

## CHAPTER III : CIVIL DEPARTMENTS

### SECTION 'A' : REVIEW

#### SOCIAL WELFARE DEPARTMENT

##### 3.1 Welfare of the Handicapped

###### *Highlights*

*The Persons With Disabilities Act, 1995 passed by Parliament for the benefit of disabled people is being implemented in the State through the Social Welfare Department (nodal department). The department had achieved little in the matter of prevention and detection of disabilities as well as providing education and employment to the children/persons with disabilities.*

The department failed to utilise 85 to 100 per cent of Central funds available under the National Programme for Rehabilitation of Persons with Disabilities thereby adversely affecting the interest of the disadvantaged group of people of the State.

(Paragraph 3.1.4-iv)

Activities of Government departments and non-governmental organisations dealing with the matters of disabilities remained unassessed due to shortfall in holding the minimum number of meetings of the State Coordination and State Executive Committees.

(Paragraph 3.1.5)

Survey, investigation and screening of children were never carried out to ascertain the cause of disabilities and to identify the “at-risk” cases in children. The department also could not develop educational infrastructure for children with disabilities due to failure in supply of special books and equipment to such children, developing new assistive devices and removal of architectural barriers.

(Paragraphs 3.1.6, 3.1.8, 3.1.9 & 3.1.11)

**The department did not provide employment to 288 disabled persons registered with the special cell by identifying posts in establishments. Further, there was shortfall (6 to 100 per cent) in reservation of vacancies in poverty alleviation schemes.**

(Paragraphs 3.1.13 & 3.1.14)

**Despite availability of funds, screening of “at-risk” children and expectant mothers was not carried out through the Community Based Rural Workers to avoid occurrence of disabilities.**

(Paragraph 3.1.21)

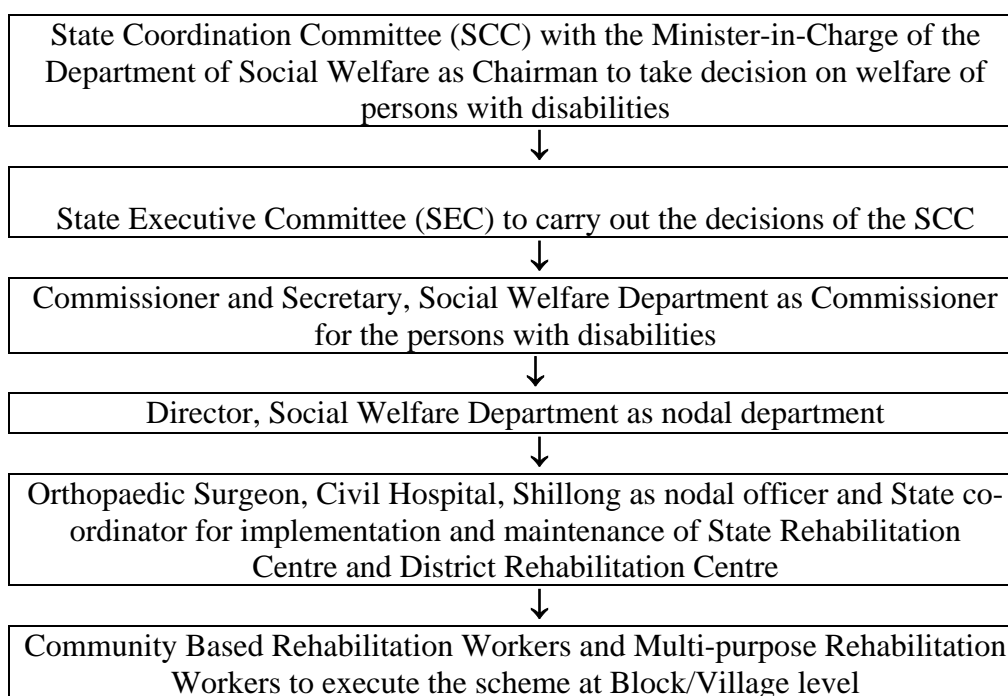
### **3.1.1 Introduction**

People with disabilities form the largest disadvantaged group of people who are subjected to neglect, isolation, poverty, deprivation and at times pity as well. They are in need of usual services and facilities available to the general public. The categories of disabilities given statutory safeguard are (i) blindness, (ii) low vision, (iii) locomotor disability, (iv) leprosy cured, (v) hearing impairment, (vi) mental retardation, and, (vii) mental illness.

The basic policy frame work in the area of disability is enshrined in three Legislative Acts, viz., (i) Rehabilitation Council of India Act, 1992, (ii) Persons With Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1995 (PWD Act) and (iii) National Trust for Welfare of Persons with Autism, Cerebral Palsy, Mental Retardation and Multiple Disabilities Act, 1999. Of these, the PWD Act, which came into force on 1<sup>st</sup> January 1996 and spells out the responsibility of the State towards the prevention of disabilities, protection of rights, etc. is being implemented in the State. In addition, another dedicated programme, viz., the National Programme for Rehabilitation of Persons with Disabilities (NPRPD) is also being implemented in the State since September 2001.

### **3.1.2 Organisational set up**

Organisational structure for implementation of the PWD Act is as detailed below:

**Chart 3.1**

### 3.1.3 Audit coverage

Implementation of the PWD Act in the State during 1998-99 to 2002-03 and NPRPD during 1999-2000 to 2002-03 was reviewed during April – June 2003 through test check of records of the Director, Social Welfare (DSW), Meghalaya, Shillong, Nodal Officer and State Co-ordinator, Civil Hospital, Shillong, Director, Educational Research and Training, Meghalaya, Shillong, Director, Employment and Craftsman Training, Meghalaya, Shillong, Director, Urban Affairs, Meghalaya, Shillong, three District Rural Development Agencies (DRDA)<sup>(a)</sup>, three Autonomous District Councils<sup>(b)</sup> and District Rehabilitation Centres (DRC), Shillong and Tura covering 38 per cent (Rs.45.66 lakh) of the total expenditure (Rs.1.21 crore).

### 3.1.4 Financial management

The budget provisions *vis-a-vis* expenditure out of State fund for implementation of the PWD Act and other welfare activities for the physically handicapped as well as the position of funds released by the Government of India for implementation of NPRPD during 1998-99 to 2002-03 were as under:

<sup>(a)</sup> East Khasi Hills, West Garo Hills and Jaintia Hills.

<sup>(b)</sup> Khasi Hills, Garo Hills and Jaintia Hills.

**Table 3.1**  
**I. Position of State funds**

(Rupees in lakh)

Year	Budget provision			Expenditure as per accounts of the Accountant General (Accounts & Entitlement) (AG-A&E)			Expenditure as per department	Variations between the expenditure as per accounts of the AG-A&E and the department	Shortfall in expenditure as per accounts of the AG-A&E compared to budget provision
	Implementation of the PWD Act	Other activities <sup>(c)</sup>	Total	Implementation of the PWD Act	Other activities	Total			
1998-99	...	19.91	19.91	...	16.25	16.25	17.51	1.26	3.66 (18)
1999-2000	2.00	20.55	22.55	...	16.82	16.82	16.46	0.36	5.73 (25)
2000-01	2.00	19.45	21.45	...	16.71	16.71	17.71	1.00	4.74 (22)
2001-02	2.00	21.98	23.98	2.25	16.91	19.16	19.71	0.55	4.82 (20)
2002-03	3.70	26.05	29.75	2.07	10.95	13.02	13.83	0.81	16.73 (56)
<b>Total</b>	<b>9.70</b>	<b>107.94</b>	<b>117.64</b>	<b>4.32</b>	<b>77.64</b>	<b>81.96</b>	<b>85.22</b>	<b>3.26</b>	

Source: Detailed Appropriation Accounts and information furnished by the Director, Social Welfare.

**Table 3.2**

**II – Position of funds released by Government of India under NPRPD**

(Rupees in lakh)

Year	Opening balance	Fund received	Funds available during the year	Fund utilised	Unspent balance	Percentage of unspent balance
1999-2000	--	12.50	12.50	--	12.50	100
2000-01	12.50	136.40	148.90	--	148.90	100
2001-02	148.90	108.20	257.10	0.50	256.60	100
2002-03	256.60	--	256.60	38.76	217.84	85
		<b>257.10</b>		<b>39.26</b>		

Source: Utilisation certificate and information furnished by the nodal officer and State Co-ordinator.

The details above would indicate the following shortcomings in the financial control and discipline:

(i) Though the budget provision for implementation of the PWD Act during 1998-2003 was nominal (8 per cent), the department failed to utilise 55 per cent of the same. This showed the apathy of the department in discharging its responsibilities spelt out in the PWD Act. Reasons for the shortfall had not been stated (September 2003).

(ii) The wide variation between budget provision and actual expenditure indicated budgeting flaw particularly during 2002-03 when the shortfall was 56 per cent.

<sup>(c)</sup> Scholarship for physically handicapped, Prosthetic aid to handicapped, Grants to voluntary organisations, Celebration of the World Disabled Day, Assistance to physically handicapped persons for vocational training/self employment, etc.

(iii) The difference in the expenditure figures of the department and the AG-A&E was not reconciled by the controlling officer, *viz.*, Director of Social Welfare.

(iv) The department failed to utilise 85 to 100 *per cent* of the funds available under NPRPD thereby adversely affecting the interest of the disadvantaged group of people of the State indicating poor implementation of the scheme. The Director of Social Welfare stated (October 2003) that the amount could not be utilised due to late appointment of Community Based and Multi-purpose Rehabilitation Workers. Reasons for such delay despite release of funds by the Government of India since 1999-2000 had not been furnished.

(v) At the instance of the Chief Secretary of the State, Rs.1 crore was withdrawn (December 2002) by the nodal department from the unutilised fund under NPRPD and deposited into civil deposit during the same month. The said amount was still lying outside the account of NPRPD (June 2003). Reasons for such unauthorised diversion of Central funds had not been furnished.

(vi) Funds released by the Government of India under NPRPD were kept in a current account maintained by the Director, Social Welfare with the United Commercial Bank instead of some interest bearing account, reasons for which were not on record. Calculated at the minimum interest rate of 4 *per cent* per annum allowed by Bank for deposit into savings bank account, the department sustained a loss of interest of at least Rs.6.60 lakh<sup>(d)</sup> for retention of money in a non-interest bearing account.

### ***Implementation of the PWD Act***

#### ***3.1.5 Shortfall in holding the meetings of the State Coordination and State Executive Committees***

The PWD Act provides that the State Government shall form a State Coordination Committee (SCC) with the Minister-in-charge of the Department of Social Welfare as Chairperson and State Executive Committee (SEC) with

(d)

<b>Amount (Rupees in lakh)</b>	<b>Period</b>	<b>Loss of interest (Rupees in lakh)</b>
12.50	2 years (13 October 1999 to 14 October 2001)	1.00
136.39	5 months (5 May 2001 to 14 October 2001)	2.27
100.00	9 months (15 March 2002 to 19 December 2002)	3.00
8.20	1 year (15 March 2002 to 31 March 2003)	0.33
		<b>6.60</b>

the Secretary, Department of Social Welfare as Chairperson. The SCC was to meet at least once in every six months to review and coordinate the activities of all Government departments and Non-Governmental Organisations (NGO) dealing with the matters of disabilities, while the SEC was to meet at least once in three months and observe such rules of procedure in regard to the transaction of business at its meetings as prescribed by the State Government.

Though the SCC and SEC were formed in November 1999, none of these committees met as per norms prescribed under the PWD Act. During 1998-2003, the SCC and SEC met only on two occasions each against the requirement of 10 and 20 respectively. Shortfall in holding the minimum number of meetings not only violated the provisions of PWD Act but also affected the activities of Government departments and NGOs dealing with the matters of disabilities and thus the evaluation of the programme in the State by the SCC remained un-assessed. Reasons for the shortfall had not been stated (October 2003).

### **3.1.6 Prevention and early detection of disabilities**

According to Section 25 of the PWD Act, the State Government and the local authorities shall (a) undertake surveys, investigations and research concerning the cause of occurrence of disabilities, (b) screen all the children at least once in a year for identifying “at-risk” cases and (c) provide facilities for training to the staff at the primary health centres.

Although a substantial number of 746 children with disabilities were enrolled in the special schools in two out of seven districts of the State as of March 2003 (sub-paragraph 3.1.8 below), the State Government and the local authorities did neither conduct survey, investigation and research concerning the cause of occurrence of disabilities nor was any screening of children done as required under the PWD Act. Consequently, the cause of occurrence of disabilities and “at-risk” cases had remained un-assessed/un-identified. Though, in March 2002, the State Resource Centre (SRC), Shillong undertook a national programme for orientation of PHC doctors on rehabilitation management and training of master trainers, the information regarding year-wise number of training programmes held, staff targeted to be trained, number actually trained and expenditure involved thereof could not be made available to Audit. As a result, Audit could not ascertain the outcome of said programme.

### **3.1.7 Education**

For the development of educational infrastructure for the children with disabilities, the PWD Act *inter alia* provides that the State Government shall (a) ensure free education to every child with a disability till he attains the age of eighteen years, (b) set up special schools, (c) make schemes for providing special books and equipment to every child with disability free of cost, (d) initiate research for designing and developing new assistive devices, *etc.* to give a child with disability equal opportunities in education, (e) set up

adequate number of teachers' training institutions and (f) prepare a comprehensive education scheme with the provisions for transport facilities to the children with disabilities, removal of architectural barriers from schools and colleges or other institutions providing vocational and professional training, *etc.*

Audit scrutiny revealed the following irregularities:

**3.1.8 *Provision for supply of special books and equipment to children with disabilities remained un-achieved***

During 1998-2003, three to six special schools with 59 to 390 disabled children were run by NGOs in two out of seven districts of the State and one more school was opened with part time classes for such children (details in Appendix XIII). Except release of Central fund of Rs.1.73 lakh in February 2003 to the Director of Education, Research and Training, Meghalaya, Shillong for implementation of Integrated Education for disabled children, no other action had been taken by the State Government for supply of special books and equipment to these children free of cost. Thus, the statutory provision for supply of special books and equipment to the handicapped children remained un-achieved.

**3.1.9 *Failure in conducting research for designing and developing new assistive devices***

The State Government had not taken any action for designing and developing new assistive devices as prescribed under the PWD Act. This deprived the children with disabilities from equal opportunities in education. Reasons for failure in fulfillment of the statutory provisions had not been furnished.

**3.1.10 *Setting up of teachers training institutions***

The State Government opened one centre at Montfort Centre for Education, Tura in accordance with the provision of PWD Act, but neither provided funds for the purpose to the nodal department/NGO nor was training imparted to any teacher.

**3.1.11 *Comprehensive Education Scheme***

During 2002-03, though an amount of Rs.6.40 lakh was spent by the department under 'Comprehensive Education Scheme', no part of it was utilised for removal of architectural barriers in schools, colleges, *etc.* and restructuring of curriculum. As a result, hardship faced by handicapped students had not been mitigated. Reasons for failure in fulfillment of the provisions of the PWD Act were not on record.

### **3.1.12 Employment**

According to the PWD Act, the State Government was to identify posts in the establishments for persons with disability, make provision for setting up of Special Employment Exchange (SEE) and reserve not less than three *per cent* in all poverty alleviation schemes for the benefit of persons with disabilities.

The following irregularities in providing employment opportunities to the persons with disabilities were noticed:

### **3.1.13 Identification of posts and setting up of Special Employment Exchanges**

The State Government had adopted the policy of identification of posts in establishments and reservation of three *per cent* posts for persons with disabilities. But identification of posts, as required under the PWD Act, had not yet been done by any of the Government departments. As of March 2003, the State Government set up only one special cell for registration of persons with disabilities. Out of 300 persons with disabilities registered with the special cell during 1998-99 to 2002-03, only 12 were appointed. The Director of Social Welfare stated (July 2003) that the matter regarding identification of posts would be placed with the expert committee. Reasons for such delay in taking action for providing employment to most of the registered persons with disabilities after identifying the required posts had not been furnished.

### **3.1.14 Reservation of vacancies in poverty alleviation schemes**

The position of reservation under poverty alleviation schemes for the State as a whole had not been furnished by the nodal department. Out of three test-checked DRDAs, two DRDAs, *viz.*, Jaintia Hills and West Garo Hills, had implemented the scheme.

Appendix XIV showed that while no reservation under poverty alleviation schemes was made for the persons with disabilities during 1998-99 under DRDA, West Garo Hills, there were shortfalls in reservation during 1999-2003 which ranged between 6 and 89 *per cent*. Reasons for depriving the disabled persons of their statutory rights had not been furnished (June 2003).

### **3.1.15 Affirmative action**

Section 43 of the PWD Act *inter alia* provides that the State Government and local authorities shall (a) frame schemes in favour of persons with disabilities for the preferential allotment of land at concessional rate for house, setting up business and special recreation centres and establishment of research centres and factories. No information regarding such preferential land allotment to the persons with disabilities could be made available to Audit, and as such, action, if any, taken by the Government in this regard remained un-assessed.



### **3.1.16 Non-discrimination**

Under Sections 44 to 47 of the PWD Act, 1995, special measures like easy access to rail compartments, buses, vessels, aircrafts and for non-discrimination on the road and in Government employment are required to be taken by the State Government/local authorities for the benefit of persons with disabilities.

The nodal department had not maintained any record showing the information regarding action taken for non-discrimination of the persons with disabilities as per PWD Act. The matter was also not discussed in any of the SEC meetings held in October 2001 and February 2003. Consequently, one of the important requirements of the PWD Act remained un-fulfilled.

### **3.1.17 Research and manpower development**

Sections 48 and 49 of the PWD Act *inter alia* provide that the State Government and local authorities shall (a) promote and sponsor research in the areas of prevention of disabilities, rehabilitation, development of assistive devices, job identification and site modification in offices and factories and (b) provide financial assistance to universities and other institutions of higher learning, professional bodies and non-governmental research units for undertaking research for special education, rehabilitation and manpower development. The nodal department could not furnish any information on the steps taken in this regard. The Director of Social Welfare stated (July 2003) that Central Government had been requested for providing financial assistance for the purpose. Thus, the aim of conducting research and manpower development remained unfulfilled.

### **3.1.18 Commissioners for persons with disabilities**

According to Sections 61 and 65 of the PWD Act, the Commissioner for the persons with disabilities was to perform the functions, such as, coordination with the department, monitoring of the utilisation of funds disbursed by the State Government, taking up of steps to safeguard the rights and facilities made available to persons with disabilities, submission of annual reports to the State Government giving a full account of his activities during the previous financial year, *etc.* Besides, advocacy and information dissemination is also an important role of the State Commissioner.

During 1998-2003, grants totalling Rs.16.01 lakh were disbursed to the voluntary organisations out of State funds for the welfare of the handicapped, but information regarding visit of these organisations by the Commissioner for reviewing their works and action taken for advocacy and information dissemination had not been furnished to Audit. As such, the purpose served by appointment of Commissioner could not be ascertained in audit.

### ***3.1.19 Social security***

For rehabilitation of all persons with disabilities, the PWD Act provides for grant of financial assistance to the NGOs, introduction of the insurance scheme for employees, alternative security scheme in place of insurance scheme if any, and payment of un-employment allowance to the persons with disabilities. Scrutiny of records revealed that except payment of un-employment allowance of Rs.0.26 lakh during 2001-02 (Rs.0.08 lakh) and 2002-03 (Rs.0.18 lakh), no other provisions of the Act meant for the social security of the persons with disabilities had yet been fulfilled by the department. Reasons for such inaction against the interest of the disadvantaged group of people had not been furnished.

### ***3.1.20 Issuance of disability certificate***

During 1998-99 to 2002-03, 837 disability certificates were issued to the persons with disabilities by the State/District Medical Boards. Since no survey was conducted to identify the total number of persons with disabilities in the State, number of persons with disabilities yet to receive disability certificate could not be ascertained.

### ***3.1.21 National Programme for Rehabilitation of Persons with Disabilities***

The National Programme for Rehabilitation of Persons with Disabilities (NPRPD) aims at providing comprehensive rehabilitation services to persons with disabilities especially in rural areas through four tier delivery system established at the Community, Block, District and State levels. There is a provision for two Community Based Rehabilitation Workers (CBRWs) at the Community and two Multi-purpose Rehabilitation Workers (MRWs) in districts covered under the schemes. The CBRWs are to undertake screening of “at risk” cases of children, both pre and post-natal and expectant mothers to avoid occurrence of disability while the MRWs are to provide simple rehabilitation services like heat therapy, physio therapy, simple repair of assistive devices and also to act as powerful catalysts for referral of persons with disabilities. They are also to be imparted training for one and three months respectively.

In Meghalaya, two District Rehabilitation Centres (DRC) had started functioning at Shillong and Tura since 16 March 2001 and 1 December 2002 respectively. But selection and training of CBRWs and MRWs had not yet been done, though training was imparted to nine trainees in March 2002. Consequently, screening of “at-risk” children and expectant mothers for avoidance of disability was not carried out.

### ***3.1.22 Monitoring and evaluation***

Under Section 18 of the PWD Act, the SCC is required to monitor and evaluate the programmes designed for achieving equality and full participation of persons with disabilities. Guidelines for NPRPD further provide that the

State Government should evolve their own norms and yardstick for monitoring and evaluation. Information regarding evolving of any such norm by the State Government and monitoring and evaluation of the programme by the SCC had not been furnished by the department. Thus achievement/performance about rehabilitation of persons with disabilities remained un-assessed.

**3.1.23** The matter was reported to Government in August 2003; reply had not been received (October 2003).

**3.1.24 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 programme:

- Survey, investigation and research need to be carried out for prevention and detection of disabilities.
- Appropriate action should be taken for the development of educational infrastructure as well as for providing employment to the disadvantaged people.
- Proper utilisation of funds meant for the welfare of the persons with disabilities needs to be ensured.
- Functioning of the nodal department needs to be streamlined to achieve the objectives of PWD Act.

## SECTION 'B' - PARAGRAPHS

### HEALTH AND FAMILY WELFARE DEPARTMENT

#### 3.2 National AIDS Control Project

**Failure of the Meghalaya AIDS Control Society to utilise 79 to 80 per cent of available funds during 2001-2003 affected the implementation of the National AIDS Control Project – Phase II. Medicines worth Rs.8.44 lakh were procured for the patients found during Family Health Awareness Campaign in excess of the patterns laid down by the National AIDS Control Organisation.**

##### *3.2.1 Introduction*

National AIDS Control Project – Phase II (NACP-II), launched by the Government of India in 1999 with the objectives of reducing the spread of Human Immunodeficiency Retro Viruses (HIV) infection and strengthening India's capacity to respond to the HIV/AIDS on a long term basis, was being implemented in the State through the Meghalaya AIDS Control Society (Society).

Important audit findings based on test-check (April – June 2003) of records of the Project Director (PD) of the Society, four sexually transmitted disease (STD) clinics in Civil Hospitals, Shillong, Jowai, Tura and Primary Health Centre, Nongpoh, Surveillance Centre at Civil Hospital, Shillong, Zonal Blood Testing Centre, Pasteur Institute, Shillong and Blood Testing Centre at Civil Hospital, Shillong are mentioned in the succeeding paragraphs.

##### *3.2.2 Unutilised funds under the project*

The NACP is fully funded by the National AIDS Control Organisation (NACO) established (1992) by the Government of India to combat the onslaught of HIV/AIDS epidemic effectively. Funds are released by the NACO directly to the Society in a phased manner. The details of funds received by the Society during 2001-2003, expenditure incurred thereagainst and unutilised funds were as under:

Table 3.3

Year	Opening balance	Funds received	Total	Expenditure	Unspent balance (percentage)
(Rupees in crore)					
2001-02	0.91	2.45 <sup>(a)</sup>	3.36	0.66	2.70 (80)
2002-03	2.70	0.50	3.20	0.67	2.53 (79)
<b>Total</b>		<b>2.95</b>		<b>1.33</b>	

Source: Receipts and Payments Account of the Society for the year ended 31 March 2002, release order of grants – 2002-03 and Statement of Expenditure for the quarter ending March 2003.

The Society did not utilise 79 to 80 *per cent* of available funds, which was indicative of ineffective implementation of the project in the State. The Project Director of the Society stated (September 2003) that the funds could not be utilised due to poor response from the non-governmental organisations (NGO) and non-filling up/non-commencement of the three posts of Deputy Directors/Blood Bank at Tura and the savings would be utilised on involvement of NGOs from all the districts and filling up of vacant posts.

### 3.2.3 Non-fulfillment of the objective of “Preventive Intervention for the General Community”

The component “Preventive Intervention for the General Community” *inter alia* includes (i) Information Education and Communication (IEC) and awareness campaign and (ii) Blood safety for ensuring the adequacy and safety of blood supply. For IEC and awareness campaign, the Annual Action Plan (AAP) of the Society for the year 2001-02 provided for Press advertisements, outdoor publicity, TV spots, jingles, cable television, *etc.* For blood safety, the AAP provided for modernisation of the major blood bank at Pasteur Institute, Shillong, establishment of two district level blood banks at Tura and Jowai and procurement of items like consumables, reagents, medicines, *etc.* The position of funds allotted by the NACO during 2001-2003 for implementation of IEC and blood safety and expenditure incurred thereagainst is as under:

<sup>(a)</sup> Included fund of Rs.1.59 crore, Demand Draft for which was despatched by the NACO on 1 April 2002 but accounted for as receipts in the Receipts and Payments Account of the Society for the year ended 31 March 2002.

**Table 3.4**

Year	Allotment of fund		Expenditure		Excess (+) Saving (-) (Percentage)	
	IEC	Blood safety	IEC	Blood safety	IEC	Blood safety
	(Rupees in lakh)					
2001-02	15.00	17.78	21.13	0.34	(+) 6.13 (41)	(-) 17.44 (98)
2002-03	15.00	17.70	11.01	3.85	(-) 3.99 (27)	(-) 13.85 (78)
	<b>30.00</b>	<b>35.48</b>	<b>32.14</b>	<b>4.19</b>	<b>(+) 2.14 (7)</b>	<b>(-) 31.29 (88)</b>

Source: AAP as approved by the NACO and component-wise statement of expenditure.

The details above showed that while the expenditure during 2001-2003 on IEC and awareness campaign exceeded the allotment by 7 per cent, the Society failed to utilise 88 per cent of the funds allotted for blood safety. This showed the apathy of the Society in ensuring the adequacy and safety of blood supply. Besides IEC and blood safety, the approved AAP provided for implementation of other items like Schools AIDS education programme, voluntary testing and counselling, including purchase of consumables, etc. under the component "Preventive Intervention for the General Community". But no expenditure on these items was incurred by the Society during 2001-2003. Reasons for concentrating only on IEC and awareness campaign ignoring the vital aspect of the project, viz., blood safety, as well as other items were not on records.

### 3.2.4 Idle outlay

During August 2001 and November 2001 to June 2002, NACO supplied various equipment<sup>(b)</sup> (cost not available with the Society) to Zonal Blood Testing Centre, Shillong and Civil Hospital, Tura for establishment of blood component separation unit and a new blood bank respectively. None of these equipments could be installed by the concerned institutions due to lack of space and proper power supply. Consequently, the equipments were lying idle till the date of audit. This indicated that there was little initiative on the part of the Society for promotion of rational use of blood by establishment of the component separation unit and also in establishment of a new blood bank.

### 3.2.5 Excess utilisation of medicines under Family Health Awareness Campaign

In the funding pattern adopted by the NACO, the average cost for treatment of Reproductive Tract Infections (RTI)/Sexually Transmitted Infection (STI)

(b) Civil Hospital: One chest refrigerator, one voltage stabilizer and two 8-BB container - transport box.  
ZBTC: One refrigerator water bath, two deep freezers, cell counter and line voltage corrector.

patients detected under Family Health Awareness Campaign (FHAC) was to be Rs.50 per patient. Thereafter, additional medicines for the treatment of these patients were to be made available to them by the State Family Welfare Department under RCH project.

According to the reports on FHAC for the periods from 1 to 15 June 2000, 1 to 15 April 2001 and 1 to 15 February 2002 submitted by the Society to the NACO, RTI/STI patients found during campaign were 9,353 for whom medicines worth Rs.4.68 lakh were actually required. Against this, the Society spent Rs.13.12 lakh for supply of medicines to these patients. There was nothing on record to show that the excess medicines worth Rs.8.44 lakh were returned or utilised during subsequent campaign, if any.

The Project Director of the Society stated (June and September 2003) that treatment to RTI/STI patients had been continued after the campaign period and medicines for the campaign were procured as per estimation and guidelines. Reply is not acceptable because the medicines were procured in excess of actual requirement and medicines for follow up treatment of patients detected during campaign were to be provided by the State Government.

### **3.2.6 Failure in imparting training**

Training is an important function of programme management. According to the guidelines, training at various levels as well as induction training was to be completed during 1999-2000. The remaining period of the project was to be devoted to refresher training and some induction training.

According to the approved AAP for the years 2001-2003, funds totalling Rs.24.63 lakh were allotted by NACO for imparting training under one component only, viz., 'Institutional Strengthening'. Of this, the Society utilised only Rs.1.83 lakh during the period for imparting training under the said component. Reasons for failure in utilisation of 93 *per cent* of the allotted funds thereby adversely affecting the programme management were not on records.

The Project Director stated (June 2003) that the trainers of the district level were to conduct training for Medical and Health Officers (M&HO) of the concerned district. The M&HOs in turn were supposed to conduct training for grass root workers. The fact remains that due to failure on the part of the Society in taking proper action, training to most of the health staff could not be imparted thereby frustrating the objective as envisaged in the guidelines.

### **3.2.7 Non-fulfillment of the objective of "Intersectoral Collaboration"**

The component "Intersectoral Collaboration" would promote collaboration among the public, private and voluntary sectors which would focus on learning from the innovative HIV/AIDS programmes that exist in other sectors and sharing in the work of generating awareness and advocacy at delivering interventions.

Although NACO allotted funds for Rs.10 lakh during 2001-2003 for intersectoral collaboration, no expenditure was incurred by the Society under this component. This indicated inaction on the part of the Society in fulfillment of the objective of this component. The Project Director of the Society stated (June 2003) that there was no participation of NGOs in implementation of the programme in spite of coordination from the NGO adviser.

**3.2.8** The matter was reported to Government in August 2003; reply had not been received (October 2003).

### **3.3 Undue financial benefit to a Guwahati firm for supply of incinerators**

**The department showed undue favour to a firm by payment of Rs.31.88 lakh in advance for three incinerators for biomedical waste treatment, one of which has not been supplied so far.**

The Bio-Medical Waste (Management and Handling) Rules, 1998 (BMWMH)<sup>(a)</sup> stipulate that every institution generating biomedical waste shall set up requisite biomedical waste treatment facilities like incineration, autoclave and microwave system to ensure that such waste is handled without any adverse affect on human health and environment. Accordingly, the department sanctioned (March 1999) Rs.31.88 lakh for purchase of three incinerators. The incinerators were to be installed at Civil, Ganesh Das and RP Chest Hospitals, Shillong by December 2000.

Scrutiny (April-May 2002) of records of the Director of Health Services – Medical Institutions (MI) (Director), Shillong and further information collected in June 2003 revealed that in March 1999, the Director placed an order with a Guwahati based firm for supply, installation, testing and commissioning of three incinerators at the rate of Rs.10.627 lakh each. No tenders were invited by the Director to ascertain the competitive rate of the equipment. The incinerators were to be installed within 16 weeks (July 1999) from the date of issue of supply order. The supply order was silent about terms of payment to the firm. Though the incinerators were not supplied by the firm even after expiry of the stipulated period, the Director paid the entire cost of Rs.31.88 lakh to the firm in August 2001 against bank guarantee of Rs.32 lakh (valid up to 16 November 2002).

Out of the ordered quantity of three incinerators one was received by Ganesh Das Hospital in November 2002 and it was functioning properly since January 2003. The incinerator meant for RP Chest Hospital, though commissioned in

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<sup>(a)</sup> The BMWMH Rules, 1998 were notified by the Ministry of Environment and Forests, Government of India and came into effect from July 1998 throughout the country.



February 2003, was yet to be put to use as the department failed to provide the needed three phase power supply connection. The third incinerator meant for Civil Hospital was not supplied by the firm. Meanwhile, the validity of bank guarantee expired in November 2002. The department did not make any effort either to get the incinerator or its cost from the firm (June 2003).

Thus, release of payment to the firm before supply of the incinerators, conferred an undue financial benefit of Rs.31.88 lakh on the firm for a period ranging from one to about two years. The delay in installation is also fraught with possibility of serious health hazards due to pollution.

The Officer on Special Duty of the department stated (September 2003) that (i) urgent installation of the incinerators was taken up in view of the directives from the Supreme Court, (ii) payment was made to the firm on the basis of bank guarantee, (iii) delay in installation was due to delay in selection of the sites and construction of required building and (iv) three phase power connection had been provided to the RP Chest Hospital. Reply is silent about the position of functioning of the incinerator at RP Chest Hospital. Further, advance payment of the cost of the incinerators was not justified as the supply order did not provide for such payment. The fact remains that the directives of the Apex Court remained unfulfilled due to failure in utilisation of the two incinerators.

## HOME (POLICE) DEPARTMENT

### 3.4 Central assistance remaining unutilised

**Failure of the department in utilisation of available funds led to short release of Central grant by Rs.2.32 crore meant for Modernisation of State Police Forces.**

The “Modernisation of State Police Forces” scheme implemented with 50 per cent Central assistance envisaged construction of Police Station buildings, purchase of security equipment, weaponry, etc. Central Government generally releases funds for implementation of the scheme in proportion to the utilisation certificates received from the State Government about funds released during previous year.

Test-check (April 2003) of records of the Director General of Police, Shillong revealed that during 2000-01 to 2002-03, against the admissible Central share of Rs.11.92 crore, Rs.7.15 crore was received by the State Government, as detailed below:

**Table 3.5**

(Rupees in lakh)

Year	Central share as per annual plan	Funds released			Expenditure	Unspent balance	Rate of interest on loan (per cent per annum)
		Grants	Loans	Total			
2000-01	154.00	77.00	77.00	154.00	55.00	99.00	12.5
2001-02	519.14	259.57	259.57	519.14	47.57	471.57	12
2002-03	518.63	21.15	21.15	42.30 <sup>(a)</sup>	...	42.30	11.5
<b>Total</b>	<b>1191.77</b>	<b>357.72</b>	<b>357.72</b>	<b>715.44</b>	<b>102.57</b>	<b>612.87</b>	

Source: Sanction letters of funds and information collected from the Director General & Inspector General of Police.

Despite failure of the department in utilisation of the funds available for 2000-01, the Central Government released (February 2002) its entire share for the year 2001-02 as a special case considering the department’s assurance for early submission of utilisation certificates. Even so, Rs.47.57 lakh only was spent by the department during 2001-02. Consequently, the Central Government released (February 2003) a meager amount of Rs.42.30 lakh<sup>(a)</sup> against its share of Rs.5.19 crore for the year 2002-03. The amount released during 2002-03 also could not be utilised by the department till the end of the year.

<sup>(a)</sup> Excluding Rs.12.20 lakh directly placed at the disposal of the DCPW for implementing the POLNET project.

Out of the total unspent balance of Rs.6.13 crore, Rs.5.77 crore was drawn by the department in March 2002 (Rs.2.97 crore) and March 2003 (Rs.2.80 crore) and kept in civil deposit. Such action of the department was in contravention of the State Treasury Rules which prohibits drawal of money in anticipation of demands or to prevent lapse of budget grants. The amount so kept in civil deposit was also not reported to the Central Government.

Thus, lack of diligence on the part of the department in utilisation of funds not only deprived the State from the benefit of Central grant to the extent of Rs.2.32 crore<sup>(b)</sup>, but also burdened the State finances by Rs.43.53 lakh<sup>(c)</sup> on account of interest payable on loan for the year 2000-01 and 2001-02 remaining unutilised till March 2003, besides frustrating the objective of the scheme.

The Secretary of the department stated (October 2003) that the amount of Rs.47.57 lakh shown as expenditure during 2001-02 was not correct as the utilisation during the year against the total unspent balance of Rs.6.18 crore (including the balance of 2000-01) was Rs.3.44 crore (Civil deposit: Rs.2.96 crore; Construction: Rs.0.48 crore), (ii) further assistance expected to be released on submission of utilisation certificate and (iii) the loss of benefit was not really true as the State Government was to provide 50 *per cent* matching contribution. Reply is not tenable because the funds kept in civil deposit do not constitute real expenditure and the entire grant for the year 2001-02 was released by the Central Government on the department's assurance for early submission of utilisation certificates.

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<sup>(b)</sup>  $\text{Rs.}518,63,449 - (\text{Rs.}12,19,640 + \text{Rs.}42,30,360) = \text{Rs.}464,13,449$  or, Rs.4.64 crore: 50 *per cent* of Rs.4.64 crore = Rs.2.32 crore.

<sup>(c)</sup> Rs.49.50 lakh @ 12.5 *per cent* per annum for 2001-02 & 2002-03 : Rs.12.38 lakh  
 Rs.259.57 lakh @ 12 *per cent* per annum for 2002-03 : Rs.31.15 lakh  
**Rs.43.53 lakh**

## HOUSING DEPARTMENT

### 3.5 Extra expenditure on procurement of corrugated galvanised iron sheets at higher rates

**The department incurred avoidable extra expenditure of Rs.1.12 crore on procurement of corrugated galvanised iron sheets at higher rates.**

Under the Rural Housing Scheme, the department decided (2001-02) to procure 1,650 tonnes of corrugated galvanised iron (CGI) sheets during the year for providing assistance in the form of CGI sheets to the economically weaker shelterless people of the State. Government sanctioned (March 2002) Rs.4.70 crore for implementation of the scheme with the condition that necessary steps be taken by the Director of Housing (DOH), Shillong to utilise the CGI sheets lying idle with the Meghalaya State Housing Board (MSHB). Despite idle stock of 1157.72 tonnes CGI sheets worth Rs.2.84 crore with the department (procured between 1988-89 and 1993-94 under the Loan-cum-Subsidy Housing Scheme (LSHS) for economically weaker sections (EWS)/low income group (LIG) people being implemented through the MSHB), the DOH issued (January 2002) notice inviting tenders (NIT) for procurement of 1,650 tonnes CGI sheets.

During 1989-90 to 2000-01, the department was purchasing the sheets directly from the manufacturers which yielded satisfactory results with quality assurance. This practice was subsequently reiterated through the instructions of the Chief Secretary (CS) in April 1998, because the quality and size of the CGI sheets procured from sundry traders on tender basis were doubtful. Disregarding the existing practice as well as the subsequent orders of CS, the DOH invited tenders (January 2002) from sundry suppliers.

In response to the NIT, eight tenders including one of the manufacturers, *viz.*, Tata Iron and Steel Company Limited (TISCO), were received (offered rate: Rs.25,000 per tonne for all destinations). But the Purchase Board (PB) rejected (February 2002) the offer of TISCO on the ground of non-deposit of earnest money. In accordance with the decision (March 2002) of the PB, the DOH placed (March 2002) supply orders on two Shillong based firms (Firms 'A' & 'B') at the lowest rate<sup>(a)</sup> offered by one of them (Firm 'A') with the stipulation to complete the supply within 60 days.

Since the firms failed to commence the supply despite extension of time by 30 days, the DOH sought (July 2002) for Government's approval for purchase of sheets directly from the leading manufacturers in the country in conformity with the existing practice and orders of CS. Meanwhile, one of the defaulting Shillong based firms (Firm 'B') was appointed (November 2002) by the Steel

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<sup>(a)</sup> Average Rs.24,871 per tonne for seven different destinations.

Authority of India Limited as its authorised distributor/dealer. In November 2002, the DOH placed two supply orders with the firm 'B' for 2242.2<sup>(b)</sup> tonnes of CGI sheets at the average rate of Rs.31,097 per tonne (Rs.6,226 more than the rate quoted by them in February 2002 (average rate: Rs.24,871 per tonne, i.e., 25 per cent higher) with the stipulation to complete the supply within 75 days. The firm supplied 2242.2 tonnes of CGI sheets against expenditure of Rs.6.97 crore incurred till July 2003 (Payment to the firm: Rs.6.68 crore; 4 per cent Meghalaya Sales Tax (MST): Rs.0.27 crore; 10 per cent Surcharge on MST: Rs.0.02 crore).

Thus, the imprudent decision of the department for purchase of CGI sheets in deviation of the practice followed for 12 long years, resulted in additional expenditure of Rs.1.12 crore<sup>(c)</sup> (computed at the available rate of a manufacturer, viz., TISCO and MST and Surcharge applicable as stated by the DOH in November 2003).

The DOH stated (November 2003) that (i) pending specific Government's order to utilise the idle stock which pertained to other scheme, viz., EWS/LIG loan-cum-subsidy scheme which was kept in abeyance, the DOH proceeded for procurement of CGI sheets through open tenders in consultation with the Commissioner and Secretary (Housing), (ii) in view of the competitive market scenerio, the DOH decided to call open tenders, which in no way violated the existing practice as the earlier suggestion of the CS was revoked by the then Chief Minister himself and (iii) TISCO's tender being invalid, comparison of rate with that of TISCO did not arise. Replies are not tenable because (i) the DOH had himself proposed (January 2001) for disposal of idle stock through auction or sale through various Government departments and the NIT for purchase of CGI sheets was issued (January 2002) much before issue (March 2002) of Government's sanction with specific instruction to utilise the idle stock, (ii) due to failure in supply of the ordered quantities by the firms (including firm 'B'), the DOH had himself proposed (July 2002) the procurement of CGI sheets from the leading manufacturers in conformity with the existing orders and (iii) in accordance with the existing practice, attempts could have been made by the DOH for purchase of sheets directly from any of the reputed manufacturers at economic rate immediately after sanction of funds. The fact also remains that deviation from the existing practice yielded negative results at the cost of State exchequer.

(b) 1511.4 tonnes under Rural Housing Scheme against sanction of Rs.4.70 crore and 730.8 tonnes under Pradhan Mantri Gramodaya Yojana – Gramin Awaas against Central assistance of Rs.2.27 crore released in March 2002.

(c)

Quantity of CGI sheets procured:	2242.2 tonnes
Total expenditure:	Rs.6,96,96,040
Cost per tonne (Rs.6,96,96,040 ÷ 2242.2 tonnes):	Rs.31,084
Rate of TISCO including MST and Surcharge (per tonne):	<u>Rs.26,100</u>
Difference	<u>Rs. 4,984</u>
Additional expenditure: 2242.2 tonnes x Rs.4,984/-:	<b>Rs.111,75,125/-</b>

The matter was referred to Government in April, May and October 2003. In reply (January 2004), the Under Secretary of the department endorsed the response (November 2003) of the DOH.

## GENERAL

### 3.6 Failure to respond to Audit objections and compliance thereof

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

Inspection Reports issued up to March 2003 pertaining to 74 offices of four departments disclosed that 710 paragraphs relating to 201 IRs remained outstanding at the end of September 2003. Of these, 40 IRs containing 138 paragraphs had not been replied to/settled for more than 10 years. Year-wise position of the outstanding IRs and paragraphs is detailed in the Appendix XV. Even the initial replies, which were required to be received from the Heads of offices within six weeks from the date of issue were not received from eight offices for 114 paragraphs of fifteen IRs issued between 1996-97 and 2002-03. As a result the following serious irregularities commented upon in these IRs had not been settled as of September 2003.

**Table 3.6**

Serial number	Nature of irregularities	Number of paragraphs	Amount (Rupees in crore)
1.	Rules relating to custody and handling of cash, maintenance of cash book and Muster Roll not observed	23	9.33
2.	Recovery of departmental receipts, advances and other recoverable charges were either delayed or not made	42	1.33
3.	Improper maintenance of store account/absence of physical verification of stores/ local purchase of stationery in excess of authorised limit/expenditure	23	0.40

	without sanction		
4.	Drawal of fund in advance of requirement	36	41.55
5.	Wanting Payees' Receipts/Detailed Countersinged Contingent (DCC) Bills/sanctions	29	8.38
6.	Utilisation certificates not submitted	3	7.54
7.	Others	554	48.17
	<b>Total</b>	<b>710</b>	<b>116.70</b>

A review of the IRs which were pending due to non-receipt of replies about the departments mentioned in the Appendix XV revealed that the Heads of the offices, whose records were inspected by AG and the Heads of the Departments/offices<sup>(a)</sup> failed to discharge due responsibility as they did not send any reply to a large number of IRs/Paragraphs indicating their failure to initiate action in regard to the defects, omissions and irregularities pointed out in the IRs of the AG. The Secretaries of the concerned departments, who were informed of the position through half-yearly reports, also failed to ensure prompt and timely action by the concerned officers of the department.

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

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

The matter was reported to the Government in September 2003; reply had not been received (October 2003).

### **3.7 Misappropriation, losses, etc.**

Cases of misappropriation, losses, *etc.* of Government money reported to Audit up to the end of March 2003 on which final action was pending at the end of August 2003 were as under:

<sup>(a)</sup> Directors, Urban Affairs and Agriculture, concerned Deputy Commissioners, Sub-Divisional Officers (Civil) and Trade Adviser & Director of Movements under General Administration Department and Director General of Police, Assistant Inspector General of Police (Re-organisation), concerned Superintendents of Police and Commandant under Home (Police) Department.



**Table 3.7**

	<b>Number</b>	<b>Amount (Rupees in lakh)</b>
Cases reported up to the end of March 2000	83	152.08
Cases reported during 2000-01 and 2001-02	...	...
Cases reported during 2002-03	1	1.23
<b>Total</b>	<b>84</b>	<b>153.31</b>

The department-wise/year-wise break-up of the cases is given in Appendix XVI.

In respect of five cases (one each relating to Agriculture, Land Revenue and Community & Rural Development Departments and two about Mining and Geology Department) involving amount of Rs.21.90 lakh, departmental action had not been initiated. Two cases (GAD and Finance Department) amounting to Rs.0.97 lakh were in the Court of Law, two cases (Home (Police) and Soil Conservation Departments) involving Rs.0.75 lakh were awaiting orders for recovery/write off and 74 cases of 11 departments<sup>(b)</sup> involving Rs.1.28 crore were under departmental/ Police action. Of the 74 cases, one case pertaining to Meghalaya Legislative Assembly involving Rs.3.34 lakh was of misappropriation and four cases involving Rs.9.89 lakh were of robbery/looting in the offices of the District Malaria Officer (Rs.4.94 lakh), Range Officer, Marngar (Rs.2.17 lakh), Executive Engineer, Public Works Department (Roads) Division, Mawsynram (Rs.1.78 lakh) and District Animal Husbandry and Veterinary Officer, Jowai (Rs.1 lakh). These were facilitated due to non-maintenance of cash book properly by the cashier, lack of supervision of the work of cashier (Rs.3.34 lakh) and non-adherence to the rules for handling cash as laid down in the Meghalaya Treasury Rules, e.g., engagement of one or more guard with the messenger carrying money.

The lone case reported during 2002-03 was of misappropriation of Rs.1.23 lakh in the office of the Director, Sericulture and Weaving Department. Departmental action on this case had not yet been initiated (August 2003).

The concerned departments need to pursue these cases more vigorously for early recovery of dues from delinquent officials wherever necessary.

### **3.8 Follow up action on Audit Reports**

With a view to ensuring accountability of the executive about all the issues dealt in the various Audit Reports, the Public Accounts Committee (PAC) issued instructions (July 1993) for submission of *suo motu* explanatory notes

<sup>(b)</sup> One each of Education, Home, Agriculture, Legislative Assembly and Printing and Stationery Departments, 2 each of Animal Husbandry and Veterinary, Finance and Forest Departments and 63 of Public Works (6), Health & Family Welfare (3) and Public Health Engineering (54) Departments.

by the concerned administrative departments within one month of presenting the Audit Reports to the State Legislature. According to the said instructions, the Report was to be taken up from 1986-87 onwards. Review of outstanding explanatory notes on paragraphs included in the Reports of the Comptroller and Auditor General of India for the years from 1986-87 to 2001-02 revealed that the concerned administrative departments were not complying with these instructions. As of October 2003, *suo motu* explanatory notes on 238 paragraphs of these Audit Reports were outstanding from various departments as detailed in Appendix XVII.

The administrative departments were required to take suitable action on the recommendations made in the Report of the PAC presented to the State Legislature. Following the circulation of the Reports of the PAC, the departments were to prepare comments on action taken or proposed to be taken on the recommendations of the PAC and submit the same to the Assembly Secretariat. The PAC specified the time frame for submission of such ATN as six weeks up to 32<sup>nd</sup> Report of the PAC and six months in 33<sup>rd</sup> Report. Review of 11 Reports of the PAC involving 13 departments (containing recommendations on 47 paragraphs of Audit Reports as detailed in Appendix XVIII) presented to the Legislature between April 1995 and December 1997 (10 reports) and in June 2000 (one report) revealed that none of these departments sent the ATN to the Assembly Secretariat as of August 2003. Thus, the fate of the valuable recommendations contained in the said reports of the PAC and whether they were being acted upon by the administrative departments could not be ascertained in audit.

The matter was reported to Government in September 2003; reply had not been received (October 2003).