure of the FSL for scientific and effective investigation of criminal cases. But, the FSL was running with five out of 10 sanctioned posts of specialised staff. Even the post of Director was lying vacant since January 2005. Though the PAC in its Twenty-seventh Report recommended filling up the vacant posts at the earliest, no effective step had been taken by the Department even after 10 years of placing the Report of the PAC before the State Legislature (April 1997). This made the functioning of the FSL with optimum capacity utilisation of facilities and infrastructure impracticable.

The DS stated (October 2007) that effort was being made to fill up the vacant posts and the post of Director could not be filled up because of litigation in the Court.

#### **3.3.17.2 Delay in Reporting of Chemical Examination by the FSL**

Though the FSL was responsible for chemical examination of viscera and other exhibits, no time frame was fixed for reporting the results of examination. In some cases, reporting of chemical examination was delayed

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<sup>13</sup> High performance thin layer chromatography machine, ultra-violet visible spectrophotometer, gas-chromatography headspace, atomic absorption spectro-meter and portable video-spectral comparator.

up to 894 days thereby delaying the process of investigation and prosecution as detailed below:

**Table 3.26**

(Cases in number)

Year	Documentation, Physical, Biology and Chemical Divisions				
	Cases received	Cases examined	Cases pending	Minimum days taken	Maximum days taken
2002	270	214	56	2	894
2003	233	168	65	2	505
2004	284	232	52	1	567
2005	233	164	69	3	349
2006	294	220	74	2	240

Source: Information furnished by the Director, in charge of FSL.

### 3.3.17.3 Mobile Forensic Science Units

To strengthen the infrastructure of FSL including the Mobile Forensic Science Units (MFSUs), the Eleventh Finance Commission (EFC) made provision of Rs.84 lakh which was utilised for setting up of MFSUs in all the districts of Meghalaya. The following irregularities were noticed in this regard:

- Out of seven Mobile Forensic Science Laboratory (MFSL) vehicles procured by the Director in March 2001 (two vehicles) and January 2004 (five vehicles) at a cost of Rs.29.20 lakh for the seven districts, five were allotted to the Superintendents of Police of five districts<sup>14</sup>. Of the remaining two vehicles meant for two districts, one was retained at the FSL and the other was placed at the disposal of the Police Headquarters in September 2001 thereby depriving two districts, viz., West Khasi Hills and South Garo Hills, of the facilities of MFSUs.
- BPR&D guidelines specified the equipment to be provided in the MFSUs. But some<sup>15</sup> of the equipment provided in the seven MFSUs procured by the Department were not in conformity with the guidelines. Reasons for the deviation were not on record.

The DS stated (October 2007) that the MFSL was retained at the FSL due to shortage of departmental vehicles and was utilised solely for the purpose of visiting crime scenes and that the equipment were purchased after assessment of actual field requirement. The reason for retention of MFSL with the Police Headquarters as well as authority for deviation from the BPR&D guidelines had not been stated.

<sup>14</sup> East Garo Hills, West Garo Hills, Jaintia Hills, Ri-Bhoi and East Khasi Hills.

<sup>15</sup> Large Tool Mark Investigation kit, All Purpose Crime Scene Investigation kit, Evidence collection & identification kit, Master Silicon Rubber and foot print casting kit, Halogen flood Light, Face mask with filter arrangement, Instant semen test kit, Multi Colour Light Source Crime Lite with rechargeable Battery and Narcotic Analysis kit.

### 3.3.18 Implementation of Common Integrated Police Application Project

The Common Integrated Police Application (CIPA) project was introduced by the GOI in May 2004 to computerise all the PSs in the State. The CIPA was to be implemented by the National Informatic Centre (NIC) as a total package (supply of hardware, software, imparting of training, etc.) for which GOI released Rs.9 lakh in 2004-05.

Under the project, the target for 2004-05 was to cover 10 *per cent* police stations of the State in the first phase, for which NIC was to install the hardware. Software was to be installed and tested in these police stations by August 2005. However, the target was revised (January 2006) to six police stations of East Khasi Hills District and the criminal investigation wing of Police Headquarters. In the second phase, 30 *per cent* police stations were to be covered under the project by 2005-06.

It was noticed that six police stations of East Khasi Hills District along with criminal investigation wing were covered under the project after a delay of one to two years between October 2006 and February 2007. But testing was not done till March 2007. The second phase of the project was not taken as of March 2007. Thus, the purpose for which the project was implemented by the GOI had not been achieved even after two years.

### 3.3.19.2 Increasing Crime Rate

There was an upward trend in the number of reported crimes as well as number of pending criminal cases during 2002-06 as would be evidenced from the table below:

**Table 3.27**

(In number)

Year	Cases reported during the year	Cases solved during the year including old cases	Cases pending at the end of the year
2002	1,664	1,273	3,210
2003	1,669	1,161	3,718
2004	1,882	1,502	4,098
2005	2,016	1,563	4,551
2006	2,020	2,135	4,436

Source: Information furnished by the SP, State Crime Records Bureau.

Persistent increase in the number of crimes is indicative of deteriorating law and order situation and inefficiency of the police force.

### 3.3.20 Monitoring and Evaluation

The existence of an effective monitoring system is a pre-requisite for smooth functioning of a scheme. In accordance with the GOI's instructions of February 2001, the State Government constituted (May 2001) an Empowered Committee under the chairmanship of the Chief Secretary of the State to monitor the implementation of the scheme. But, no record regarding monitoring the implementation of the scheme by the committee during 2002-07 was produced to Audit.

### **3.3.21 Conclusion**

The objectives of the scheme to modernise the State police force to meet the emerging challenges remained largely unachieved. Even after 37 years of implementation of the scheme, the State failed to provide basic infrastructure like housing and buildings to its force. Fund management was poor and the Department could not utilise the available funds provided by the Central and State Governments. There was no appreciable increase in mobility inasmuch as the State police force was running with a shortage of substantial number of vehicles. Shortfall in imparting professional training to the police personnel and conducting requisite practice to use weaponry by the police force indicated ineffective functioning of the PTS. Such shortfall casts a doubt on the efficiency and striking ability of the police during exigencies. There has been an increase in the crime rate and the FSL is ill equipped to speed up investigations.

### **3.3.22 Recommendations**

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

- **Timely release and proper utilisation of funds with reference to objectives should be made mandatory.**
- **Infrastructure like buildings for PSs/OPs with basic amenities and 100 per cent accommodation for Police should be created to achieve optimum performance of the police force.**
- **Effective steps should be taken to avoid mobility deficiency by providing required number of vehicles to the police force.**
- **Regular training should be imparted to the police personnel as per norms to upgrade their knowledge and skills.**
- **Monitoring mechanism both at the level of Department and Government should be made effective.**



## **PUBLIC HEALTH ENGINEERING DEPARTMENT**

### **3.4 Drinking Water Supply Schemes**

#### *Highlights*

*In Meghalaya, various water supply schemes are implemented by the Public Health Engineering (PHE) Department under different programmes for providing adequate safe drinking water facilities to the people of the State. A review of implementation of the programmes revealed significant shortfall (45 to 53 per cent) in coverage of identified habitations with safe drinking water during 2002-07. The programmes also suffered from diversion of funds, defective planning and inefficient execution. There was lack of monitoring and evaluation of the water supply schemes taken up for implementation under the programmes.*

- **The Department failed to utilise 18 to 46 per cent of funds available under the Accelerated Rural Water Supply Programme and 27 to 100 per cent of funds available under Prime Minister's Programme.**

**(Paragraph 3.4.8.3)**

- **The Department failed to prepare the Annual Action Plan indicating the details of the schemes and the required funds outlay.**

**(Paragraph 3.4.7)**

- **Expenditure of Rs.12.56 crore incurred on 34 water supply schemes had become unproductive, as these schemes remained incomplete for periods ranging from one to two years.**

**(Paragraph 3.4.11)**

- **There was time overrun of one to five years in the completion of 37 water supply schemes, resulting in cost overrun of Rs.87.01 lakh.**

**(Paragraph 3.4.12)**

- **The Department incurred wasteful expenditure of Rs.67.38 lakh due to taking up of the work of the Lyngkyrdem Combined Water Supply Scheme without ensuring the source of water.**

**(Paragraph 3.4.13.1)**

- **There was idle investment of Rs.1.70 crore due to procurement of material without arranging the source of water/site for execution of work.**

**(Paragraphs 3.4.13.1, 3.4.13.3 & 3.4.13.5)**

➤ **Unauthorised deviation from the sanctioned estimate resulted in execution of sub-standard work valued at Rs.2.23 crore on implementation of the Greater Mawryngkneng Rural Water Supply Scheme.**

**(Paragraph 3.4.18.2)**

### **3.4.1 Introduction**

Water is a basic human need and a precious national asset. In Meghalaya, for providing adequate safe drinking water facilities, various water supply schemes are implemented under the Central and State sectors as details below:

- Minimum Needs Programme (MNP) (State Sector);
- Prime Minister Gramodaya Yojana (PMGY)<sup>1</sup> (State Sector);
- Accelerated Rural Water Supply Programme (ARWSP) (Central Sector); and,
- Accelerated Urban Water Supply Programme (AUWSP) (Central Sector).

ARWSP was introduced (1972-73) by GOI to assist the States and Union Territories with 100 *per cent* grants-in-aid to provide drinking water in problem villages<sup>2</sup>. This programme continued till 1973-74 but was withdrawn with the introduction of the MNP during the Fifth Five Year Plan (from 1974-75). The programme was re-introduced in 1977-78 to accelerate the pace of coverage of problem villages. In 1986, the programme was given a mission approach with the introduction of National Drinking Water Mission (NDWM), which was renamed as Rajiv Gandhi National Drinking Water Mission (RGNDWM) in 1991. The RGNDWM covered ARWSP, Sector Reforms Programme, Sub-Mission Projects and support services. The Sector Reforms Programme, launched by GOI on a pilot basis in 1999-2000, was modified and launched as Swajaldhara in December 2002.

The objectives of the ARWSP were to:

- cover all rural habitations with access to a minimum of 40 litres per capita per day (lpcd) of drinking water, with source situated within 100 meters in hilly areas and 1.6 km in plains;
- provide one hand pump or stand-post for every 250 persons;
- ensure sustainability of drinking water systems and sources;

<sup>1</sup> In 2000-01, a new scheme in rural sector under the PMGY was launched by the GOI for taking up projects/schemes on sustainability.

<sup>2</sup> Problem villages were defined as those villages with no assured source of drinking water within a distance of 1.6 km or within an elevation of 100 metres in hilly region.

- tackle the problem of water quality in affected habitations; and,
- institutionalise the reform initiative in rural drinking water supply sector.

To achieve the above objectives, a Comprehensive Action Plan (CAP) was prepared by GOI (1999) by identifying the Not Covered (NC)<sup>3</sup> and Partially Covered (PC) habitations. The target was to cover all uncovered rural habitations by the year 2011-12.

The Centrally sponsored AUWSP for towns having population less than 20,000 as per 1991 census was initiated by GOI from Annual Plan of 1993-94. Augmentation of Simsangiri Water Supply Scheme and Baghmara Water Supply Scheme were the only projects sanctioned (March 1996 and 2001) under AUWSP. The first scheme was completed in 2003-04 and implementation of second scheme was kept in abeyance (March 2007).

To further improve water supply facility, GOI launched Prime Minister's Programme in August 2002. Under the programme, priority was given to (a) installation of hand pumps in water scarce rural areas, (b) coverage of rural lower primary schools having higher percentage of Scheduled Castes/Scheduled Tribes students and girls and (c) for revival of traditional water sources.

### **3.4.2 Organizational Set Up**

At the Government level, the Commissioner and Secretary of the Public Health Engineering (PHE) Department is responsible for overseeing the functions of the Department. The organisational structure of the Department for implementation of various water supply schemes and Sector Reforms/Swajaldhara) is given in Charts 3.5 and 3.6 respectively:

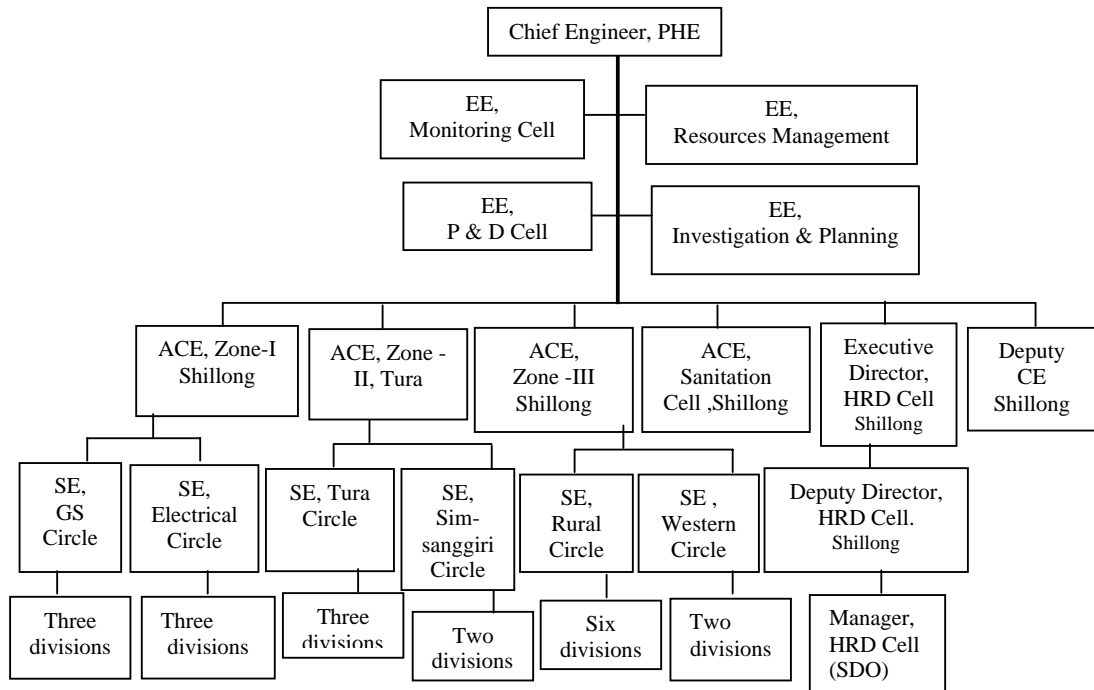
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<sup>3</sup> NC: Where drinking water source/point does not exist within 1.6 km of the habitations in plains and 100 meter elevation in hilly areas, or those which have a drinking water source but are affected with quality problems;

PC: When availability of water is between 10 litres per capita per day (lpcd) and 40 lpcd; and,

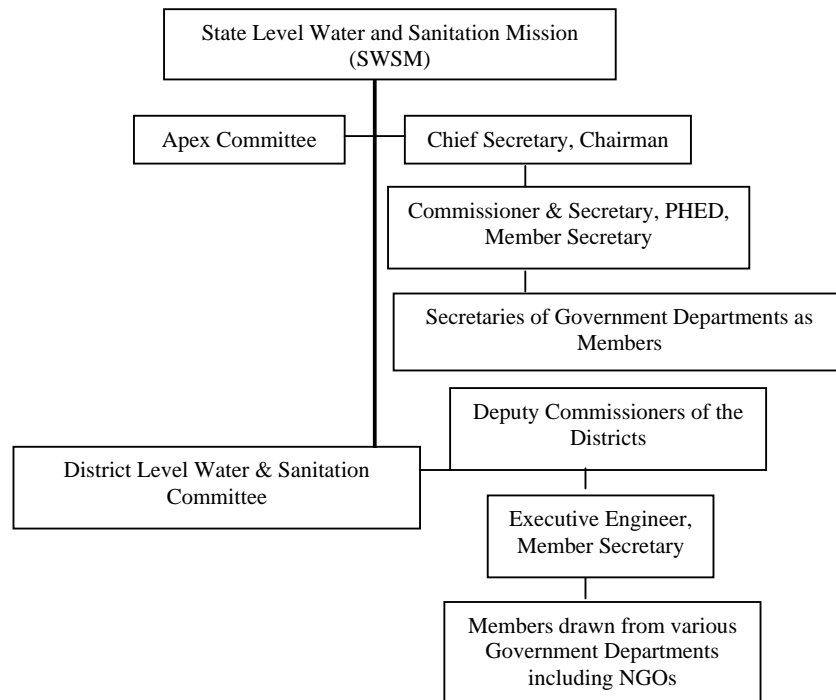
Fully Covered (FC): All other habitations

**Chart 3.5**



*EE: Executive Engineer; ACE: Additional Chief Engineer, SE: Superintending Engineer, HRD: Human Resource Development*

**Chart 3.6**



### **3.4.3 Audit Coverage**

Performance review of water supply schemes covering the period 2002-03 to 2006-07 was conducted between April and July 2007 through a test-check of the records of the Chief Engineer (CE), nine<sup>4</sup> out of 19 divisions in four (out of seven) districts<sup>5</sup> covering 37 *per cent* (Rs.228.01 crore) of the total expenditure (Rs.611.55 crore) during the period. Results of the review are discussed in the succeeding paragraphs.

### **3.4.4 Audit Objectives**

The main objective of the performance review was to evaluate whether adequate and safe drinking water is being supplied to the rural and urban population in the State. For this purpose, thrust was given to verifying the following:

- effectiveness of the planning process;
- efficiency of the system of survey and technical study of water source to achieve the goal of providing safe and sustainable drinking water to rural habitations;
- adequacy in release of funds as per requirement and its proper utilisation;
- efficiency and effectiveness of the execution of works within the stipulated time; and,
- extent of provision of safe drinking water in the State.

### **3.4.5 Audit Criteria**

The following criteria were used in the performance audit:

- Guidelines issued by the GOI with regard to different schemes;
- List of approved schemes and detailed project reports;
- Sanction orders of the GOI and budget provisions; and,
- Prescribed monitoring mechanism.

### **3.4.6 Audit Methodology**

For conducting the performance review, an entry conference was held (June 2007) with the CE and ACEs, Zone I, II & III wherein the audit objectives, scope, criteria and methodology were explained. Districts and divisions were

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<sup>4</sup> Hills Division, Shillong, Investigation Division, Shillong, Electrical (PHE) Division, Mawphlang, Nongstoin Division, Mawkyrwat Division, Tura Division, Tura, Tura North Division, Resubelpara Division and Simsangiri Division, Williamnagar.

<sup>5</sup> East Khasi Hills, West Khasi Hills, East Garo Hills and West Garo Hills.

selected on the basis of stratified random sampling. Utilisation of funds received from the GOI, sanctions, progress reports, project reports, execution of works, *etc.* were analysed to arrive at audit conclusions. Audit findings were discussed with the CE in an exit conference (October 2007) and the replies of the Department have been incorporated in the report at appropriate places.

### ***Audit Findings***

#### ***3.4.7 Planning***

The guidelines for implementation of rural water supply programme envisage preparation of an Annual Action Plan (AAP) by the State Government six months before the commencement of the financial year on the basis of the shelf of schemes, the likely size of allocation under State Sector MNP, ARWSP as well as likely carry over funds, if any, and to submit to RGNDWM by the beginning of October of the year for use at the time of Annual Plan discussions. While preparing the AAP, completion of the incomplete works should be given priority over taking up of new works. As soon as final outlay is decided, the AAP is to be forwarded to the GOI by the 30<sup>th</sup> April of the financial year. The CE stated (August 2007) that no specific AAP had been prepared. Thus, one of the vital requirements of the guidelines remained unfulfilled.

While the programme guidelines do not permit taking up of new schemes before completion of the existing schemes, the Department took up execution of 1,872 new schemes during the period 2002-07 while numerous existing schemes were yet to be completed as detailed below:

**Table 3.28**

Year	Number of incomplete schemes/ works at the commencement of the year	Number of new schemes sanctioned	Number of schemes completed out of ongoing schemes	Number of schemes completed out of new schemes	Number of incomplete schemes at the end of the year
2002-03	705	174	220	...	659
2003-04	659	346	215	6	784
2004-05	784	172	200	3	753
2005-06	753	441	328	49	817
2006-07	817	739	205	103	1,248
<b>Total</b>		<b>1,872</b>	<b>1,168</b>	<b>161</b>	

*Source: Information furnished by the CE, PHED.*

Due to poor planning, the Department spread its resources thin over many schemes without completion of the ongoing schemes.

Despite shortfall in budget provision for completion of ongoing schemes/works, new schemes were sanctioned, which was not only contrary to the RGNDWM guidelines but also placed a heavy burden on the resources and delayed the completion of the existing schemes. The possibility of providing safe drinking water to all the habitations by 2011-12 was also remote due to failure in completion of the sanctioned schemes, which stood at 1,248 at the end of 2006-07.

During exit conference, the CE stated (October 2007) that out of 1,248 incomplete schemes, 531 were sanctioned during 2006-07 and 212 were physically completed, but financial liabilities were not cleared. Reasons for non-completion of 505 old schemes (sanctioned prior to 2006-07) had not been stated.

### 3.4.7.1 Survey and identification of habitations

Till 2003, planning and execution of schemes was based on data collected during 1991 census. Guidelines were circulated (February 2003) by GOI for fresh survey based on 2001 census in all States. The main objective of the survey was to ascertain the status of drinking water supply in the rural habitations, rural schools and identification of habitations with water quality problems.

The survey work was scheduled to be completed within a month by 31 March 2003. But the survey was conducted by the Department in September 2003 and survey results were submitted to GOI in March 2004, i.e., after a delay of one year. According to the survey conducted (September 2003) by the Department, the details of FC, PC and NC habitations in the State during 2003-04 were as under:

**Table 3.29**

(in numbers)

Classification of Habitations	District-wise status as per Survey - 2003							Total
	East Khasi Hills	West Khasi Hills	East Garo Hills	West Garo Hills	South Garo Hills	Jaintia Hills	Ri-Bhoi	
FC	645	562	650	1,418	453	309	486	4,523
PC	436	277	270	723	357	266	236	2,565
NC	305	491	246	984	126	41	416	2,609
<b>Total</b>	<b>1,386</b>	<b>1,330</b>	<b>1,166</b>	<b>3,125</b>	<b>936</b>	<b>616</b>	<b>1,138</b>	<b>9,697</b>

Source: Information furnished (March 2004) by the Principal Secretary, PHED to GOI.

### 3.4.8 Financial Management

#### 3.4.8.1 Funding Pattern

Funds are provided to the States by the RGNDWM under the ARWSP, Sector Reforms Programme, Sub Mission and other support services, viz., Human Resource Development (HRD), Information, Education and Communication (IEC), Management Information System (MIS), Monitoring and Investigation Units, etc.

Central assistance for ARWSP is allocated to the State on the basis of matching provision made/expenditure incurred by the State under the State sector MNP. Release for ARWSP is not to exceed the provision made by the State for MNP. Up to 20 per cent of ARWSP funds can be used for each of Sub Mission projects and Sector Reforms and at least 25 per cent for SCs and 10 per cent for STs are to be earmarked. In addition, 100 per cent Central assistance is provided for HRD, IEC and MIS. Prime Minister programmes

are to be implemented on the principle of partial cost sharing (10 per cent<sup>6</sup> upfront in cash of the capital cost of each scheme) by the community. AUWSP is financed by the Central and State Governments in the ratio of 50:50.

### 3.4.8.2 Budget provision and expenditure

Budget provision *vis-a-vis* expenditure during the last five years ending March 2007 was as under:

**Table 3.30**

(Rupees in crore)

Year	Budget provision <sup>7</sup> (Amount surrendered)		Actual expenditure			Savings (Percentage)	
	Revenue	Capital	Revenue	Capital	Total	Revenue	Capital
2002-03	51.71 (7.17)	84.96 (34.52)	44.09	49.95	94.04	7.62 (15)	35.01 (41)
2003-04	47.29 (1.96)	86.57 (26.79)	45.50	59.57	105.07	1.79 (4)	27.00 (31)
2004-05	52.83 (...)	83.45 (10.10)	52.35	72.64	124.99	0.48 (0.91)	10.81 (13)
2005-06	54.08 (...)	84.35 (5.50)	53.10	77.76	130.86	0.98 (2)	6.59 (8)
2006-07	67.14 (2.60)	95.89 (2.18)	64.30	92.29	156.59	2.84 (4)	3.60 (4)
<b>Total</b>	<b>273.05</b> <b>(11.73)</b>	<b>435.22</b> <b>(79.09)</b>	<b>259.34</b>	<b>352.21</b>	<b>611.55</b>		

Source: Appropriation Accounts.

The following shortcomings were noticed:

- There were persistent savings in all the years during 2002-07. Wide variations between budget provision and actual expenditure indicated that budget was not prepared realistically, particularly under capital section during 2002-03 and 2003-04 where the shortfall was more than 30 per cent.
- Out of the total savings of Rs.96.72 crore during 2002-07, Rs.90.82 crore only was surrendered during the period. The CE, PHE did not surrender the remaining savings of Rs.5.90 crore to the Finance Department for utilisation by other needy departments. Reasons for non-utilisation of available funds and non-surrender of anticipated savings on time had not been furnished.

### 3.4.8.3 Unutilised Central funds

Details given in **Appendix 3.5** show that the Department failed to utilise 18 to 46 per cent of funds available under ARWSP during 2002-07 and 27 to 100 per cent of available funds under Prime Minister's Programme during 2003-07. The unspent funds under ARWSP and Prime Minister's programmes as of

<sup>6</sup> In cases of the habitations where more than 50 per cent of the beneficiaries belong to SC and ST, the community contribution will be 5 per cent.

<sup>7</sup> Original plus Supplementary.



March 2007 stood at Rs.12.28 crore and Rs.54 lakh respectively. Failure to utilise the available funds deprived the people of safe drinking water due to non-completion/delay in completion of the water supply schemes.

#### 3.4.8.4 Diversion of funds

Cases of diversion of funds noticed in audit are given below:

- Expenditure of Rs.62.45 lakh incurred (June 2004 to September 2005) by the EE, Resubelpara Division on various water supply schemes under MNP was charged to the Bajengdoba Water Supply Scheme under ARWSP, thereby adversely affecting the implementation of this scheme.
- Expenditure of Rs.51.73 lakh spent on energy consumption during 2003-04 and 2005-06 in Greater Shillong Water Supply Scheme at Mawphlang was adjusted by debiting the amount to Laitlyngkot Water Supply Scheme under Sub-Mission Programme and Umkrih Water Supply Scheme under ARWSP.
- Expenditure of Rs.22.56 lakh incurred during 2003-04 for Pynthorumkhrah Water Supply Scheme (Phase-I) under State sector was charged to Laitlyngkot Water Supply Scheme under ARWSP, thereby adversely affecting the implementation of this scheme.

During exit conference, the CE stated (October 2007) that the officer responsible for wrong booking of Rs.62.45 lakh had been suspended and that all the wrong booking would be adjusted shortly.

#### 3.4.9 Collection of Water Tax

The actual revenue realised from water tax during 2002-07 against the target was as under:

**Table 3.31**

Year	Target	Actual	(Rupees in lakh)
			Shortfall (Percentage)
2002-03	20.30	8.16	12.14 (60)
2003-04	21.11	9.22	11.89 (56)
2004-05	36.02	24.71	11.31 (31)
2005-06	42.21	25.58	16.63 (39)
2006-07	35.23	19.07	16.16 (46)
<b>Total</b>	<b>154.87</b>	<b>86.74</b>	<b>68.13 (44)</b>

Source: Information furnished by the CE, PHE.

The details above would indicate that against Rs.1.54 crore of water tax targeted for collection during 2002-07, actual collection was Rs.86.74 lakh. The shortfall in collection of water tax during the period ranged between 31 and 60 per cent, reasons for which were not on record. It reflected lack of monitoring at the Sub-division level in collection of water tax.

## Programme Implementation

### 3.4.10 Targets and achievement

As mentioned in paragraph 3.4.7.1, the total number of habitations in the State as per 2003 survey was 9,697, out of which 2,565 habitations were partially covered and 2,609 habitations were not covered.

The achievement in the coverage of habitations during 2002-07 against the targets fixed by the GOI is as under:

**Table 3.32**

(In numbers)

Year	Target habitations			Achievement			Shortfall (-)/Excess (+)		
	NC	PC	Total	NC to FC	PC to FC	Total	NC to FC	PC to FC	Total (Per cent)
2002-03	200	180	380	159	191	350	(-) 41	(+) 11	(-) 30 (8)
2003-04	184	196	380	171	198	369	(-) 13	(+) 2	(-) 11 (3)
2004-05	196	191	387	211	180	391	(+) 15	(-) 11	(+) 4 (1)
2005-06	131	217	348	159	286	445	(+) 28	(+) 69	(+) 97 (28)
2006-07	505	165	670	526	557	1,083	(+) 21	(+) 392	(+) 413 (62)
<b>Total</b>	<b>1,216</b>	<b>949</b>	<b>2,165</b>	<b>1,226</b>	<b>1,412</b>	<b>2,638</b>	<b>(+) 10</b>	<b>(+) 463</b>	<b>(+) 473</b>

Source: Information furnished by the CE, PHE.

Though the overall achievement during the period exceeded the target, the target itself was low when compared to the number of uncovered habitations as of April 2003 as shown in the survey report. Consequently, 1,383 (53 per cent) and 1,153 (45 per cent) NC and PC habitations respectively, were deprived of the benefit of safe drinking water although funds amounting to Rs.83.01 crore on capital account were available for the purpose of which, Rs.79.09 crore was surrendered.

The Department also took up new schemes for execution without completing the ongoing schemes as mentioned in paragraph 3.4.7. While it did not have sufficient funds to complete the existing schemes, taking up new schemes resulted in spreading out the meager resources over numerous schemes resulting in non-completion/time and cost overrun in a number of schemes as brought out in table below and the succeeding paragraphs:

**Table 3.33**

(Rupees in crore)

Year	Amount required for completion of ongoing schemes/ works	Budget provision	Shortfall in budget provision (Percentage)	Amount sanctioned for new schemes
2002-03	81.72	40.75	40.97 (50)	21.30
2003-04	79.88	47.50	32.38 (41)	63.57
2004-05	104.06	49.25	54.81 (53)	84.65
2005-06	139.82	58.70	81.12 (58)	103.91
2006-07	189.57	68.81	120.76 (64)	101.25
<b>Total</b>		<b>265.01</b>		<b>374.68</b>

Source: Information furnished by the CE, PHED.

### 3.4.11 Incomplete Water Supply Schemes

From the details furnished by six out of nine test-checked divisions, it was noticed that 34 water supply schemes/works (estimated cost Rs.13.87 crore) sanctioned between March 2002 and March 2005 under MNP, ARWSP and Sub Mission and targeted for completion by March 2006, remained incomplete as of March 2007. Summarised position of these schemes is given below:

**Table 3.34**

(Rupees in crore)

Name of Programme	Number of incomplete water supply scheme/work	Estimated cost	Expenditure incurred up to March 2007	Period of delay
MNP	17 <sup>(8)</sup>	8.96	8.22	One to two years
ARWSP	11	2.17	2.10	-Do-
Sub Mission	6	2.74	2.24	-Do-
	<b>34</b>	<b>13.87</b>	<b>12.56</b>	

Source: Information furnished by the EEs of concerned divisions.

The table above shows that the delay in completion of these schemes/works ranged between one and two years. Details of these incomplete schemes/works are given in **Appendix 3.6**. As can be seen from the Appendix, delay in completion of the schemes in many cases was due to land disputes. Reasons for delay in other cases were not on record/not furnished by the Department. Thus, expenditure of Rs.12.56 crore on these incomplete schemes/works remained unproductive (March 2007).

During exit conference, the CE stated (October 2007) that the incomplete schemes would be completed as and when adequate funds were provided by the Government. The reply is not tenable considering that the Department failed to utilise the available funds.

### 3.4.12 Time and Cost Overrun

From the details furnished by seven out of nine test-checked divisions, it was noticed that 43 water supply schemes sanctioned between January 1995 and March 2004 at an estimated cost of Rs.9.68 crore were completed at a cost of Rs.10.65 crore (**Appendix 3.7**). Of this, 37 works estimated to cost Rs.8.62 crore were completed after a delay of one to five years beyond the scheduled period of completion resulting in excess expenditure of Rs.87.01 lakh over the estimated cost. The details are as under:

**Table 3.35**

Time overrun	Number of works	Estimated cost	Expenditure incurred	Excess expenditure
(Rupees in lakh)				
One year to three years	31	516.04	577.87	61.83
Up to five years	6	346.22	371.40	25.18
<b>Total</b>	<b>37</b>	<b>862.26</b>	<b>949.27</b>	<b>87.01</b>

Source: Information furnished by the EEs of concerned divisions.

<sup>(8)</sup> Including one work under Greater Shillong Water Supply Scheme.

Although the expenditure in respect of all the 43 schemes exceeded the limit of 5 per cent prescribed in Rule 282 of the Meghalaya Financial Rules, 1981, revised estimates were not submitted by the divisions concerned in contravention of the Rule *ibid*.

### **3.4.13 Accelerated Rural Water Supply Programme**

#### **3.4.13.1 Wasteful Expenditure and Idle Investment on a Water Supply Scheme**

To provide potable water to six habitations, the State Government sanctioned (March 2004) “Lyngkyrdem Combined Water Supply Scheme”, estimated to cost Rs.2.55 crore, stipulating March 2006 as the date of completion. The scheme was to be implemented by the Investigation Division, Shillong.

Between November 2004 and June 2006, the Division incurred Rs.1.45 crore on procurement (November 2004) of pipes (15,239.92 running meters (RM) of 150 mm MS pipes: Rs.116.74 lakh; CI and GI Pipes: Rs.20.36 lakh), laying of 7,740 RM MS pipes (Rs.5.63 lakh) and construction of intake arrangement (Rs.2.46 lakh). In January 2007, the Additional CE, Zone I observed that the source (Wah Ba) of water was not in a position to serve the water supply system to the targeted habitations and therefore, recommended for shifting the source to another stream. However, the new source of water could not be finalised till the date of audit (July 2007) and the remaining work of the scheme was abandoned.

Thus, taking up of water supply scheme without ensuring the source of water resulted in wasteful expenditure of Rs.67.38 lakh<sup>9</sup> and idle investment of Rs.77.81 lakh<sup>10</sup> for over two years, besides depriving the targeted habitations of potable water.

#### **3.4.13.2 Suspected Misappropriation due to Payment for Material not actually received**

During August 2004, the CE, PHE placed supply order with a Byrnihat based firm for supply of GI pipes required for implementation of the Bajengdoba Water Supply Scheme in Resubelpara. On the basis of certificates of the Junior Engineer (JE) recorded on the bills that full quantity of material was received, the EE paid (December 2004, March and June 2005) Rs.51.76 lakh to the firm as cost of GI pipes<sup>11</sup>. But according to information furnished (November 2006) by the EE to the Superintending Engineer (SE), Simsangiri circle, these pipes were not received and therefore, he placed requisition for the same.

<sup>9</sup> Laying of 7,740 RM MS pipes (Cost of pipes: Rs.59.29 lakh and expenditure on laying: Rs.5.63 lakh) and cost of construction of intake arrangement (Rs.2.46 lakh): **Rs.67.38 lakh**

<sup>10</sup> Cost of unutilised pipes (7,499.92 RM of 150 mm MS pipes: Rs.57.45 lakh; CI and GI Pipes: Rs.20.36 lakh): **Rs.77.81 lakh**

<sup>11</sup> 100 mm: 10,630.84 RM: Rs.47.72 lakh; 50 mm: 499.31 RM, 40 mm: 1,939.82 RM & 15 mm: 1,195.47 RM: Rs.4.04 lakh.

Thus, the expenditure of Rs.51.76 lakh incurred on the basis of fictitious certificates indicated that the amount was misappropriated.

### **3.4.13.3 Extra Expenditure on Procurement of Pipes**

The estimate of the Bajengdoba Water Supply Scheme framed by the EE, Resubelpara Division provided Rs.1.30 crore for supply, fitting and fixing of 18,700 RM of GI pipes (at the rate of Rs.696 per RM). Contrary to the estimate, the EE proposed (September 2004) to the SE, Tura Circle to implement the scheme with Ductile Iron (DI) pipe on the ground of better life span of this pipe and less expenditure than the original provision. Though approval for the deviation from the estimated provision was not obtained from the Government, the EE incurred (June, September and December 2006) expenditure of Rs.1.42 crore on procurement of 18,000 RM DI pipes including carriage and fittings. This indicated that cost aspect reported by the EE was not based on actual fact. The action of the EE was not only unauthorised but also resulted in an expenditure of at least Rs.17.10 lakh<sup>12</sup> in excess of the estimated provision.

Further, despite proposal for change in the specification of pipes, the EE purchased (June 2004 to March 2005) GI fittings valued at Rs.12.60 lakh by charging the expenditure to this scheme. The fittings were neither utilised for any other scheme nor transferred to other divisions and were lying unutilised, resulting in an idle investment of Rs.12.60 lakh for two to three years.

### **3.4.13.4 Incorrect Reporting**

Bansingiri Water Supply Scheme under RWS Division, Simsangiri, estimated to cost Rs.2.98 lakh was sanctioned by the State Government in June 1992 for execution under ARWSP. According to the EE, Simsangiri Division (March 2005), the work was completed during 1995-96. But the Deputy Commissioner, East Garo Hills District, during his visit in the village (March 2005), noticed that the scheme was not completed even after a lapse of over 12 years. Thus, the report submitted to the GOI did not exhibit the actual state of affairs.

### **3.4.13.5 Sub Mission Projects**

Sub Mission projects are to be undertaken by the States for providing safe drinking water to the rural habitations facing water quality problems like Fluorosis, Arsenic, Excess Iron, etc.

According to the information furnished (July 2007) by the CE, PHE, as of April 2002, 160 habitations were identified (on 5-10 per cent water quality survey) as having single quality problem (problems of excess iron) in drinking water. Of this, 53 habitations were provided with safe drinking water during

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<sup>12</sup> Expenditure incurred on 18,000 RM DI pipes:	Rs.142.38 lakh
Less: Expenditure on laying of 18,000 RM GI pipes:	<u>Rs.125.28 lakh</u>
<b>Extra Expenditure</b>	<b><u>Rs. 17.10 lakh</u></b>

2002-04. However, on 100 *per cent* water quality survey result, total number of iron affected habitations as of April 2004 was 152, of which 88 were covered during 2004-07. Thus, the Department failed to provide safe drinking water to 64 identified habitations despite expenditure of Rs.12.79 crore out of Central funds. The Department, however, reported (July 2007) to the GOI that only 45 identified habitations remained to be provided with safe drinking water.

Audit scrutiny further revealed that to provide safe drinking water to Rongsaigiri and its surrounding 25 villages, the State Government accorded (October 2002) administrative approval for Rs.5.49 crore for quality improvement of water of Rongsaigiri Water Supply Scheme under Submission Programme. The project was to be completed by March 2006 and the cost was to be borne by the GOI and the State Government in the ratio of 75:25. As of March 2007, an expenditure of Rs.4.31 crore was incurred on the project for 50 *per cent* physical progress. The following irregularities were noticed:

- Till March 2007, the GOI released its full share of Rs.4.12 crore. But only Rs.30.25 lakh was released by the State Government against its share of Rs.1.37 crore. Though the Central funds were exhausted by the Division, it failed to utilise Rs.23.21 lakh of State fund stated (June 2007) by the EE due to slow progress of work. When the Division was in a position to incur expenditure of the entire amount of Central funds, failure in utilisation of State funds showed the apathy of the Department in early completion of the scheme required for improvement of the quality of drinking water.
- The work for laying of 11,990 RM of 250 mm dia MS Gravity main under the Scheme was allotted (March 2004) to a contractor at a tender value of Rs.24.59 lakh stipulating July 2004 as date of completion. As per terms and conditions of notice inviting tenders (NIT) issued (September 2003) by the SE, Tura Circle, the material required for the work were to be issued by the Division.

As per measurement recorded in the Measurement Book, the contractor laid 4,980 RM of 250 mm MS pipe. Accordingly, the contractor claimed (March 2006) Rs.13.38 lakh, of which Rs.6 lakh was paid (March 2006). But the Indent for Stores showed issue of 1,980 RM of 250 mm MS pipes to the contractor till December 2004. This made the laying of 3,000 RM of MS pipes as well as the expenditure incurred for the same questionable inasmuch as the laying of pipes in excess of those issued by the Division was not possible because of the terms and conditions of the NIT.

- The work for laying of 200 mm DI pipe from treatment plant to the proposed reservoir under the Scheme was allotted (July 2003) to a contractor stipulating October 2003 as the date of completion. But 6,050 RM of DI pipes required for the purpose were procured by the Division at a cost of Rs.80.08 lakh after a delay of over one year in February 2005. The work, scheduled to be completed in October 2003, had not started till March 2007, as the site for laying of pipes could not

be given to the contractor due to non-completion of treatment plant. According to the EE, Tura North Division (June 2007), the work for the treatment plant was discontinued by the contractor and he would be requested to re-start the work immediately. As per information furnished (June 2007) by the JE, Phulbari Sub-Division, out of 6,050 RM pipes, 6,006 RM were received and lying unutilised (June 2007). Reasons for short receipt of 44 RM 200 mm DI pipes worth Rs.0.58 lakh were not on record.

Thus, allotment of work as well as procurement of material without arranging the site for execution of the work resulted in an idle investment of Rs.80.08 lakh for over two years. The possibility of immediate commencement of the work is also remote because of discontinuation of the work of treatment plant.

### **3.4.14 Support Services under ARWSP**

#### **3.4.14.1 Lack of Human Resource Development**

A National Human Resource Development Programme (NHRPD) was launched by the RGNDWM in 1994. Under the NHRPD, the States should set up Human Resource Development (HRD) cells for planning, designing, implementing, monitoring and evaluating an appropriate and need based programme. The HRD, *inter alia*, aims at capacity building of local communities by giving requisite training. The Information, Education and Communication (IEC) programme envisaged generating a felt need which would result in an increased demand for safe drinking water and better sanitation facilities and also for creation of awareness on matters related to symptoms and manifestations of water borne diseases.

According to the information furnished (July 2007) by the CE, PHE, the HRD and IEC programmes in the State were discontinued since 2002-03. Even so, expenditure of Rs.0.83 lakh (out of the unutilised fund of Rs.15.42 lakh as of April 2002) was incurred under the IEC programme, details of which were not produced to Audit. Reasons for discontinuation of these programmes had not been furnished.

#### **3.4.14.2 Management Information System**

Information Technology based Management Information System (MIS) envisaged effective planning, monitoring and implementation of various schemes under different programmes. Under the MIS, the GOI released Rs.1.17 crore during 2004-05 (Rs.51 lakh) and 2006-07 (Rs.66 lakh). During 2002-07, the Department incurred expenditure of the entire available funds of Rs.1.23 crore (including opening balance of Rs.6 lakh). But the details of expenditure were not produced to Audit. As such, veracity of the expenditure remained un-assessed.

#### **3.4.15 Sector Reforms Programme**

The main thrust of the Programme was to institutionalise rural community participation through enhancement of awareness for generating resources for

meeting a part of the capital cost of the project. The beneficiaries were to be properly trained to plan, implement, operate, maintain and manage the water supply schemes of their choice. The programme was being implemented in Ri-Bhoi District of the State.

The following irregularities were noticed:

#### **3.4.15.1 Non-adherence to GOI's instructions**

For the Sector Reform Projects, the Union Ministry of Rural Development sanctioned (July 2001) Rs.9.75 crore as provisional project cost for 64 habitations and 100 schools with the condition that the projects should commence with start up activities and a component awareness and training programme. Accordingly, the project profile provided 25 per cent of the project cost for start up activities (one per cent), awareness campaign (15 per cent) and capacity building/training (9 per cent).

During October 2001, the GOI released Rs.2.72 crore as first instalment of its share and thus, Rs.68 lakh (25 per cent) was to be utilised for start up activities, awareness campaign and capacity building/training. Against this, Rs.11.16 lakh only was utilised by the implementing agency (SWSM) for these activities and the balance amount of Rs.2.61 crore was utilised for hardware and other components<sup>13</sup> of the projects till March 2004. The action of the implementing agency was not only contrary to the instruction of the GOI but also indicative of lack of interest in institutionalising capacity building and training campaigns amongst the beneficiaries.

#### **3.4.15.2 Non-release of Central Share**

According to the instructions of the MRD (June 2001), release of second, third and last instalments of funds by the GOI for implementation of the sector reforms project was subject to submission of utilisation certificates by the implementing agency about utilisation of 60 per cent of available funds. But the utilisation certificate in support of utilisation of first instalment of Central funds (Rs.2.72 crore) was submitted (July 2004) to the State Government by the CE after a delay of over two years from the date of release (October 2001). Date of submission of this utilisation certificate to the GOI was not on record. Consequently, the balance amount (Rs.6.35 crore<sup>14</sup>) was not released by the GOI.

During exit conference, the CE stated (October 2007) that since the Swajaldhara Programme was launched (December 2002) by the GOI as an extension of the sector reforms, it was decided that after completion of all the ongoing works under sector reforms, it would be merged with Swajaldhara and as such, no further fund was released. The reply is not tenable because there was delay in submission of utilisation certificate and the Swajaldhara

<sup>13</sup> Community based water quality monitoring, surveillance and monitoring, evaluation and documentation, etc.

<sup>14</sup> Excluding beneficiaries' contribution of Rs.68 lakh.



Programme was launched over one year after release of first instalment of Central share.

### 3.4.16 Prime Minister's Programme

#### 3.4.16.1 Targets and Achievement

During 2003-2007, the GOI released Rs.6.56 crore for implementation of the programme, against which an expenditure of Rs.6.02 crore and the amount of Rs.54 lakh released during 2006-07 remained unutilised (details in **Appendix 3.5**). The targets fixed for implementation of three components of the programme during 2003-2006 and achievement thereagainst are given in the table below. For the year 2006-07, no target was fixed and also there was no achievement.

**Table 3.36**

(In numbers)

Component	2003-04		2004-05		2005-06		Total		Excess
	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	
Installation of hand pumps in water scarce rural areas	506	442	392	467	-	47	898	956	58 (6)
Coverage of rural lower primary schools	548	446	192	348	-	59	740	853	113 (15)
Revival of traditional water sources	506	430	576	669	-	177	1082	1276	194 (18)
<b>Total</b>	<b>1,560</b>	<b>1,318</b>	<b>1,160</b>	<b>1,484</b>	<b>-</b>	<b>283</b>	<b>2,720</b>	<b>3,085</b>	

Source: Information furnished by the CE,PHE.

During 2003-04 and 2004-05, the Department implemented all the three programmes in excess of the targets despite non-utilisation of the available funds. This indicated that the target itself was low.

#### 3.4.17 Water Supply Scheme under Non-Lapsable Central Pool of Resources

Tura Phase III Water Supply Scheme, estimated to cost Rs.21.60 crore, was administratively approved by the State Government in March 2003 under Non-lapsable Central Pool of Resources.

The scheme, scheduled to be completed in May 2006, remained incomplete till March 2007. As of March 2007, the total expenditure on the scheme was Rs.18.90 crore against physical achievement of 82 per cent.

The scheme was to be funded by the Department of Development of North Eastern Region (DONER), GOI and the State Government on 90:10 sharing basis. While the DONER released Rs.17.90 crore (out of Rs.19.44 crore), the State Government released only Rs.1 crore out of its share of Rs.2.16 crore till March 2007. Thus, there was short release of matching share by the DONER and the State Government.

The estimate of the work *inter alia* provided for execution of the following items of work:

- (i) Construction of RCC Zonal Reservoirs (estimated cost: Rs.1.69 crore); and,
- (ii) Construction of Conventional Type Treatment Plant of 10.65 MLD capacity (estimated cost: Rs.1.66 crore).

Audit scrutiny revealed the following irregularities in execution of the above items:

#### **3.4.17.1 Avoidable Committed Liability**

Construction work of four RCC Zonal Reservoirs (working estimated cost Rs.47.16 lakh<sup>15</sup>) was awarded (June 2005 and June 2006) to four contractors at their quoted rates of Rs.59.70 lakh<sup>16</sup> stipulating the date of completion as October 2005 (three cases) and October 2006 (one case). The quoted rates, which were 26 and 28 *per cent* above the estimated cost, were recommended by the Tender Acceptance Board (TAB) in December 2004. However, before commencement of the work, the Department discarded the original working estimates on technical grounds and asked the contractors to submit fresh structural drawings and working estimates. The reasons for not taking into consideration the technical aspects before allotment of work were not on record. Thereafter, the Department negotiated with the contractors at their offered rates of Rs.1 crore<sup>17</sup>, which were 95 to 129 *per cent* above the original working estimated cost of the reservoirs. Records showing the acceptance of these revised rates by the TAB or Government's approval to the enhanced value of work were not produced to Audit. As of March 2007, payments totaling Rs.46.19 lakh were made to the contractors.

Thus, taking advantage of the faulty working estimates, the contractors offered higher rates which were accepted by the Department. This resulted in additional committed liability of Rs.40.30 lakh. Had the works been allotted on the basis of technically sound working estimates, the additional liability could have been avoided.

#### **3.4.17.2 Undue Financial Benefit to the Contractor**

Construction work of 10.65 MLD capacity treatment plant was awarded (March 2004) by the CE, PHE to a Shillong based firm at a lump sum amount of Rs.2.19 crore stipulating October 2005 as the date of completion. The work was completed after a delay of over one year in March 2007 at a cost of Rs.2.45 crore.

<sup>15</sup> 5 lakh litres capacity: Rs.15.51 lakh; 4.19 lakh litres capacity: Rs.12.58 lakh; 2.93 lakh capacity: Rs.9.76 lakh; 2.76 lakh litres capacity: Rs.9.31 lakh.

<sup>16</sup> 5 lakh litres capacity: Rs.19.78 lakh; 4.19 lakh litres capacity: Rs.15.87 lakh; 2.93 lakh capacity: Rs.12.29 lakh; 2.76 lakh litres capacity: Rs.11.76 lakh.

<sup>17</sup> 5 lakh litres capacity: Rs.33.45 lakh; 4.19 lakh litres capacity: Rs.28.83 lakh; 2.93 lakh capacity: Rs.19.89 lakh, 2.76 lakh litres capacity: Rs.18.13 lakh.

In March 2005, the CE, PHE executed a supplementary agreement with the firm for execution of six items of work in connection with the treatment plant and paid (March 2007) Rs.29.39 lakh for these items<sup>18</sup>. Since the contract was on 'lump sum' basis, the contractor was responsible to execute the work with all its contingencies for a fixed sum. Even taking into consideration that the dismantling of the existing retaining wall was beyond the purview of the lump sum contract, payment of Rs.29.29 lakh in addition to the lump sum contract value of Rs.2.19 crore was not justified and resulted in undue financial benefit of Rs.29.29 lakh to the firm.

During exit conference, the CE stated (October 2007) that the additional expenditure was due to shifting of the site of the work. The reply is not tenable because proper site should have been selected before allotment of work.

### ***3.4.18 Minimum Needs Programme/Pradhan Mantri Gramodaya Yojana***

#### ***3.4.18.1 Unfruitful Expenditure due to Inordinate Delay in Completion of Water Supply Scheme***

Mention was made in Paragraph 3.2.10 of the Report of the Comptroller and Auditor General of India for the year ended 31 March 2004 regarding unfruitful expenditure of Rs.2.95 crore due to failure in completion of 'Resubelpara Civil Sub-Division complex and enroute villages water supply scheme' and unproductive expenditure of Rs.37.44 lakh due to discontinuation of work (including construction of simplified treatment plant) by a contractor.

Despite Government's commitment (August 2006) to complete the scheme by March 2007, the scheme remained incomplete (March 2007) even after expenditure of Rs.3.72 crore and thus, the intended benefit could not be extended to targeted populace.

Further, the contract for construction of simplified treatment plant was rescinded (December 2004) by the CE, PHE and allotted (February 2005) to another contractor at tender value of Rs.16.53 lakh stipulating May 2005 as the date of completion. However, the work was not completed till March 2007.

According to the statement of expenditure furnished (December 2006) by the EE, RWS Division, Resubelpara, the Division had already incurred expenditure of Rs.11.49 lakh till March 2004 on construction of simplified treatment plant. This indicated that either the expenditure of Rs.11.49 lakh was charged to this item of work without actual execution or the treatment plant constructed by the Department till March 2004 was incomplete or not as per requirement. The action of the Division was, thus, not justified and led to

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<sup>18</sup> (i) Dismantling the existing boulder retaining wall (Rs.0.10 lakh), (ii) Earth work in excavation (Rs.1.59 lakh), (iii) Providing cement concrete work proportion 1:4:8 (Rs.0.69 lakh), (iv) Providing cement concrete in proportion 1:1.5:3 (Rs.11.84 lakh), (v) Providing torsteel reinforcement in RCC work (Rs.9.21 lakh) and (vi) Providing 25 mm thick shuttering (Rs.5.96 lakh).

additional liability of Rs.16.53 lakh to be paid to the contractor on completion of the work.

#### **3.4.18.2 Execution of Sub-standard Work**

The Greater Mawryngkneng Rural Water Supply Scheme under PHE Hills Division of East Khasi Hills District, estimated to cost Rs.2.11 crore, was sanctioned by the State Government in March 2001. The scheme was taken up for implementation in September 2003 and was targeted for completion by March 2005. The work was completed after a delay of two years in March 2007 at a cost of Rs.2.23 crore.

The estimate of the scheme, prepared by the EE, PHE Hills Division, envisaged laying of 9,875 RM of DI pipes for gravity main at a cost of Rs.86.78 lakh. Contrary to the estimated provision, the EE suggested to the SE, Rural Circle (May 2002) to change the specification of pipe from DI to MS pipe on the ground that MS pipes would be better suited to the terrain condition and non-availability of skilled contractor for laying of DI pipelines. Reasons for not taking into consideration these aspects while framing the estimate were not on record.

The report of MS pipelines published (1991) by the Indian Water Works Association (Pune Centre) outlined the major failure of these pipelines in the country. Referring to this report, a Kolkata based firm informed (May 2002) the CE, PHE about the superior quality of the DI pipes. The firm also agreed to provide all technical support including technical staff during laying of DI pipelines at their cost. Ignoring the quality aspect of DI pipes, the CE, PHE accorded (October 2002) part technical sanction for laying of 150 mm MS pipes at a cost of Rs.72 lakh. In March 2003, the Division incurred expenditure of Rs.55.96 lakh on procurement of MS pipes.

Thus, the action of the CE, PHE was not only unauthorised but also led to execution of sub-standard work valued at Rs.2.23 crore due to laying of inferior quality of pipes for gravity main.

During exit conference, the CE stated (October 2007) that after the site was shown to the Kolkata based firm, they reneged on their commitment. The reply is not tenable because the firm agreed to provide technical support, *etc.* after visiting (May 2002) the site along with the Engineers of the Department.

#### **3.4.19 Material Management**

##### **3.4.19.1 Non-functional Water Supply Schemes due to Theft of Pipes**

Mention was made in Paragraph 4.4 of the Report of the Comptroller and Auditor General of India for the year ended 31 March 1998 regarding unproductive expenditure of Rs.72.11 lakh on water supply schemes due to frequent theft of GI pipes. Though the department informed the Public Accounts Committee (33<sup>rd</sup> Report of the Public Accounts Committee placed before the Assembly in June 2000) that constant vigil over the laid pipes was

being maintained and a policy had been chalked out for transfer of completed scheme to village administration, stealing of laid pipes of the water supply schemes persisted, as discussed below.

Despite completion of 14 water supply schemes under Tura North and Nongstoin Divisions at a cost of Rs.5 crore, the schemes failed to function because of theft of laid pipes worth Rs.6.36 lakh during August and November 2004 and May 2006 (details in **Appendix 3.8**). Reasons for not replacing the stolen pipes as well as not taking effective measures to protect the laid pipes were not on record. Though the concerned divisions lodged (August and November 2004 and May 2006) First Information Reports with the Police, outcome of Police investigation in all the cases was awaited (July 2007).

Thus, failure to keep the departmental material secure resulted in an unfruitful expenditure of Rs.5 crore as the intended benefit of supply of safe drinking water could not be extended to the beneficiaries, besides loss of Rs.6.36 lakh being the value of stolen pipes.

#### **3.4.20 Monitoring and Evaluation**

According to the guidelines of the RGNDWM, the State Government was to take up monitoring and evaluation studies on the implementation of various rural water supply programmes. 100 *per cent* financial assistance was to be provided by the Centre for taking up such evaluation studies. The reports of these studies should be made available to the Mission and immediate corrective action should be initiated as a follow up to improve the quality of programme implementation.

Though there was a monitoring cell in the Department headed by an EE for collecting information from executing agencies and timely submission of returns to the GOI, no such return/report was prepared by the cell. According to the CE, PHE (July 2007), progress reports were not submitted and evaluation studies were not conducted because of discontinuation of IEC/HRD programme since 2002-03. The contention of the CE is not tenable because the GOI released funds of Rs.18.14 lakh during 2002-07 for monitoring and investigation units. Absence of monitoring and evaluation studies on the implementation of various water supply schemes showed the apathy of the Department to provide adequate and safe drinking water to the populace.

#### **3.4.21 Conclusion**

The objectives of the programmes remained largely unachieved because of significant shortfall in providing safe drinking water to the identified habitations. Even after incurring a substantial amount during 2002-07 on implementation of various water supply schemes, the Department failed to provide adequate and safe drinking water to 46 and 50 *per cent* of the identified NC and PC habitations. Fund management was poor. The Department could not absorb the available funds provided by the GOI. There were cases of diversion of funds, unproductive/unfruitful expenditure,

wasteful expenditure, extra expenditure, idle investment and execution of sub-standard work.

### **3.4.22 Recommendations**

On the basis of the shortcomings and deficiencies pointed out in the foregoing paragraphs, the following recommendations are made for streamlining the implementation of the water supply schemes:

- **The State Government should draw up a comprehensive Plan to provide drinking water facility to all rural habitations within a specified time frame. Coverage of NC habitations should be given priority over others.**
- **Efforts should be made to allocate funds in accordance with the components of the schemes and diversion and blocking of funds should be monitored for prompt remedial action.**
- **Schemes should be completed within the stipulated time frame to avoid time and cost overrun. Ongoing schemes should be executed before taking up new schemes.**
- **As implementation of water supply schemes had been badly affected due to inadequate source of water/non-availability of proper site, the Department should streamline and strengthen the process of identifying the source.**
- **Monitoring mechanism needs to be strengthened and accountability should be fixed for effective implementation of the schemes in a time bound manner to serve the objective of providing water supply to the targeted habitations.**

The matter was reported to the Government in September 2007; reply had not been received (February 2008).