

Presented to the Legislature

24 SEP 2015

07

**ANNUAL TECHNICAL INSPECTION
REPORT
ON
URBAN LOCAL BODIES**

FOR THE YEAR ENDED 31 MARCH 2014

GOVERNMENT OF MEGHALAYA

**In terms of the Technical Guidance and Supervision
by the Comptroller and Auditor General of India**

**OFFICE OF THE ACCOUNTANT GENERAL (AUDIT),
MEGHALAYA, SHILLONG**

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PREFACE

This report has been prepared for submission to the Government of Meghalaya in terms of the Technical Guidance and Support (TGS) on the audit of accounts of Urban Local Bodies under Section 20(1) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Services), Act, 1971.

This is the first Annual Technical Inspection Report on the ULBs in Meghalaya. The Annual Technical Inspection Report for the year 2012-14 is a consolidation of audit findings arising out of audit of six Municipal Boards conducted during April to September 2014.

The purpose of this report is to give an overview of the functioning of the six Municipal Boards and draw the attention of the Executive to take remedial action wherever necessary.

OVERVIEW

OVERVIEW

This Annual Technical Inspection Report (ATIR) deals with the results of audit of accounts of six Urban Local Bodies (ULBs) in Meghalaya and is presented in two chapters. Chapter I includes an overview of the organisation, devolution of duty and accountability frame work of Urban Local Bodies and Chapter II contains audit observations on Urban Local Bodies.

The draft ATIR was sent to the Principal Secretary to the Government of Meghalaya, Urban Affairs Department in January 2015 with a request to furnish replies within six weeks. But reply to the draft ATIR was not received till June 2015.

CHAPTER-I : OVERVIEW OF THE ORGANISATION, FINANCES, DEVOLUTION AND ACCOUNTABILITY FRAMEWORK OF URBAN LOCAL BODIES

There are six Municipal Boards in Meghalaya which are covered under the Meghalaya Municipal Act, 1973. The Principal Secretary, Urban Affairs Department, Government of Meghalaya is the administrative head of all ULBs in the State and is responsible for exercising overall control and supervision of functions of ULBs.

(Paragraphs 1.1 & 1.3)

Against the requirement of 18 functions to be transferred to ULBs, the State Government had transferred only 16 functions to the ULBs.

(Paragraph 1.5)

Five Municipal Boards had not prepared the annual accounts as per the Meghalaya Municipal Accounting Manual.

(Paragraph 1.6)

The State Government was yet to constitute the State Finance Commission which deprived the ULBs of their due share of net proceeds of revenue from the State Government.

(Paragraph 1.8)

There were no elected persons in the Municipal Boards due to non-conducting of election as per the Meghalaya Municipal Act, 1973.

(Paragraph 1.9)

CHAPTER-II

COMPLIANCE AUDIT

Shillong and Tura Municipal Boards could not collect property tax of ₹ 3.13 crore from the private residential buildings till March 2013 and service charges of

₹ 1.63 crore from Government buildings till March 2014. Non-realisation of property tax and service charges had adverse impact on the financial position of these Boards.

(Paragraphs 2.1.1 & 2.1.2)

The Shillong Municipal Board diverted ₹ 88.65 lakh pertaining to Swarna Jayanti Shahari Rozgar Yojana on payment of salary to the officers/officials of Urban Poverty Alleviation cell in violation of scheme guidelines.

(Paragraph 2.3.1)

Public Transport Services in the six Municipal Boards were operated with many irregularities resulting in loss of revenue to the Boards.

(Paragraph 2.4)

Special Urban Works Programme was not implemented as per scheme guidelines. Internal controls were not in place to ensure proper implementation of the scheme.

(Paragraph 2.5)

There were shortcomings in the implementation of “Door-to-door collection of garbage” by the Shillong Municipal Board resulting in piling of garbage which litters the municipality areas.

(Paragraph 2.9)

There were deficiencies noticed in internal control mechanisms in all the six Municipal Boards.

(Paragraph 2.13)

CHAPTER I
OVERVIEW OF THE ORGANISATION,
FINANCES, DEVOLUTION AND
ACCOUNTABILITY FRAMEWORK OF
URBAN LOCAL BODIES

CHAPTER I : OVERVIEW OF THE ORGANISATION, FINANCES, DEVOLUTION AND ACCOUNTABILITY FRAMEWORK OF URBAN LOCAL BODIES

1.1 Introduction

The Seventy-fourth Constitutional Amendment Act, 1992 paved the way for decentralisation of power and transfer of 18 functions as listed in the Twelfth Schedule of the Constitution to the Urban Local Bodies (ULBs) and to establish a system of uniform structure, conducting of regular elections and regular flow of funds through State Finance Commission. As a follow up, the states were required to entrust these bodies with such powers and authority as may be necessary so as to enable them to function as institutions of local self-help Government. Post Seventy-fourth Constitutional Amendment Act, an amendment was made to the Meghalaya Municipal Act, 1973 by enacting the Meghalaya Municipal (Amendment) Act, 2012 passed in March 2012 providing for Technical Guidance and Support (TGS) and preparation of Annual Technical Inspection Report by the CAG or his representative. There were six Municipal Boards (MB) in the State of Meghalaya as on 31 March 2014 and covered under the Meghalaya Municipal Act, 1973.

1.2 Profile of Meghalaya

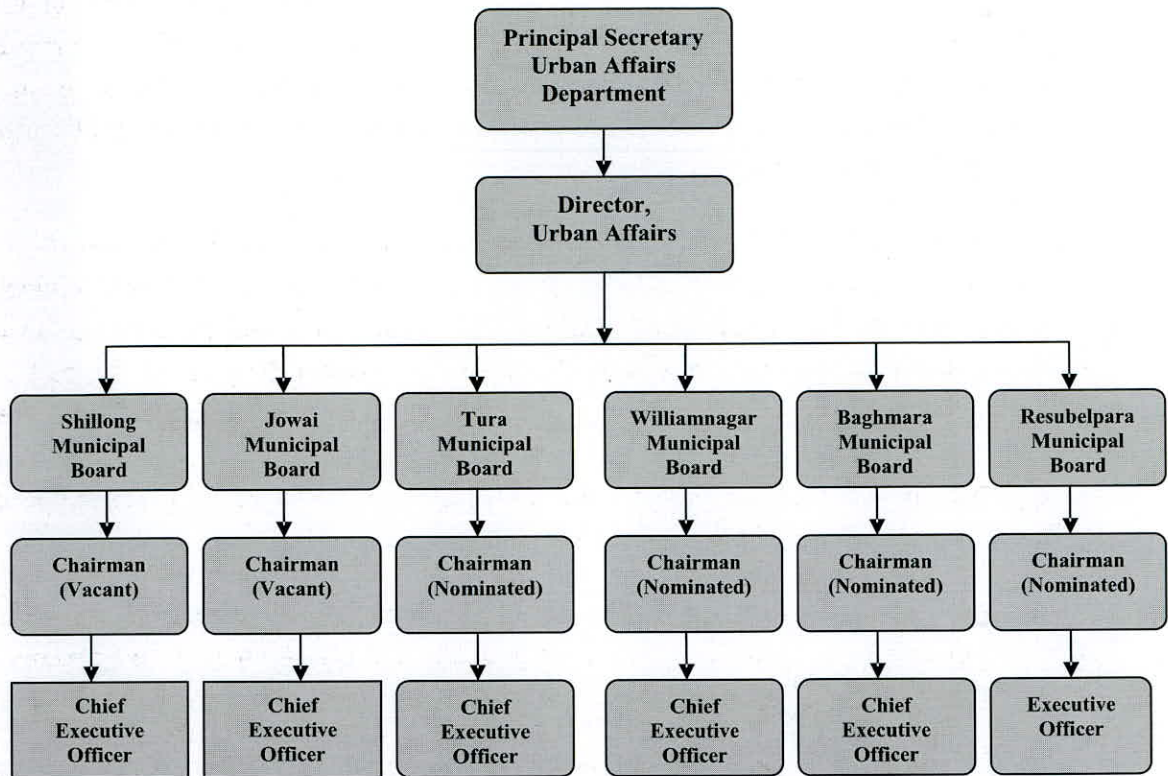
Meghalaya, emerged as a full fledged State within the Union of India on 21 January 1972, has a total geographical area of 22,429 sq.m and is situated in the North East region of India. The State is bounded on the north by Goalpara, Kamrup and Nowgong Districts of Assam, on the east by Karbi Anglong and North Cachar Hills Districts of Assam and on the south and west by Bangladesh. Shillong, the capital of Meghalaya is located at an altitude of 1496 metres above sea level.

As per 2011 Census, the total population of the state was 29,66,889 with the decadal growth of 27.95 *per cent* and population density of 132 persons per sq.km. 80 *per cent* of the population of Meghalaya lives in rural areas and 20 *per cent* live in urban areas. The literacy rate of Meghalaya is 75.48 *per cent* while the sex ratio is 989 per 1,000 male. There are 11 districts and four civil sub-divisions, six MBs and 39 community and rural development blocks in the State.

1.3 Organisational set-up

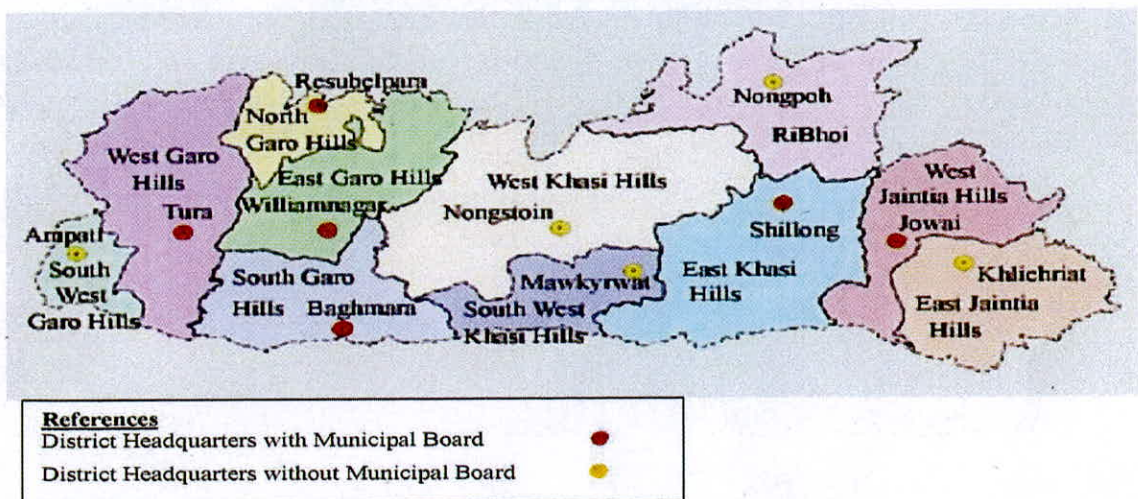
The Principal Secretary, Urban Affairs Department, Government of Meghalaya (GoM) is the administrative head of the ULBs in the State. He is assisted by the Director, Urban Affairs in allocation of funds and in exercising overall control and supervision of functions and implementation of schemes at the State level with regards to all the ULBs.

An organogram of the Urban Affairs Department is shown as follows:



As per the provisions of the Meghalaya Municipal Act, 1973, the Chairman is the Executive Head of the MB and has to be elected as per provision of the Act. In the absence of the elected Chairman, power of the Board is vested in the Chief Executive Officer who in such situation functions as Executive Head.

Location of Municipal Boards in Meghalaya



1.4 Audit Mandate

Section 151J (1)¹ of the Meghalaya Municipal Act, 1973 stipulates that the municipal accounts including the accounts of special funds, if any, and the balance sheet shall be audited by Examiner of Local Accounts (ELA) or his equivalent authority or an Auditor appointed by the State Government. The ELA is working under the administrative control of the Finance Department, GoM.

Further, Section 151J (2)² of the Meghalaya Municipal Act, 1973 also specifies that the Comptroller & Auditor General (C&AG) of India shall provide Technical Guidance and Supervision (TG&S) over the proper maintenance of accounts and audit of the accounts of the Board and shall prepare an Annual Technical Inspection Report on the test check of accounts of the municipality and forward a copy of the report to the State Government. The audit of accounts of the ULBs had been entrusted to the Comptroller and Auditor General of India (CAG) in March 2012 under Section 20(1) of CAG's (Duties, Powers and Conditions of Services) Act, 1971 by the State Government.

Accountant General (Audit), Meghalaya, Shillong conducted audit of all six MBs during April to September 2014 under TG&S arrangement. The AG (Audit), Meghalaya has already started the process to develop synergy with Local Fund Auditor (LFA).

The ELA, Meghalaya being a primary auditor has, however, not prepared any Audit Plan for audit of the six ULBs in the State. Audit of the ULBs are conducted by the ELA, Meghalaya as per provision of the Assam Local Fund (Accounts and Audit) Act, 1930 and the Rules framed under the Act and the executive Instructions issued thereunder as adapted by the Government of Meghalaya. The ELA stated (January 2013) that the annual audit plan would be prepared.

1.5 Devolution of Powers and Functions

The Seventy-fourth constitutional amendment provides scope for devolution of funds, functions and functionaries to ULBs by the State Government with respect to preparation of plans and programmes for economic development and social justice relating to 18 subjects listed in the Twelfth Schedule of the Constitution of India. As per information furnished (July 2014) by the Director, Urban Affairs, Government of Meghalaya has devolved 16 functions to the ULBs which are as follows:

1. Urban planning including town planning;
2. Regulation of land-use and construction of buildings;
3. Planning for economic and social development;
4. Roads and bridges;

¹ Inserted vide Meghalaya Municipal (Amendment) Act, 2012

² Inserted vide Meghalaya Municipal (Amendment) Act, 2012

5. Water supply for domestic, industrial and commercial purposes;
6. Public health, sanitation conservancy and solid waste management;
7. Safeguarding the interests of weaker sections of society including handicapped and mentally retarded;
8. Slum improvement and upgradation;
9. Urban poverty alleviation;
10. Provision of urban amenities and facilities such as parks, gardens and playgrounds;
11. Promotion of cultural, educational and aesthetic aspects;
12. Burials and burial grounds; cremations, cremation grounds, and electric crematoriums;
13. Cattle pounds, prevention of cruelty to animals;
14. Vital statistics including birth and deaths;
15. Public amenities including street lighting, parking lots, bus stops and public conveniences; and
16. Regulation of slaughter houses and tanneries.

The two functions which were yet to be devolved to the ULBs are (i) Fire Services and (ii) Urban forestry, protection of the environment and promotion of ecological aspects.

The Director, Urban Affairs, GoM stated (July 2014) that out of the 18 functions listed in the Twelfth Schedule, 16 functions were already listed as functions of municipalities in the Meghalaya Municipal Act, 1973 and in the dearth of capacity in the ULBs, many of these functions were being performed by the related Government departments. He further stated (April 2015) that assistance in the form of grants were extended to the MBs to bridge the revenue gap and not for specific purposes as per the devolution of functions. This indicated that in the absence of funds, the MBs were not in a position to perform the functions which had devolved upon them.

1.6 Accounting Manual

The Ministry of Urban Development, Government of India in consultation with the Comptroller and Auditor General of India developed the National Municipal Accounts Manual (NMAM) in 2004. The NMAM is based on double entry accrual based accounting system for greater transparency and control over finances. The Thirteenth Finance Commission (XIII FC) had also recommended for implementation of an accounting framework consistent with the accounting format and codification pattern suggested in the NMAM in all the ULBs (Para 10.161 & 10.116 of Thirteenth Finance Commission Report). Further, section 151E of the Meghalaya Municipal Act, 1973 (as amended) inserted vide Meghalaya Municipal (Amendment) Act, 2012 stipulates that the Board shall prepare and maintain accounts of the municipality in such manner as may be prescribed in the Meghalaya Municipal Accounting Manual. As per section 151H of the Act *ibid*, the Board shall approve the accounts of the previous financial year within four months of the next financial year.

Accordingly, the GoM developed a state specific manual based on NMAM and notified on 22 February 2012, the Meghalaya Municipal Accounting Manual (MMAM) for adoption. The MBs were to prepare their annual accounts in line with that of the NMAM. The State Government also directed all the CEOs to follow the double entry system of accounting in respect of all the MBs in the State.

Scrutiny of records of all the six MBs in the State revealed that in five MBs (Jowai, Tura, Williamnagar, Baghmara and Resubelpara), the annual accounts were not maintained as per the system prescribed in MMAM and only the Shillong MB had been successful in preparing the annual accounts upto 2012-13 only. No reply was received by Audit from the Municipal Boards on non-maintenance of accounts.

1.7 Creation of database on finances of ULBs

Based on the recommendation of the Eleventh Finance Commission (XI FC), the CAG had prescribed database formats for capturing the finances of all ULBs which was also accepted by the State Government. The database formats were prescribed with a view to have a consolidated position of sector-wise resource and application of funds by ULBs, details of works executed by ULBs and their physical progress, etc.

Scrutiny of records however revealed that the development of database was not started in four municipalities (Jowai, Williamnagar, Baghmara and Resubelpara), and only two ULBs (Shillong and Tura) had been able to develop the database.

1.8 Constitution of the State Finance Commission

The Seventy-fourth Constitutional amendment mandated the constitution of State Finance Commission every five years to determine sharing of revenue between the State and the local bodies. Accordingly, the Government of Meghalaya enacted the Meghalaya State Finance Commission Act, 2012 on 30 March 2012. As per Section 3(1) of this Act, the State Government shall as soon as may be one year from the enactment of the Act and thereafter at the expiry of every fifth year, constitute a body to be known as the Meghalaya State Finance Commission to review the financial position of the traditional bodies, municipalities or municipal boards notwithstanding any term by which ULBs are called in the State. As per Section 10 of this Act, the State Government had also framed the Meghalaya Finance Commission Rules, 2013 which was notified in the Gazette of Meghalaya in December 2013. However, the State Government had not constituted the State Finance Commission and thus, the provision of the Act *ibid* remained unfulfilled and ULBs are deprived of their due share of the net proceed of revenue from the State Government.

1.9 Election of Commissioners

Section 13 of the Meghalaya Municipal Act, 1973 (as amended) specifies that election in Municipalities shall be conducted in accordance with rules prescribed under the Act.

Scrutiny of records indicated that election of Commissioners was not held in any of the six MBs. The elections were scheduled to be held in August 2011 for Tura, Baghmara, Williamnagar and Resubelpara MBs but were kept in abeyance due to law and order problem. The election process in Jowai MB was also kept in abeyance pending the final decision of the High Court.

The election in Shillong MB which was scheduled on 25 November 2000 could not be held since no nomination was filed by anyone and no other date fixed/scheduled for the election and thereafter the election process was kept in abeyance.

Thus, there were no elected persons in the MBs.

1.10 Staffing pattern

The staffing pattern of the MBs is as per the sanctioned strength approved by the Urban Affairs Department, Government of Meghalaya.

It was noticed that in Shillong MBs, besides regular staff as per sanctioned strength of 128, there were 48 persons employed on temporary basis and 16 persons on contractual basis. In Tura MB apart from 38 regular staff as per sanctioned strength, there were 31 temporary staff and 120 non-regular staff. Further, in Jowai MB, the total sanctioned strength was 29 whereas the persons-in-position on regular basis against sanctioned strength was 27. However, apart from the regular staff, there are five persons on temporary basis.

1.11 Audit of MBs

The Examiner of Local Accounts (ELA) is the Primary Auditor of the MBs in the State as per the Meghalaya Municipal (Amendment) Act 2012. The ELA is assisted by one Joint ELA, one Deputy ELA and three Assistant ELAs. The ELA is further assisted by 27 Audit Officers, 35 Auditors and 72 Assistant Auditors. It was observed that as on February 2014 there are four posts of Audit Officers and 45 post of Assistant Auditors lying vacant.

The Government of Meghalaya had amended the Meghalaya Municipal Act, 1973 and appoints the ELA as the Primary Auditor for ULBs in the State consequent upon the entrustment of audit of ULBs to the Comptroller and Auditor General (C&AG) of India under Technical Guidance & Support.

1.12 Meghalaya Property Tax Board

The State Government constituted the Meghalaya Property Tax Board in March 2012 under the chairmanship of the Principal Secretary, Urban Affairs Department. In terms of its mandate, the Board shall or cause to enumerate all properties within the jurisdiction of the municipalities; review the present property tax system and make recommendation for basis of assessment and valuation of properties and modalities for periodic revision.

It was observed that though Government notification to the effect was issued, yet there were no information (though called for) whether the Property Tax Board had at any time reviewed and revised the present property tax system.

1.13 Municipal Accounts Committees

Para 49A³ of the Meghalaya Municipal Act, 1973 (as amended) specifies that the respective Boards may constitute a Municipal Accounts Committee. The responsibility of the Committee *inter alia* includes (i) the examination of the accounts of the Board and also checking whether the audit observations and instructions made or given from time to time have been complied with; (ii) undertaking any physical verification of cash, stock and assets of the Board; and (iii) discharging such other function as may be entrusted.

Scrutiny of records of all six MBs revealed that contrary to the provisions of the Act, none of the Boards had constituted Municipal Accounts Committees in their respective Boards. Due to absence of the Accounts Committee, there was no authority to monitor and insist upon the Boards to prepare the Annual Accounts.

1.14 Financial Profile of the ULBs

The resource of the six MBs consists of own revenues, Central Finance Commission grants and State Government grants for maintenance and development purposes.

Under Section 68 of the Meghalaya Municipal Act, 1973 (as amended), the MBs can impose within its limits taxes on holdings (property tax), water tax, light tax, latrine tax, drainage tax, private markets tax, fees on carts, carriages and animals, registration fees for dogs and cattle and any other tax, toll and fee duly sanctioned by the Government.

The financial position of the six MBs during 2012-13 and 2013-14 were as follows:

Table 1.1

(₹ in lakh)

Name of MB	RECEIPTS									
	Own Revenue		Grants-in-aid (Plan)		Grants-in-aid (Non-Plan)		Finance Commission Grants		Total	
	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14
Shillong	761.14	721.10	25.29	25.29	170.00	190.00	493.51	636.07	1449.94	1572.46
Tura	301.87	268.88	13.30	15.44	50.00	0	214.18	205.89	579.35	490.21
Jowai	6.24	2.45	0	0	51.00	56.10	38.09	168.99	95.33	227.54
Williamnagar	15.06	5.04	0	11.49	15.00	16.56	20.09	145.58	50.15	178.67
Baghmara	43.57	6.83	5.92	4.00	6.84	11.00	21.23	48.39	77.56	70.22
Resubelpara	9.90	9.90	0	5.00	10.00	8.00	134.66	76.90	154.56	99.80
	1137.78	1014.20	44.51	61.22	302.84	281.66	921.76	1281.82	2406.89	2638.90

Source: Figures furnished by MBs

³ Inserted vide Meghalaya Municipal (Amendment) Act, 2012

Table 1.2

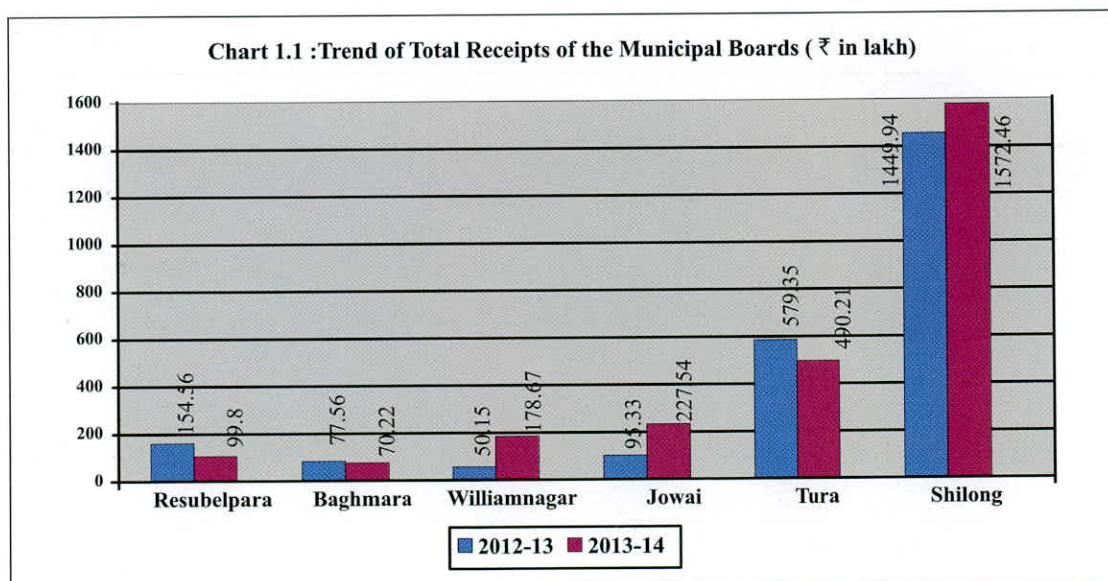
(₹ in lakh)

Name of MB	EXPENDITURE									
	Own Revenue		Grants-in-aid (Plan)		Grants-in-aid (Non-Plan)		Finance Commission Grants		Total	
	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14
Shillong	1048.67	815.90	0.38	28.77	170.00	190.00	739.57	592.72	1958.62	1627.39
Tura	314.59	286.04	13.30	15.44	50.00	0	218.29	203.65	596.18	505.13
Jowai	4.26	2.03	5.20	0	24.83	63.86	38.09	162.71	72.38	228.60
Williamnagar	36.55	27.33	3.02	10.99	11.23	23.49	20.09	145.58	70.89	207.39
Baghmara	57.76	11.01	5.92	4.00	6.84	11.00	21.20	7.25	91.73	33.26
Resubelpara	21.05	19.09	7.99	0	1.14	10.73	1.55	78.91	31.73	108.73
	1479.88	1161.40	35.81	59.20	264.04	299.08	1038.79	1190.82	2821.54	2710.50

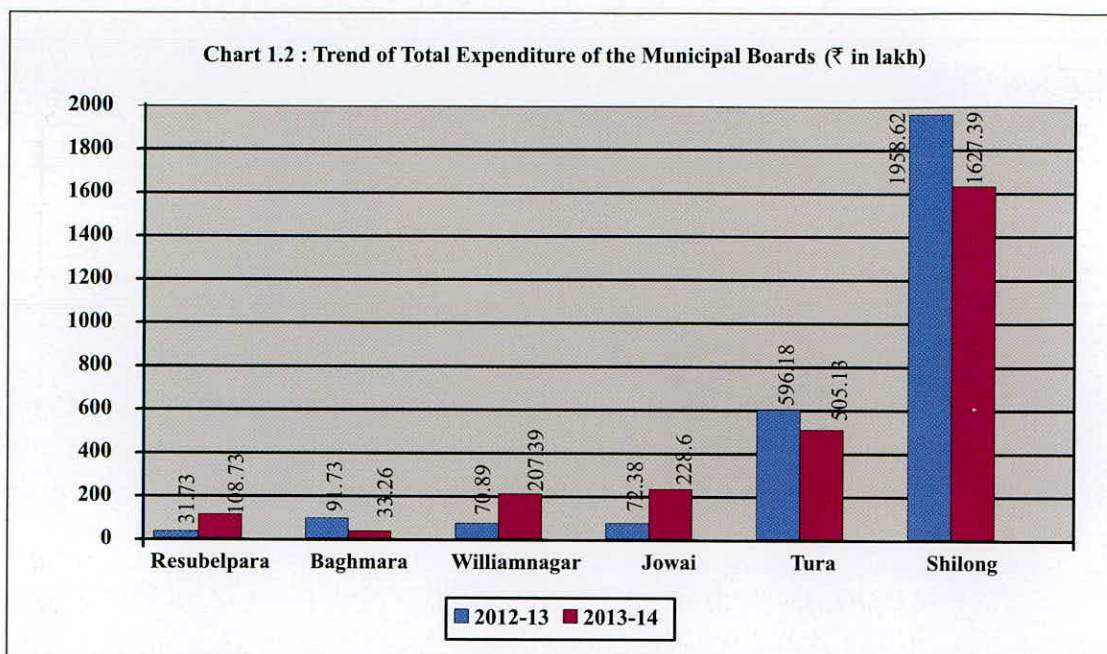
Source: Figures furnished by MBs

From Table 1 and 2 above, it could be seen that:

- While the total receipts of Jowai and Williamnagar MBs increased significantly by 139 per cent and 256 per cent respectively during 2013-14 over previous year, in case of Shillong MB, the total receipts marginally increased by 8 per cent during 2013-14 compared to 2012-13. In contrast, the total receipts of Baghmara, Tura and Resubelpara MBs during 2013-14 declined by 9 per cent to 35 per cent over the previous year. The trend of total receipts of the six MBs is depicted in the following chart.



- There was increase in total expenditure of the Jowai, Williamnagar and Resubelpara MBs in 2013-14 as compared to 2012-13. However, the total expenditure of Shillong, Tura and Baghmara MBs decreased in 2013-14 as compared to 2012-13. The trend of total expenditure in the six MBs is depicted in the following chart.



- During the year 2012-13, Shillong, Tura, Williamnagar and Baghmara MBs have incurred expenditure in excess of the receipts amounting to ₹ 508.68 lakh, ₹ 16.83 lakh, ₹ 20.74 lakh and ₹ 14.17 lakh respectively. Similarly, during 2013-14, Shillong, Tura, Jowai, Williamnagar and Resubelpara MBs have incurred expenditure in excess of the receipts amounting to ₹ 54.93 lakh, ₹ 14.92 lakh, ₹ 1.06 lakh, ₹ 28.72 lakh and ₹ 8.93 lakh respectively.
- The own revenue generation of Jowai MB during 2012-13 and 2013-14 and that of Williamnagar and Resubelpara MBs during 2013-14 was minimal (1 per cent to 9 per cent) compared to the total expenditure incurred during these years.
- The State Government did not release any grants-in-aid under Plan to Williamnagar MB during 2012-13 and to Jowai MB in both 2012-13 & 2013-14. Further, in 2013-14, no Grants-in-aid under Non-Plan was released to Tura MB.

1.15 Conclusion

- Against the 18 functions listed to be devolved to ULBs, the State Government has so far transferred 16 functions. Two functions were yet to be transferred indicating that full devolution of powers and functions were yet to be achieved. Funds and functionaries were also not transferred by the State Government with respect to these two functions resulting in the ULBs not being capable of performing the functions devolved to them.
- The State Government was yet to constitute the State Finance Commission due to which the ULBs in the State were deprived of their due share of revenue from the State Government.

- The Annual Accounts of five⁴ MBs were yet to be prepared as per the prescribed Manual for ULBs indicating that the system of proper accounting in these municipalities were yet to be kept in place.

1.16 Recommendations

- **Full devolution of powers and functions to the ULBs should be expedited. Further, adequate funds and functionaries should also be transferred to the ULBs with proper monitoring so that they can perform the functions devolved to them.**
- **The State Government should constitute the State Finance Commission at the earliest as per the provisions of the Meghalaya Finance Commission Act, 2012 to offer timely technical advice on the collection, distribution of resources between the state and municipalities.**
- **Proper accounting system should be kept in place in all the MBs as prescribed in MMAM and timely preparation of Annual Accounts should be ensured.**

⁴ Tura, Jowai, Williamnagar, Baghmara and Resubelpara.

CHAPTER II
COMPLIANCE AUDIT

CHAPTER II : COMPLIANCE AUDIT

2.1 Collection of Property Tax and Service charges

2.1.1 Non-collection of Property Tax on private residential buildings

Section 68 (1) (a) of the Meghalaya Municipal Act, 1973 (as amended) provides for the payment of taxes on holdings by the owner within the municipal limits on annual value assessed. Further, Section 69 of the Act provides that '*all municipal taxes in respect of Government holdings shall be payable by Government themselves to the MBs*'. Property tax is the main source of income of most ULBs in Meghalaya.

Scrutiny of records of MBs revealed the following:

- The Shillong MB could not collect property tax from private residential buildings, the total outstanding property tax was ₹ 1.57 crore as on March 2013. Due to non-preparation of Annual Accounts for the year 2013-14, the amount of property tax outstanding as on March 2014 in Shillong MB could not be ascertained by Audit.
- As on March 2013, Tura MB has failed to collect property tax of ₹ 1.56 crore due to non-payment of the same by the owner of properties.
- The MBs, Jowai, Williamnagar, Baghmara and Resubelpara had not taken any initiative to collect any property tax from the residents as well as from the State and Central Governments buildings.

While the Jowai MB stated (April 2014) that since inception property tax could not be collected due to opposition from the public, the CEOs of Williamnagar, Baghmara & Resubelpara MBs had not furnished any reason for non-collection of property tax.

2.1.2 Non-collection of Service charges from Government buildings

Para 6.2 of the Accounting Manual for ULBs in Meghalaya states that in respect of buildings of State or Central Government departments or undertakings, the property tax (in the form of Service Charges) is leviable directly from such undertakings or from the State or Central Government.

Contrary to the provision of the Accounting Manual, service charges of ₹ 1.51 crore and ₹ 12.44 lakh up to March 2014 were not realised by the Shillong and Tura MBs respectively from the State and Central Governments buildings situated within their jurisdiction. Though Shillong MB had issued demand notices to the respective State and Central Government Departments, no demand notices were however issued by Tura MB.

Further, Jowai, Williamnagar, Baghmara and Resubelpara MBs had neither made any assessment nor prepared any demand for service charges from the State as well as Central Governments buildings. Thus, due to lackadaisical attitude of the Boards, there was no scope of generating revenue.

2.1.3 Management of Receipts Books

As per Para 5.5 of the Accounting Manual for ULBs, Stock Account of Receipt Books was to be maintained in the prescribed form. As per the prescribed form of this register; columns indicating receipt, issue, to whom issued, balance, return of books, signature of the person receiving and returning the books were to be recorded. Scrutiny of records revealed that Jowai, Williamnagar, Baghmara and Resubelpara MBs had not maintained any Stock Account of Receipt books. In Tura MB, 88 receipt books were issued to various officials and tax collectors of the Board during 2008 to 2013. However, officials and tax collectors had neither returned nor deposited the revenue collected even after a lapse of more than one to six years from the date of issue of the Receipt Books. There were also no records to indicate whether these receipt books were utilised or not (details in **Appendix 2.1**).

The CEO, Tura MB stated (May 2014) that the concerned officials were asked to return the receipt books and attempts were being made to get the revenue, if any. The reply is not convincing because non-deposit of receipt books and tallying entries in receipt books with actual cash received in hand/bank was fraught with the risk of misappropriation. Reasons for non-maintenance of Stock Accounts of Receipt Books in Jowai, Williamnagar, Baghmara and Resubelpara MBs had not been intimated to audit.

Recommendations

The MBs should ensure timely payment of property tax and service charges by all the owners as well as Government departments. The civic services that are provided by the MBs should be linked with the payment of these dues. Further, the MBs should also ensure that its revenue collection should be accounted for by bank reconciliation and proper maintenance of receipt and cash book to avoid revenue leakage and chances of fraud.

2.2 Collection of Rent and Fees

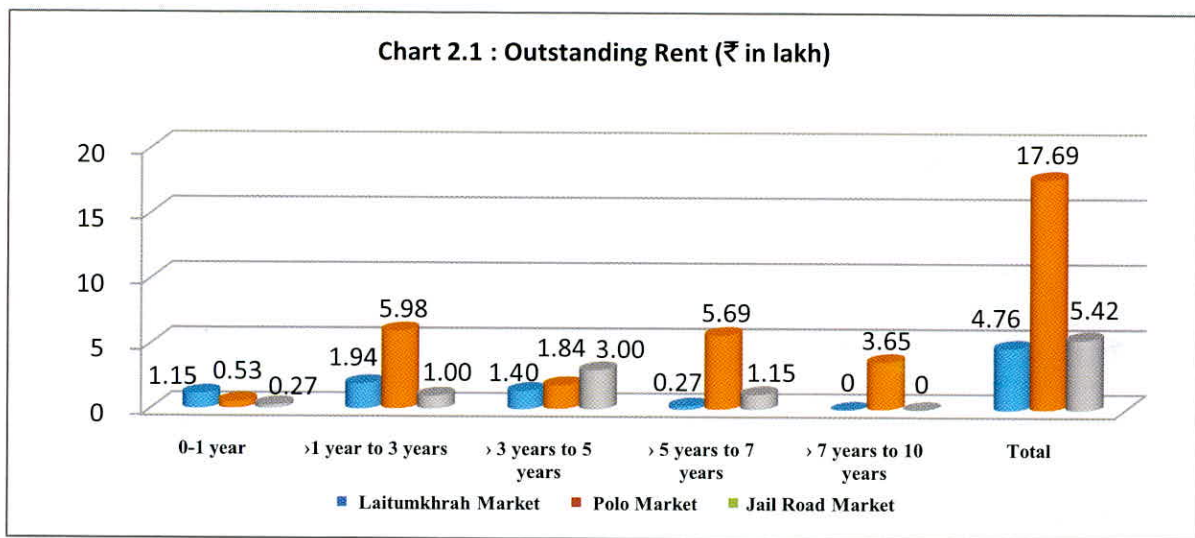
2.2.1 Rent not realised from Municipal Markets

Section 148 (2) of the Meghalaya Municipal Act, 1973 (as amended) stipulates that *'the Board may levy rents, tolls and fees at such rates as it may think proper for the right to expose goods for sale in a municipal market and for the use of such shops, stalls and standings therein.'*

Scrutiny of records relating to three markets of the Shillong MB revealed that the Board had not realised rents of ₹ 27.87 lakh from different stalls of three markets as detailed in **Appendix 2.2** and their age-wise pendency is given in **Table 2.1** and **Chart 2.1**.

Table 2.1

Period	Laitumkhrach Market		Polo Market		Jail Road Market	
	No. of Stalls from whom rent not realised	Amount not realised	No. of Stalls from whom rent not realised	Amount not realised	No. of Stalls from whom rent not realised	Amount not realised
0 to 1 year	22	1.15	18	0.53	7	0.27
Above 1 year to 3 years	15	1.94	66	5.98	7	1.00
Above 3 years to 5 years	7	1.40	7	1.84	14	3.00
Above 5 years to 7 years	2	0.27	11	5.69	3	1.15
Above 7 years to 10 years	0	0	6	3.65	0	0
TOTAL	46	4.76	108	17.69	31	5.42



Out of the outstanding rent of ₹ 27.87 lakh in respect of 185 stalls in three markets, 108 stalls of Polo market were the main defaulters (63 per cent of outstanding dues). The Shillong MB also failed to realise rent of ₹ 9.34 lakh from 17 stalls of Polo market even after 5 to 10 years.

Thus, failure to realise rents from the municipal markets was not only contrary to the provision of the Act *ibid* but also indicated that there was lack of interest on the part of MBs to improve the financial health of the Board. Consequently, 185 stalls in three markets had been enjoying undue financial benefit persistently.

2.2.2 Collection of fees from Public Toilet

The Shillong MB invited tenders for collection of fees from Municipal Public Toilet situated at Anjalee Cinema on 06 December 2011. The work was awarded to the highest bidder Shri Samuel Kharsati for ₹ 5.76 lakh per year. As per the preliminary work order, the concerned person had to deposit an amount of ₹ 4.32 lakh which was 75 per cent of the contract value on or before signing the agreement. The period of contract was for a period of one year i.e. up to 5 December 2012.

Scrutiny of records revealed that no agreement was entered into by Shri Samuel Kharsati with the Shillong MB. Besides, the bidder deposited only ₹ 0.96 lakh (16.67 per cent of the

contract value) against ₹ 4.32 lakh, reasons for which were not on record. Consequently, the Board extended undue financial benefit of ₹ 3.36 lakh to the bidder.

Further, during 25 May 2012 to 04 November 2012, the public toilet was closed due to repair works and re-started functioning from 05 November 2012. Considering the period of closure (5 months 10 days), the bidder should have been allowed to collect fees up to 31 August 2013. But the bidder continued to collect fees till the date of audit (April 2014) without any further extension of contract, resulting in undue financial benefit to the contractor.

Recommendations

- **The Shillong MB should ensure assessment and realisation of rent from all the municipal markets and impose penalty on the defaulters.**
- **While awarding the contracts for collection of fees from public toilets, the codal formalities should be strictly adhered to by the Shillong MB to avoid loss of revenue.**

2.3 Implementation of Swarna Jayanti Shahari Rozgar Yojana

The objective of the scheme was to provide gainful employment to the urban unemployed or under employed through setting up of self-employment venture or provision of wage employment. GOI issued Revised Guidelines for SJSRY in 2009 which were effective from 01 April 2009. Revised guidelines issued by the Government of India comprise of five major components – (i) Urban Self Employment Programme (USEP), (ii) Urban Women Self-help Programme (UWSP), (iii) Skill Training for Employment Promotion amongst Urban Poor (STEP-UP), (iv) Urban Wage Employment Programme (UWEP), (v) Urban Community Development Network (UCDN).

Under UCDN, a UPA cell is to be created for implementation of UCDN. For community structures, community development and employment component at the community level, Community Organiser (CO) may be engaged for about 2,000 identified families wherein a woman should be as CO. She should be a full-time functionary. If not recruited under the earlier programmes, the CO may be engaged on a contract basis. She should be paid suitable remuneration commensurate with her qualification and experience.

Scrutiny of records relating to SJSRY however revealed the following:

2.3.1 Diversion of funds

Shillong MB appointed one woman temporarily as Community Organiser under the Urban Poverty Alleviation (UPA) Cell on a regular time-scale of pay and other allowances as admissible from time to time. The appointment was purely temporary basis subject to the operation of the UPA Scheme. The CO joined duties on 19 December 2000.

Scrutiny of Salary Bill Register of UPA Cell of SMB revealed that in violation of scheme guidelines, the Board incurred expenditure of ₹ 88.65 lakh during April 2002 to March 2014 on payment of salary to these officers/official of UPA Cell (excluding CO) by diverting the funds meant for SJSRY. Details are given in **Appendix 2.3-A** and **Appendix 2.3-B**.

The CEO, SMB stated (June 2014) that the utilisation certificate for SJSRY were regularly submitted to the Directorate of Urban Affairs (DUA), Meghalaya and were duly accepted by DUA and as such, it was contended that there was no diversion of funds. The reply is not tenable as the payment of salaries to the officials other than the CO was not permissible as per SJSRY guidelines.

2.3.2 Non-maintenance of Stock Register

Food items were procured during February 2005 to July 2008 by the Jowai, Williamnagar, Baghmara and Resubelpara MBs for distribution to community centres under its jurisdiction. Bills for food items were accordingly passed for payment out of SJSRY funds. However, none of these Boards maintained any Stock Register to record the quantity of food items procured, utilised or distributed to different localities. In the absence of Stock Register, the veracity of actual procurement and utilisation of food items under SJSRY could not be ensured in audit. The respective MBs stated (May and August 2014) that the stock register would be maintained in future.

Recommendations

The implementation of SJSRY should be done as per scheme guidelines in order to achieve the objective of gainful employment to the urban populace as envisaged under the programme.

2.4 Operation of Public Transport Services

According to information furnished (January 2015) by the Director, Urban Affairs Department, 304 vehicles were purchased for six MBs¹ under the XIII FC awards at a total cost of ₹ 17.41 crore.

Irregularities noticed in providing public transport services in the six MBs are discussed below.

2.4.1 Tenders for selection of operators not invited

In five out of six MBs, the operation of the Public Transport services was handed over to private parties on the basis of 50:50 profit sharing basis. Audit observed the following:

- In order to operate the Shillong Supplementary Public Transport Service and the Airport Shuttles, the Shillong MB handed over its 184 vehicles to two private parties as per details given below:

¹ Shillong MB:200 vehicles; Tura MB: 50 vehicles; Jowai MB: 11 vehicles; Williamnagar MB:19 vehicles; Baghmara MB: 12 vehicles; Resubelpara MB: 12 vehicles

Table 2.2

Sl.No.	Name of the Private Party	Types of vehicle	Number of vehicles
1.	Synroplang Self Help Group, Mawpat, Shillong.	Bus	20
		Maxi Taxi	127
2.	Pioneer Transport and Services Organisation, Mawlai Mawroh, Shillong.	Bus	10
		Maxi Taxi	20
		Winger	7
Total			184

- Tura MB awarded the operation of 20 Marcopolo Buses as Tura Public Transport Service (TPTS) to Mini Bus Syndicate, Tura from January 2012.
- The operation of 09 (nine) Marcopolo Buses as Williamnagar Public Transport Service (WPTS) was awarded to CD Travels, Warimagre, Williamnagar from February 2012. The Baghmara MB has awarded the operation of two Marcopolo Buses to Baghmara Butchers' Association while 10 Maxima Vans were awarded to Simsang Eco-Tourism Society.
- Resubelpara Board has awarded the operation of two Marcopolo Buses as Resubelpara Public Transport Service (RPTS) to Resubelpara Bus Operators' Association from 01 February 2012 and thereafter to Belpara Transport Association from 16 February 2013.

Records of five² MBs were test checked and found that none of the above Boards invited tenders for operation of the Airport Shuttles buses/Maxima Vans for Public Transport Services in their respective MBs. In the absence of competitive tenders, the reasonability of the rates could not be ascertained in audit.

2.4.2 Discrepancies in operation of Public Transport Services

The discrepancies noticed in the operation of Public Transport Services in the six MBs are discussed as follows:

➤ **Shillong MB**

Shillong MB engaged Synroplang Self Help Group (SHG), Mawpat, Shillong from December 2012 to May 2013 and Pioneer Transport & Service Organisation (PTSO), Mawlai Mawroh from June 2013 till the date of audit (June 2014) for operating seven TATA Winger vehicles as Airport shuttles between Shillong and airport at Guwahati. The agreements were executed by the SMB with Synroplang Mawpat, Shillong on 07 December 2012 and with Pioneer Transport & Service Organisation (PTSO), Mawlai Mawroh on 01 June 2013. The initial period of operation of the Airport shuttles was for six months.

As per clause 11 of the Agreement, net revenue from the operation of Airport shuttles was to be shared between the SMB and the operator in a ratio for 50:50 in the Public Private Partnership mode. Further, the operator was to submit the financial statement to the SMB, profit and loss account/balance sheet and Bank Reconciliation Statement including monthly revenue by the 10th of the following month. Further, as per clause 12 of the agreements, an amount equivalent to one month estimated net revenue was to be deposited by the operators in advance, which was adjustable on termination of the agreements.

² Shillong, Tura, Williamnagar, Baghmara and Resubelpara

On scrutiny of records of Shillong MB, Audit observed that the operator did not deposit any amount equivalent to one month estimated net revenue (*estimated as ₹1.37 lakh*) as security deposit as provided under clause 12 of the Agreement *ibid* which was based on the Revenue Model prepared by SMB.

Synroplang SHG, Mawpat defaulted in rendition of monthly accounts from December 2012 to May 2013 and did not deposit any profit to SMB on the 50:50 basis of sharing, resulting in loss of revenue of at least ₹ 4.11 lakh³. No action was however taken by the Shillong MB against Synroplang SHG for non-submission of accounts and non-deposit of revenue.

Synroplang SHG operator was asked (July 2013) to handover the seven vehicles to a new operator i.e. Pioneer Transport & Service Organisation (PTSO). The new operator started operations from 01 June 2013. PTSO also did not render monthly accounts since September 2013. Besides, PTSO defaulted in depositing to SMB an amount equivalent to one month estimated net revenue in the form of security deposit as provided in Clause 12 of the Agreement *ibid*.

After the expiry of the initial six months (30 November 2013), a fresh agreement for the period from 01 December 2013 to 31 May 2014 was executed with the PTSO despite its failure to adhere to the terms and conditions of agreement executed for the earlier period.

Thus, failure of the SMB to enforce the provisions of agreement resulted in estimated loss of revenue of ₹ 12.33 lakh (from September 2013 to May 2014) calculated on the basis of the Revenue Model prepared by the SMB.

➤ **Tura MB**

(i) **Operation of Buses**

The Tura MB and Mini Bus Syndicate signed a deed of agreement for operation of the 20 Marcopolo Buses as Tura Public Transport Service (TPTS) on 13 January 2012. Though the validity of the agreement was for one year (January 2013), the date of operation was extended till January 2014. As per clause 8 of the agreement, net revenue from the operation of the buses was to be shared between the Tura MB and the operator in the ratio of 50:50, to be reviewed quarterly and the operator was to submit monthly accounts to the Tura MB by the 10th of the following month. Further, as per the agreement, the net revenue was estimated to be ₹ 15.15 lakh per annum which was to be shared on 50:50 basis between Mini Bus Syndicate and Tura MB.

Audit of records of Tura MB revealed that though the decision to extend the operation of TPTS by the Mini Bus Syndicate was taken, no fresh agreement was executed to cover the extended period. Therefore, the operation of TPTS from January 2013 to January 2014 was not legally binding on the Mini Bus Syndicate in case of any mishaps. Further till the date of audit (May 2014), no decision was taken on the operation of the TPTS after January 2014. It was also observed that Mini Bus Syndicate did not deposit the profit share of Tura MB from October 2013 onwards.

³ (50% of ₹ 1.37 lakh) x 6 months

Thus, due to non-execution of agreement, the Mini Bus Syndicate defaulted at least ₹ 3.79 lakh⁴ from October 2013 to March 2014. The Tura MB therefore failed to protect its financial interest. No reply was furnished by Tura MB.

(ii) Operation of Maxi Taxis

TMB invited Expression of Interest (EOI) in August 2012 to operate 15 Tata Ace Maxi Taxis as Tura Supplementary Public Transport Service (TSPTS). The work was awarded (August 2012) to the successful bidder Nokrek Midan Co-operative Transport Society, Tura which offered a monthly rate of ₹ 6658.21 per vehicle. The validity of the operation of the 15 Tata Magic Maxi taxis was for a period of six months (February 2013). However, the operation was extended till January 2014.

Scrutiny of records of the MB revealed that no formal agreement was signed by the TMB with this operator. Further, the period of operation was extended till January 2014, without any agreement. The operator was again allowed to operate these Maxi Taxis beyond January 2014. It would be observed that the operation of the Taxis was thus left entirely with the society.

Further, Nokrek Midan Co-operative Society did not make any monthly payment for the operation of the 15 Tata Ace Maxi Taxis under TSPTS from April 2013 onwards resulting in accumulation of outstanding revenue amounting to ₹ 11.98 lakh⁵ up to March 2014. No reply was furnished by Tura MB.

➤ **Williamnagar MB**

The operation of nine Marco Polo buses was entrusted by the Williamnagar MB to CD Travells without any agreed period for which the WMB was to receive revenue on 50:50 profit sharing basis. Scrutiny of records revealed that CD Travells had not deposited the share of profit for WMB for the period from January 2014 to March 2014.

According to the information furnished (August 2014) by the CEO of the MB, nine Marco Polo buses were surrendered (June 2014) by the operator since they were not in running condition. As such, these buses had been lying idle resulting in non-achievement of the objective of providing public transport to the residents of Williamnagar. In the absence of the public transport services, the residents had to rely on the auto-rickshaws run by private individuals for their daily transport involving higher expenditure than that of the public transport services. Till the date of audit these vehicles had not yet been repaired and no tenders or EDI invited. Further developments in this regard were not furnished by Williamnagar MB.

➤ **Resubelpara MB**

Resubelpara MB and Resubelpara Bus Operators' Association signed a deed of agreement for operation of two Marco Polo Buses as Resubelpara Public Transport Service (RPTS) on 01 February 2012. The deed of agreement was valid for one year and expired on 31 January

⁴ $\{(50\% \text{ of } 15.15 \text{ lakh}) \div 12\} \times 6 \text{ months}$

⁵ 12 months @ ₹ 6658.21 per month for 15 vehicles. $(6658.21 \times 12 \times 15 = 1198477.80)$

2013. Thereafter, RMB executed an agreement (valid for one year) for operating RPTS with Belpara Transport Association on 16 February 2013.

Audit observed that though the agreement with Resubelpara Bus Operators' Association expired in January 2013, RMB directed the operator to hand over the buses only on 4 April 2013.

As per the agreement, ₹ 10,000 per month for each bus was to be deposited by the operator to the Resubelpara MB. However, the Belpara Transport Association failed to deposit ₹ 1.54 lakh (**Appendix 2.4**) due in this period.

On 21 November 2013, the President, Belpara Transport Association returned one of the buses (ML01 2276) to the Resubelpara MB on the pretext that they were running on huge losses. Though the period of contract with Belpara Transport Association expired in February 2014, RMB directed to return the other vehicle (ML01 2278) only in May 2014 along with a notice of cancellation of the contract. The amount of ₹ 0.27 lakh⁶ due to the Board from 16 February 2014 till 7 May 2014 was never realised by the Board from the Belpara Transport Association thereby extending undue benefit to the operator.

As per the agreement, a monitoring committee was to supervise and oversee the operations of RPTS. But the said committee was never constituted.

Thus, the RMB had failed to manage the Resubelpara Public Transport Service which resulted in loss of revenue to the Board.

➤ **Baghmara MB**

Scrutiny of records relating to operation of the Baghmara Public Transport Service and Baghmara Supplementary Transport Service revealed that the operation of two Marco Polo Buses as Baghmara Public Transport Service (BPTS) was awarded to Baghmara Butchers' Association. Agreement executed with the Baghmara Butchers' Association was, however, not produced to Audit.

Baghmara Butchers' Association had not deposited the profit share of the MB for the operation of the two buses from January 2013 onwards.

Further the MB awarded the operation of 10 Maxima Mini Vans as Baghmara Supplementary Public Transport Service (BSPTS) to Simsang Eco-Tourism Society. However, the deed of agreement executed with Simsang Eco-Tourism Society was not produced to Audit.

Simsang Eco-Tourism Society had not deposited the profit share of the MB for operation of the 10 Maxima Mini Vans from October 2013 onwards. No documents in this regard were produced by BMB; the profit share forgone could not be estimated.

Thus, the BMB failed to manage the Baghmara Public Transport Service leading to non-deposit of revenue to the Board.

⁶ ₹ (10,000 ÷ 30) x 80 days = ₹ 26,640/-

➤ **Jowai MB**

Under XIII FC Awards, the Jowai MB purchased five Marco Polo buses in October 2011 for operating the Jowai Public Transport Service (JTPS). JMB also procured six Maxximo Mini vans in July 2013 for operation of the Jowai Supplementary Public Transport Service (JSPTS). Scrutiny of records revealed that out of six Maxximo Mini vans procured for JSTPS, only one was in operation. The other five Maxximo Mini Vans remained non-operational since January 2014 and were parked in the office premises of the JMB. The CEO, JMB stated (May 2014) that five Maxximo Mini vans were assigned for operation in different localities in Jowai could not be operated due to parking problems, absence of passengers and high fuel consumption. The CEO further stated that non-stop plying with minimum or no passengers resulted in high fuel consumptions by these vans and low return. Thus, no assessment about the requirement of vans were made by the Board before requisitioning them, resulting in idle expenditure of ₹ 19.67 lakh⁷.

Though the buses for JPTS were operated by JMB itself, no Log books were maintained. Further, there was no record to indicate the number of trips (local and reserved) undertaken by the buses per day and the number of tickets issued per day.

There was no internal control system in place to verify the daily receipts with the number of tickets issued. Resultantly, the genuineness of actual trips performed and actual revenue collected could not be ascertained in audit.

The expenditure on fuel was recorded in the Register of Daily Receipts since it was recovered from the daily fare collection. As per this Register, the expenditure on fuel was ₹ 9.73 lakh in 2012-13 and ₹ 10.15 lakh in 2013-14. Cross-check of the relevant vouchers revealed that the actual expenditure was only ₹ 9 lakh in 2012-13 and ₹ 9.35 lakh in 2013-14. The excess amount of ₹ 1.52 lakh shown as expenditure by the JMB on fuel was not justified.

Further, ₹ 4.38 lakh collected during 22 April 2013 to 24 April 2014 through Receipt Book No.156 was not deposited into the Board's account. Thus, the possibility of misappropriation of ₹ 1.52 lakh spent on fuel and ₹ 4.38 lakh collected through Receipt Book No.156 could not be ruled out.

Thus, due to absence of internal control mechanism and lack of planning about profitable routes, not only the expenditure of ₹ 19.67 lakh remained idle but also the public of Jowai were deprived of the public transport facility. Consequently, the residents of Jowai had to depend upon private taxis for their day to day conveyance involving higher expenditure.

Recommendations

- **The operation of Public Transport Services should be streamlined. There should be transparency in awarding of contracts by inviting tenders. The MBs should ensure that security deposits are collected from all the selected operators prior to entering into agreement and handing over the vehicles. Any un-satisfactory**

⁷ ₹ 19,67,515/- (5 x ₹ 3,93,503/-) [Cost of each Maxximo Mini Vans was ₹ 3,93,503/-]

performance, default in rendering accounts and damage/loss of vehicles should lead to forfeiture of security deposits and initiation of legal action against them.

- The MBs should ensure that all the vehicles under the Public Transport Services should be in running condition and any vehicle that was damaged should be repaired immediately.
- Systematic planning about profitability should be carried out chalking out the profitable routes and full utilisation of the vehicles.
- Internal control mechanism to check leakage of revenue fuel etc should be strengthened.

2.5 Implementation of Special Urban Works Programme

The Special Urban Works Programme (SUWP) is a State Plan scheme which seeks to generate wage employment through the creation of socially and economically useful public assets for the improvement of the social, economic and environmental conditions. It also seeks to involve the people and their representatives at the grass root level in the task of implementing the programme-projects which should be cost-effective. The basic idea of the scheme is to involve the people directly with the developmental programmes of the State.

The Urban Affairs Department is the Nodal and Administrative Department for implementation of SUWP. The schemes were to be drawn by the people and their respective Member of Legislative Assembly (MLA) on the basis of needs of the area and active involvement of the people and submit the same to the respective local bodies.

In Shillong, the SUWP was being implemented through the Shillong MB in four urban constituencies (Laban, Mawkhar, Mawprem and Jaiaw) and in two constituencies which are partly urban and partly rural (Malki-Nongthymmai and Laitumkhrah). In Tura, the scheme was being implemented through the Tura MB for Tura constituency only.

The audit findings on the implementation of SUWP by the Shillong and Tura MBs are discussed in the succeeding paragraphs.

2.5.1 Unutilised funds

The position of utilisation of funds by the two MBs during 2012-14 was as follows:

Table 2.3

(₹ in lakh)				
Year	Amount Sanctioned	Amount Utilised	Un-utilised amount	Percentage of un-utilised amount
Shillong MB				
2012-13	500.00	321.07	178.93	35.80
2013-14	500.00	272.33	227.67	45.53
Tura MB				
2012-13	50.00	0	50.00	100.00
2013-14	150.00	0	150.00	100.00

Non-utilisation of funds was due to the following reasons:

In Shillong MB, many local organisations and local committees to whom funds were released for execution of works under SUWP did not submit utilisation certificates, because the works were either not commenced or incomplete or abandoned. Consequently, subsequent instalments were not released by the Board to these organisations/committees.

In Tura, ₹ 50 lakh remained unutilised during 2012-13 due to the resignation of the concerned MLA prior to completion of his term. As the utilisation of fund is based on the works recommended by the MLA, the funds remained un-utilised. Further, for 2013-14, since the amount was released by the State Government in March 2014, the amount remained un-utilised.

Thus, non utilisation of funds for developmental works defeated the main objective of the scheme.

2.5.2 Release of funds in contravention of guidelines and other irregularities

As per SUWP guidelines, the MBs of the State were to implement the schemes directly through peoples' involvement at the grass root level. Advance to the representatives (MLAs) was to be released in three instalments at the ratio of 30:30:40 - the first instalment at the initial stage of the work, the second instalment only when the first instalment was accounted for the third instalment after submission of completion certificate of the work.

Scrutiny of records relating to SUWP revealed that the entire sanctioned funds of ₹ 79.40 lakh were released in contravention of the guidelines in Laban Assembly constituency during 2012-13 as shown below:

Table 2.4

Sl. No.	To whom released	Name of the Work	Amount (in ₹)
1.	Secretary, Monitoring cum Implementation Committee, Laban Assembly Constituency	Purchase of 1000 sets of Tarpaulin for Community purposes	15,00,000
2.	Secretary, Monitoring cum Implementation Committee, Laban Assembly Constituency	Purchase of 100 sets Desktop computers with accessories for Community/Student community purpose	27,00,000
3.	Secretary, Monitoring cum Implementation Committee, Laban Assembly Constituency	Purchase of 4000 numbers PVC chairs with arms for community purpose.	11,80,000
4.	Secretary, Monitoring cum Implementation Committee, Laban Assembly Constituency	Purchase of 20 sets Xerox Machine for community student.	25,60,000
	Total		79,40,000

Audit further observed that Notice Inviting Tenders (NIT) was not issued for any of the works. However, three quotations were obtained from the same three firms for all of the works. There were no supporting documents like vouchers, utilisation certificates, etc. to justify the release of funds to the Monitoring cum Implementation Committee, Laban Assembly Constituency. The funds were released only on the strength of an undertaking that utilisation certificates would be submitted after receiving the full amount of payment. However, till the date of audit (June 2014) no utilisation certificate was furnished by the

concerned implementation committee. There were no records to indicate the names and address and acknowledgement of the beneficiaries for which the materials were procured.

While admitting (April 2013) the audit observations, the CEO, SMB stated that action would be taken against those who had not submitted utilisation certificates.

2.5.3 Payment against doubtful Cash Memos/vouchers

The Director, Urban Affairs, Meghalaya accorded administrative approval and technical sanction for “Construction of retaining wall with fencing by the side of Sadar Police Station Compound at Thana Road, Police Bazar” at Mawkhar Constituency under SUWP for an amount of ₹ 26 lakh. The amount was released to the Shillong MB for execution of the work in October 2011. The work started in October 2011 and was completed in October 2012.

Scrutiny of records relating to the execution of the work showed that cash memos amounting to ₹ 21.34 lakh (**Appendix 2.5**) were issued. However, Tax Payer Identification Number (TIN) was not mentioned in any of the cash memos/vouchers mentioned at **Appendix 2.5**. Each cash memo/voucher obtained from the same dealer had the same serial number though the dates and the amounts were different. Six cash memos furnished by M/s S. Marbles had the same serial number 0029, seven cash memos furnished by M/s T. Kharkongor had the same serial number 189 and two cash memos furnished by R. Khongthaw had the same serial number 029.

The absence of TIN on the cash memos and cash memos of the same dealer having the same serial number thus, made the purchases doubtful.

2.5.4 Construction of Institution of Disabled cum Youth Centre at Laban under SUWP

Under SUWP, Urban Affairs Department, GoM accorded (June 2010) administrative approval for construction of Institution of Disabled cum Youth Centre of the Raid Laban Sports Social and Cultural Organisation (RLSSCO) at Kench’s Trace, Laban. Technical sanction for an estimated cost of ₹ 39.09 lakh framed as per Meghalaya Public Works Department (Building) Schedule of Rates for 2007-08 was accorded by the Director of Urban Affairs (DUA), Meghalaya in June 2010. Subsequently, the estimate was revised to ₹ 70.57 lakh for which revised technical sanction was accorded by the DUA in May 2011.

The work was executed by the Monitoring-cum-Implementation Committee, Laban Legislative Assembly (LA) Constituency and the funds were released to the Secretary of the Committee. An amount of ₹ 53.80 lakh (**Appendix 2.6 A**) was released to the Secretary, Monitoring-cum-Implementation Committee during the years 2007-08 to 2012-13 for execution of the work.

In addition, an amount of ₹ 15 lakh (**Appendix 2.6 B**) was also released for this work from the Chief Minister’s Special Urban Development Fund (CMSUDF).

Audit of records revealed the following:

- Time for completion of the entire work was not fixed. Though funds were released for the work since 2007-08, the work remained incomplete till the date of audit (April 2014), reasons for which were not on record.

- As per SUWP guidelines, a work should not cost more than ₹ 5 lakh and should not be of highly technical nature. In this instant case, it was observed that the total cost of the project was above ₹ 5 lakh and involved work of high technical nature as evident from the technical sanction accorded by DUA. This was, therefore, in contravention of SUWP guidelines.
- The funds for the same work were released under SUWP and CMSUDF which indicated overlapping of funds.
- The Institution for Disabled-cum-Youth Centre was yet to materialise despite an expenditure of ₹ 68.79 lakh and despite the work having been taken up from 2007-08 onwards.

The matter was reported to the Deputy Secretary, Urban Affairs Department, GoM through Inspection report issued in September 2014; reply had not been received (June 2015).

2.5.5 Absence of internal controls in implementing SUWP

Scrutiny of records relating to implementation of SUWP in Shillong MB revealed that there was absence of proper system of internal controls in the execution of works as indicated below:

- Measurements recorded in the Measurement books of the Board for construction works under SUWP indicated that measurement was taken once only and that too after completion of the work. Construction works like excavation, cement works, etc. are items of work where phase-wise measurements were to be undertaken. Since measurement was taken after completion of the work, there was no scope to measure the quantity of works undertaken at various phases before completion, and thus, the measurement so taken remained questionable.
- Scrutiny of vouchers/cash memos submitted by the beneficiaries/implementing committees, it was observed that most of the vouchers/cash memos did not have any TIN as prescribed by the Meghalaya VAT Act. Further in most of the Vouchers/Cash Memos, no dates were recorded to indicate the date of purchase of materials. The Shillong MB stated (April 2013) that most of the local suppliers from whom materials for the works were procured do not have proper cash memos/TIN. The reply is not tenable since all purchases should be made through registered dealers and due share of tax revenue should be credited to the Government.
- There were instances where work orders were made after the work had been completed. The CEO, Shillong MB stated (April 2013) that the work was done in advance due to urgency of the works as they were recommended by the MLA concerned. The CEO further stated that the works were carried out in anticipation of Government approval and work orders were issued after obtaining Government approval. The reply was contrary to Rule 271 of the Meghalaya Financial Rules, 1981 which states that ‘that no work shall be commenced unless orders for its commencement were issued by competent authority.’

Recommendations

- **Implementation of SUWP as per scheme guidelines should be ensured so that the benefit envisaged under the scheme percolates to the needy population.**
- **The Shillong and Tura MBs should ensure proper utilisation of the funds under SUWP and ensure necessary internal controls are in place while implementing various works.**

2.6 Implementation of Development of Traditional Folk Music Scheme

Development of Traditional Folk Music (DTFM) is a human resource development scheme for preservation and improvement of traditional folk music, songs, dramas, plays and musical instruments. Para 5 of the Guidelines for implementation of the Development of Traditional Folk Music (DTFM) which is a State Plan scheme issued by the Directorate of Arts and Culture, Government of Meghalaya prescribes that the components of the scheme are financial assistance for purchase of arts and culture equipments, instruments and materials; organisation of cultural meets and competition in dance, drama, music, painting and other art forms.

Further, Para 7.1 of the guidelines specifies that the scheme will be directly implemented by the Deputy Commissioner concerned by disbursing the financial assistance directly to the beneficiary organisation/club.

Scrutiny of records relating to implementation of DTFM in Tura MB revealed that on the direction of the MLA⁸ from South Tura Assembly Constituency, ₹ 2.5 lakh under DTFM was released (November 2013) to the concerned MLA instead of the beneficiaries which was in contravention of the scheme guidelines. Further, utilisation certificates for ₹ 2.5 lakh were not received by the Tura MB till the date of audit.

It was also observed that no details were available about the artists or form of music which was sought to be endorsed. In the absence of such details, the actual utilisation of the financial assistance remained questionable.

While accepting the audit observations, the CEO, Tura MB stated (May 2014) that the audit observations will be noted for future guidance.

Recommendations

The implementation of the DTFM should be as per the scheme guidelines so that the funds are utilised for the purpose for which they are meant for.

2.7 Implementation of Intensive Arts and Culture Development Programme

Intensive Arts and Culture Development Programme (IA&CDP) is a human resource development state Plan scheme aimed at upliftment and development of contemporary and traditional art, music and culture. Para 5 of the Guidelines for implementation of the IA&CDP issued by the Directorate of Arts and Culture, Government of Meghalaya

⁸ Shri John Leslee K. Sangma, Member Legislative Assembly, South Tura Constituency.

prescribes that the components of the scheme are assistance for purchase of arts and culture equipments, instruments and materials; organisation of cultural meets and competition in dance, drama, music, painting and other art forms.

Further, Para 7.1 of the guidelines specifies that the scheme will be directly implemented by the Deputy Commissioner concerned by disbursing directly to the beneficiary organisation/club.

Scrutiny of records relating to implementation of IA&CDP in Shillong and Tura MB revealed the following:

➤ **Shillong MB**

Scrutiny of records relating to IA&CDP revealed that the amounts of ₹ 2.5 lakh for 2010-11 and ₹ 2.5 lakh for 2011-12 were utilised by the Jaiaw Constituency Development Committee for purchase of 1900 numbers of plastic chairs instead of arts and culture materials. There was however no records to indicate that these chairs were distributed to the concerned beneficiaries. Nor was there any evidence of the physical stock of chairs being available at any store, *etc.* in the custody of the Jaiaw Constituency Development Committee.

On this being pointed out by Audit, the SMB stated (April 2013) that plastic chairs were proposed to be used in venues for arts and culture programmes. The reply was, however, not tenable since there were no records to indicate the names of the venues where such arts and cultural programmes were held and the chairs were utilised.

➤ **Tura MB**

Contrary to the scheme guidelines, ₹ 2.50 lakh under IA&CDP was released (November 2013) to the concerned MLA⁹ from South Tura Assembly Constituency on the basis of his direction, instead of the beneficiaries. However, utilisation certificates for ₹ 2.50 lakh were not received by the Tura MB till the date of audit.

While accepting the audit observations, the CEO, Tura MB stated (May 2014) that the audit observations would be noted for future guidance.

Recommendations

The implementation of the IA&CDP should be as per the scheme guidelines so that the funds are utilised for the purpose for which it was meant for.

2.8 Idle Expenditure

Under the awards of the XII and XIII Finance Commission, Urban Affairs Department, Government of Meghalaya allocated funds to the six MBs for procuring Cess Pool Tankers, excavators for use in their respective Boards.

Scrutiny of records revealed that Cess Pool Tankers and excavators procured by the MBs were lying unutilised resulting in idle expenditure of ₹ 94.80 lakh as detailed below:

⁹ Shri John Leslee K. Sangma, Member Legislative Assembly, South Tura Constituency.

Table 2.5

(₹ in lakh)				
Sl. No.	Name of the vehicle/machine	Cost	Month & Year of purchase	MB
1.	JCB JS 81 Excavator (machine without rubber tyres)	29.07	November 2013	Jowai
2.	Cess Pool Tanker	17.85	February 2010	Jowai
3.	Cess Pool Tanker	15.96	August 2012	Baghmara
4.	Cess Pool Tanker	15.96	August 2012	Resubelpara
5.	Cess Pool Tanker	15.96	August 2012	Williamnagar
Total		94.80		

The CEO, Jowai MB stated that the Board had submitted proposal for purchase of one JCB excavator with rubber tyre but the Government approved funds for purchase of one JCB JS 81 excavator without rubber tyres. He further stated that excavator could not ply through roads and needed vehicle carrier for transportation to dumping ground at Mynkjai. In addition, the excavator could not be parked at the dumping ground due to security reasons and hence the excavator could not be put into operation. Regarding Cess Pool, the CEO, JMB stated (May 2014) that the Board did not have any suitable site for disposal of effluents waste collected by the Cesspool. Due to the complaints from the public, the disposal of effluents at some remote areas was stopped. Reason for non-utilisation of the Cess Pool Tankers was not furnished by the Williamnagar, Baghmara and Resubelpara MBs. Replies furnished by the CEO, JMB are indicative of the fact that the assets were procured without ensuring their proper utilisation which led to idle expenditure of ₹ 94.80 lakh. The situation could have been avoided had there been any initiative to dispose of the assets through auction or lease in case of inability to utilise the assets.

Recommendations

- **Proper assessment of the utilisation of the assets should be made by all the MBs before procurement of the same so that the expenditure incurred on their procurement become fruitful.**
- **The MBs should make appropriate arrangements for safe disposal of effluents so that cess pool tankers can be properly utilised for the benefit of the public.**

2.9 Civic Amenities

In its endeavour to keep Shillong City clean, the Shillong MB started a programme called 'Door-to-Door collection of garbage' from 01 April 2003. The programme was initially started in Police Bazar area but subsequently extended to other commercial areas in Keating Road, Laitumkhrah and Polo Bazaar. For collection of garbage, SMB charges ₹ 20, ₹ 100 and ₹ 500 per month from the owners of shops, restaurants and Hotel-cum-Restaurants. The collection was made through casual employees who were engaged against a payment of ₹ 1,500 per month.

SMB maintained a Savings Bank account for this programme in the name of "CEO SMB Door to Door Garbage Collection" with the Bank of India, Shillong Branch with effect from

23 July 2003. The programme was supervised by the Urban Poverty Alleviation (UPA) Cell of SMB.

Audit observed the following:

- No Cash Book was maintained by the UPA Cell since April 2003 till the date of audit (June 2014).
- Though collections were recorded in a Register, no cross reference was available with that of counterfoils of Money Receipts Books utilised. Hence veracity of statement of collections received year-wise could not be confirmed in audit.
- ₹ 5.05 lakh was diverted from June 2013 to August 2013 towards payments of salary of one Health Officer, one Community Organiser, one Auxiliary Nurse-cum-Midwife and one Driver which included contribution of GPF and Professional Taxes (for the month of March 2013 to June 2013).
- Till March 2014, the SMB made payments to 12 casual employees engaged for collection of garbage. The payment was made out of the collections made in cash as evident from the Salary Payments Register maintained by UPA Cell. However, approval by the competent authority for engagement of casual employees was not available. There were also no official orders for appointment of the individuals engaged. In the absence of any records/orders, the actual number of casual employees so engaged by UPA Cell remained doubtful.
- There were variable monthly rates for garbage collection ranging from ₹ 20 to ₹ 1,500. However, there were no records to indicate the rate decided for payment by the shopkeepers, restaurants and hotels against the collection of garbage.
- There were no records to indicate that any survey was conducted regarding the number of shopkeepers and the volume of garbage generated.
- The entire transactions of the programme were kept outside the purview of the accounts of the Board though the activity was taken up officially since April 2003. Hence the Annual Accounts so prepared does not depict the true and actual position of the Board.

While accepting (June 2014) the audit observations, the CEO, SMB stated that the observations would be noted for future guidance.

From the above, it is observed that SMB had not implemented the 'Door to door collection of garbage' in a proper and systematic manner. Further, it was observed that though the programme was still in operation, piles of garbage were littered in almost every area under the Board, as depicted in the following photographs:



Garbage lying by the roadside at Police Bazaar, Shillong.



Garbage lying on the road at Polo Bazaar, Shillong.



Garbage accumulation at Laitumkhrach Bazaar.

Thus, the main objective of the programme to keep the SMB clean was defeated.

Recommendations

Good practices of creating awareness on proper collection of garbage by the residents through the formation and involvement of Resident Welfare Associations should be explored. This would ensure that the surroundings are not littered with garbage but collected and disposed off properly which would lead to cleanliness in the areas under the jurisdiction of the Board.

2.10 Unfruitful expenditure on Solid Waste Management Project at Jowai

In order to establish a proper scientific solid waste management system and its subsequent operation and maintenance in a sustainable way, the Jowai MB purchased a plot of land measuring 16,590 square metres (sqm) on 2 February 2001 at Sabah –Muswang which is about 12 km from Jowai at a cost of ₹ 6.06 lakh for setting up of a Solid Waste Management Plant from its own fund.

Initially, the Durbar Shnong Sabah-Muswang objected to the setting up of the Solid Waste Management Plant but subsequently gave its 'No Objection Certificate' for the purpose of construction of a Solid Waste Management Plant on 26 November 2008. A Memorandum of Agreement was also signed by the Jowai MB and the Sabah-Muswang Village on 26 November 2008 for construction of this Plant.

A Detailed Project Report (DPR) was prepared by a consultant called Anderson Biotech (P) Ltd., Shillong and the payment for ₹ 2.50 lakh was made by the Jowai MB to the firm through the Meghalaya Urban Development Authority (MUDA) on 13 February 2009. As per the DPR, the total cost of the project was to be ₹ 1067.82 lakh (Landfill: ₹ 419.32 lakh; Plant: ₹ 648.50 lakh). The DPR also specified that the total area of the land for the Solid Waste Management Plant should be 65,745 sqm or 16 acres.

Since the DPR specified that an area of 65,745 sqm was required for establishment of the Solid Waste Management Plant, the Board's land measuring only 16,590 sq.m was insufficient for the project.

It was observed that even after a lapse of five years of preparation of the DPR (2009 till the date of audit in April 2014), there was no further progress on the establishment of the Solid Waste management Plant at Sabah-Muswang.

The CEO, JMB stated (May 2014) that the approval of the DPR of the Solid Waste Management Project was pending with the Government and that the land acquisition proceedings for acquiring additional land in the adjoining areas as covered by the DPR would be initiated in due course. However additional land could not be acquired till date of audit (April 2014).

Thus, with the increase in generation of waste in Jowai town, failure to commence the project deprived the residents of Jowai the benefit of proper disposal and management of solid waste. Expenditure of ₹ 2.50 lakh incurred on preparation of the DPR and ₹ 6.06 lakh on land acquisition remained unfruitful.

Recommendation

The process of land acquisition and government approval for the Solid Waste Management Project at Jowai should be expedited.

2.11 Avoidable expenditure due to higher contract demand of energy

Scrutiny of records of the Shillong MB relating to payment of electricity charges of Anjalee Cinema Parking Lot, Mawlonghat Parking Lot, Bio-Medical Waste Management Plant and Laitumkhrah Municipal Market, it was noticed that the Contracted Demand of Electricity for these four locations were on the higher side in comparison to the actual peak demand of electricity recorded by the energy meter of the respective locations in KVA units during 2010-12.

The Meghalaya Energy Corporation Limited (MeECL) charges a fixed monthly charge of ₹115 per KVA and monthly maintenance charges of ₹ 19 per KVA. As per the electricity bills of the Meghalaya Energy Corporation Limited (MeECL), the actual usage of electricity was far lower than the contracted demand that was agreed upon with the MeECL. Had the contracted demand been agreed upon with the MeECL been made on a realistic basis, expenditure of ₹ 3.93 lakh on electricity charges (as per **Appendix-2.7**) could have been avoided.

Recommendations

The MB should re-examine the amount of contract demand of electricity and revise the same on realistic basis so as to avoid extra expenditure.

2.12 Contractor's profit not deducted while executing departmental works

Schedule of Rates (SOR) of the Meghalaya Public Works Department (Buildings) were prepared by incorporating an element of 10 *per cent* contractor's profit in the rates. In the event of any works (whose estimates were framed as per these SOR) executed departmentally, 10 *per cent* of contractor's profit should be deducted from the estimates.

Scrutiny of records in Shillong MB relating to works under Finance Commission Awards revealed that 10 *per cent* contractor's profit was not deducted from estimates of works executed departmentally by the Board (measurement of these works were taken in August 2012):

Table 2.6

(₹ in lakh)				
Sl. No.	Name of the work	Estimated cost	Actual expenditure	Contractors' Profit not deducted
1.	Construction of Temporary Market at Polo	36.04	36.23	3.29
2.	Construction of Night Shelter at Bishop Cotton Road, Shillong	38.48	38.50	3.50
	Total	74.52	74.73	6.79

The Shillong MB also incurred expenditure as per the estimated amount on the departmental works mentioned above. Thus, the Shillong MB had incurred an excess expenditure of ₹ 6.79 lakh due to non-deduction of contractor's profit on execution of two works departmentally.

Recommendations

It should be ensured that when works are executed departmentally, the element of contractor's profit should be deducted.

2.13 Internal Control Mechanism

Internal controls provide reasonable assurance to the management that organisational objectives were achieved, financial interests and assets of the organisation were safeguarded, regular feedback and reliable information on the functioning of the organisation were available to the management so as to facilitate mid-course correction and effective interventions could be made when called for. It was, however, observed that the internal control mechanisms were very weak at the MBs in respect of the following issues:

2.13.1 Internal Audit

Para 32.15 of the Accounting Manual of ULBs in Meghalaya stipulates that the ULB may get their accounts audited by Internal Audit. It was however observed that none of the MBs has any system of internal audit which is contrary to the provisions of the Accounting Manual.

Thus, due to non-conducting of internal audit, the accountability of the functioning of the MBs could not be ensured.

2.13.2 Cash management

Para 5.33 of the Accounting Manual for ULBs in Meghalaya stipulates observation of internal controls like verification of cash balances, carrying out of bank reconciliation by officers of the ULB, etc.

Contrary to the provisions, physical verification of cash was not carried out in any of the MBs. Bank reconciliation was never carried out by the five MBs at Tura, Williamnagar, Jowai, Baghmara and Resubelpara.

2.13.3 Non-maintenance of prescribed registers

Para 5.5 of the Accounting Manual for ULBs in Meghalaya prescribes that the ULBs should maintain Registers for Receipts/Cheque Books, Immovable Property, Movable Property, Land, Asset Replacement and Public Lighting System. Scrutiny of records revealed that no such register was maintained by the Tura, Jowai, Williamnagar, Baghmara and Resubelpara MBs. The CEOs, Jowai and Tura MB stated (May and August 2014) that these registers would be maintained in future.

2.13.4 Maintenance of Service Books

As per best practices of internal controls, service books should be maintained for each employee of the ULBS to record the requisite mandatory bio-data/information like date of birth, educational qualifications, photograph, service records, *etc.* Except for Shillong, Williamnagar and Tura MBs, no service book was maintained by the Jowai, Baghmara and Resubelpara MBs.

The CEOs of Jowai, Baghmara and Resubelpara MBs stated (May and August 2014) that service books would be maintained in future. The CEO, Williamnagar MB stated (August 2014) that necessary action would be taken to rectify the discrepancies.

2.13.5 Non-maintenance of Log Books

Log Books were not maintained for the vehicles under the custody of all the six MBs. In the absence of Log Books, there is no scope to monitor and control the utilisation of the vehicles as well as to scrutinise utilisation of Petrol Oil Lubricant (POL) by these vehicles. As such, the internal control mechanisms on the management of vehicles by the boards was very weak.

Recommendations

The MBs should take necessary steps to strengthen their internal control mechanisms in order to streamline their activities.

2.14 Conclusion

Five Municipal Boards in Meghalaya had not prepared their annual accounts. Elections were not conducted in the Municipal Boards. Non-realisation of property tax and service charges had adverse impact on the financial position of Meghalaya Municipal Boards. Shillong MB could not collect property tax from the private residential buildings leading to huge outstanding dues. Further, Shillong and Tura MBs could not realise service charges from Government buildings.

Jowai, Williamnagar, Baghmara and Resubelpara MBs had not taken any action to realise property tax from the private residential buildings and service charges from Government buildings within their jurisdiction, resulting in less collection of own revenue. Shillong MB could not realise rent from its own markets leading to loss of revenue. SJSRY was not implemented as per the guidelines of the scheme issued by the Government of India.

Public Transport Services in the six MBs was operated amidst many irregularities thereby resulting in loss of revenue to the Boards. SUWP was not implemented as per scheme guidelines and proper internal controls were not in place to ensure that the works taken up under SUWP were executed as per rules.

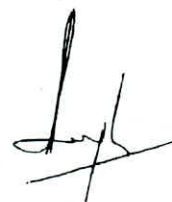
There were discrepancies in the implementation of “Door-to-door collection of garbage” by the Shillong MB resulting in piling of garbage which litters the municipality areas.

Internal Control Mechanisms in all the six MBs were weak.

2.15 Gist of Recommendations

- The MBs should ensure linking of civil services that are provided by them to the timely payment of property tax and service charges by all the owners and Government departments to avoid evasion of such taxes and charges and also ensure proper accounting of their revenue collection to avoid revenue leakage.
- The Shillong MB should ensure assessment and realisation of rent from all and impose penalty on the defaulters.
- All the schemes like SJSRY, SUWP and DTFM undertaken by the MBs should be implemented strictly as per the guidelines of the respective schemes so as to achieve the objectives of these schemes up to the desired level.
- The operation of Public Transport Services should be streamlined. There should be transparency in awarding of contracts by inviting tenders. The MBs should ensure that security deposits are collected from all the selected operators prior to handing over the vehicles with the condition that any unsatisfactory performance, default in rendering accounts and damage/loss of vehicles should lead to forfeiture of security deposits and initiation of legal action against them.
- Proper assessment of the utilisation of the assets should be made by all the MBs before procurement of the same so that the expenditure incurred on their procurement become fruitful.
- Good practices of creating awareness on proper collection of garbage by the residents through the formation and involvement of Resident Welfare Associations should be explored to ensure cleanliness in the areas under the jurisdiction of the Board.
- The MBs should take necessary steps to strengthen their internal control mechanisms in order to streamline their activities.

Shillong
The 10 SEP 2015



(Rajesh Singh)
Accountant General (Audit)
Meghalaya

APPENDICES



APPENDIX 2.1
List of Receipt Books not returned in Tura MB
(Reference: Paragraph 2.1.3; Page 12)

Sl. No.	Receipt Book Details		Issued to whom	Date of issue
	Book No.	Receipt Nos		
1.	85	8401-8500	Smti Sukla A Sangma, LDA	17.03.2008
2.	88	8701-8800	Smti Bardina M.Sangma, UDA	08.04.2008
3.	92	9101-9200	Smti Sukla A.Sangma, LDA	06.05.2008
4.	94	9301-9400	Smti Sukla A.Sangma, LDA	06.06.2008
5.	100	9901-10000	Smti Sukla A.Sangma, LDA	30.07.2008
6.	134	13301-13400	Smti Sukla A.Sangma, LDA	31.10.2008
7.	139	13801-13900	Smti Sukla A.Sangma, LDA	01.12.2008
8.	144	14301-14400	Smti Sukla A.Sangma, LDA	11.03.2009
9.	145	14401-14500	Smti Nithila R.Marak, UDA	17.03.2009
10.	149	14801-14900	Shri E.G.Momin	26.03.2009
11.	150	14901-15000	Smti Sukla A.Sangma, LDA	31.03.2009
12.	163	16201-16300	Smti Sukla A.Sangma, LDA	22.04.2009
13.	165	16401-16500	Smti Sukla A.Sangma, LDA	10.05.2009
14.	176	17501-17600	Smti Sukla A.Sangma, LDA	09.07.2009
15.	177	17601-17700	Smti Omega M.Sangma, LDA	14.07.2009
16.	179	17801-17900	Smti S.G.Momin, UDA	10.08.2009
17.	183	18201-18300	Smti Tengchira K.Sangma, DEA	09.10.2009
18.	185	18401-18500	Shri Amit Sangma	15.10.2009
19.	188	18701-18800	Shri Jonish Marak, Driver	16.10.2009
20.	190	18901-19000	Smti Sukla A.Sangma, UDA	03.11.2009
21.	192	19101-19200	Smti Sukla A.Sangma, UDA	10.12.2009
22.	194	19301-19400	Smti Sukla A.Sangma, UDA	16.02.2010
23.	195	19401-19500	Smti N.R.Marak, HA	05.03.2010
24.	196	19501-19600	Smti Sukla A.Sangma, UDA	08.03.2010
25.	11	01-100	Smti Sukla A.Sangma, UDA	11.12.2009
26.	18	01-100	Smti Omega M.Sangma, LDA	18.05.2010
27.	19	01-100	Smti Sukla A.Sangma, UDA	18.05.2010
28.	20	01-100	Smti Sukla A.Sangma, UDA	31.05.2010
29.	22	01-100	Smti Sukla A.Sangma, UDA	16.06.2010
30.	27	01-100	Smti Sukla A.Sangma, UDA	03.08.2010
31.	29	01-100	Smti Sukla A.Sangma, UDA	30.08.2010
32.	30	01-100	Smti Sukla A.Sangma, UDA	10.09.2010
33.	32	01-100	Smti Sukla A.Sangma, UDA	04.10.2010
34.	34	01-100	Shri J.B.Sangma, AEI	08.11.2010
35.	37	01-100	Smti Sukla A.Sangma, UDA	19.11.2010
36.	38	01-100	Smti Sukla A.Sangma, UDA	20.12.2010
37.	41	01-100	Smti Sukla A.Sangma, UDA	25.02.2011
38.	42	01-100	Smti Sukla A.Sangma, UDA	21.03.2011
39.	43	01-100	Smti Sukla A.Sangma, UDA	06.04.2011
40.	44	01-100	Smti E.K.B.Sangma, CO	07.04.2011
41.	46	01-100	Smti Sukla A.Sangma, UDA	19.04.2011
42.	48	01-100	Shri Thome Sangma	20.04.2011
43.	50	01-100	Smti Tengchira K.Sangma, DEA	27.04.2011
44.	63	01-100	Shri Stemson Sangma, Enf.Checker	03.05.2011
45.	65	01-100	Smti Sukla A.Sangma, UDA	11.05.2011
46.	66	01-100	Shri Majing Sangma, Tax Collector	11.05.2011
47.	70	01-100	Smti Sukla A.Sangma, UDA	20.05.2011
48.	72	01-100	Shri Lebingstone Sangma, Tax Collector	26.05.2011
49.	73	01-100	Smti Sukla A.Sangma, UDA	09.06.2011
50.	77	01-100	Smti Sukla A.Sangma, UDA	24.06.2011

Sl. No.	Receipt Book Details		Issued to whom	Date of issue
	Book No.	Receipt Nos		
51.	79	01-100	Smti Sukla A.Sangma, UDA	20.07.2011
52.	82	01-100	Smti Omega M.Sangma, LDA	26.08.2011
53.	56	01-100	Smti Sukla A.Sangma, UDA	22.09.2011
54.	85	01-100	Shri Thome Sangma	28.09.2011
55.	86	01-100	Smti Sukla A.Sangma, UDA	24.10.2011
56.	87	01-100	Smti Sukla A.Sangma, UDA	31.10.2011
57.	90	01-100	Smti Bardina M.Sangma, UDA	19.12.2011
58.	91	01-100	Smti Sukla A.Sangma, UDA	18.01.2012
59.	96	01-100	Smti Nikhla R.Marak. HA	20.02.2012
60.	98	01-100	Smti Sukla A.Sangma, UDA	01.03.2012
61.	99	01-100	Smti Sukla A.Sangma, UDA	20.03.2012
62.	102	01-100	Smti Sukla A.Sangma, UDA	04.04.2012
63.	108	01-100	Smti Sukla A.Sangma, UDA	22.05.2012
64.	111	01-100	Smti Sukla A.Sangma, UDA	07.06.2012
65.	112	01-100	Smti Sukla A.Sangma, UDA	12.06.2012
66.	113	01-100	Smti Omega M.Sangma	02.07.2012
67.	114	01-100	Smti Sukla A.Sangma, UDA	11.07.2012
68.	115	01-100	Shri Majing Sangma, Tax Collector	27.07.2012
69.	116	01-100	Shri Lebingstone Sangma, Tax Collector	31.07.2012
70.	120	01-100	Smti Sukla A.Sangma, UDA	10.09.2012
71.	141	01-100	Shri Partha Bhattacharjee, Foreman	12.09.2012
72.	142	01-100	Smti Sukla A.Sangma, UDA	08.10.2012
73.	144	01-100	Smti Omega M.Sangma, LDA	15.10.2012
74.	147	01-100	Smti Sukla A.Sangma, UDA	01.11.2012
75.	149	01-100	Smti Amit T.Sangma, UDA	05.11.2012
76.	152	01-100	Shri T.G.Momin, CEO	30.11.2012
77.	153	01-100	Smti Sukla A.Sangma, UDA	15.01.2013
78.	158	01-100	Smti Carina Ch.Momin	14.02.2013
79.	160	01-100	Smti Sukla A.Sangma, UDA	27.02.2013
80.	171	01-100	Smti N.R.Marak, HA	15.03.2013
81.	172	01-100	Smti Sukla A.Sangma, UDA	20.03.2013
82.	114	11301-11400	Smti Kalpana Hajong, Tax Collector	29.09.2008
83.	116	11501-11600	Shri Tapan Dey	29.08.2008
84.	122	12101-12200	Shri Rajbali Prasad	13.10.2008
85.	124	12301-12400	Shri Dilseng D.Sangma	13.10.2008
86.	123	01-100	Shri Rupon Hajong, Tax Collector	11.07.2012
87.	161	01-100	Shri Henington Marak, Tax Collector	08.03.2013
88.	162	01-100	Smti Simchi Marak	15.03.2013

APPENDIX 2.3 (A)

**List of eight posts of Officers/Officials of UPA Cell to whom salary was paid
(Reference: Paragraph 2.3.1; Page 14)**

Sl.No.	Name of Post	Number of persons
1.	Health Officer	1
2.	Laboratory Health Volunteer	1
3.	Auxiliary Nurse-cum-Midwife (ANM)	2
4.	Driver	1
5.	Project Officer	1
6.	Assistant Engineer	1
7.	Accountant	1
8.	Sectional Engineer	1

APPENDIX 2.3 (B)

**Expenditure incurred by Shillong MB during April 2002 to March 2014
(Reference: Paragraph 2.3.1; Page 14)**

(Amount in ₹)

Year	Expenditure on payment of salary to the officers/official of UPA Cell
2002-03	739749.00
2003-04	774332.00
2004-05	808351.00
2005-06	810470.00
2006-07	832269.00
2007-08	813524.00
2008-09	857690.00
2009-10	1013499.00
2010-11	1222521.00
2011-12	706708.00
2012-13	285611.00
2013-14	0.00
Total :	8864724.00

APPENDIX 2.4

Details of amount not deposited by the Belpara Transport Association to the Resubelpara MB

(Reference: Paragraph 2.4.2; Page 19)

Sl. No.	Month	Receipt No. & Date	Amount Deposited (₹)	Short Deposit (₹)
1.	April (14 days) for Bus-2	11205 dt.09.05.2013	4666	0
2.	April (14 days) for Bus-1	11206 dt.09.05.2013	4666	0
3.	May 2013 for two buses	11207 dt.17.06.2013	10000	10000
4.	June 2013 for two buses	11208 dt.06.08.2013	5409	14591
5.	July & August 2013 one bus (ML01 2278)	11210 dt.03.02.2014	20000	20000
6.	July & August 2013 for another bus (ML01 2276)	No deposit	0	20000
7.	September – November 2013 for two buses	No deposit	0	60000
8.	December 2013– February 2014 for one bus	No deposit	0	30000
	Total		44741	154591

APPENDIX 2.5**Details of cash memos of the work "Construction of retaining wall in Police Bazar"**

(Reference: Paragraph 2.5.3; Page 23)

(Amount in ₹)

Sl. No.	Name of the Dealer/Supplier	Cash Memo No.	Date of the Cash Memo.	Amount
1.	S. Marbles, Upper Nongthymmai, Shillong	0029	02.02.2012	64,487.00
2.	S. Marbles, Upper Nongthymmai, Shillong	0029	20.02.2012	75,000.00
3.	S. Marbles, Upper Nongthymmai, Shillong	0029	23.03.2012	1,12,200.00
4.	S. Marbles, Upper Nongthymmai, Shillong	0029	20.04.2012	75,000.00
5.	S. Marbles, Upper Nongthymmai, Shillong	0029	01.05.2012	75,000.00
6.	S. Marbles, Upper Nongthymmai, Shillong	0029	27.06.2012	63,300.00
7.	T.Kharkongor, Pamlakrai, Umiew	189	02.02.2012	1,99,500.00
8.	T.Kharkongor, Pamlakrai, Umiew	189	20.02.2012	2,22,500.00
9.	T.Kharkongor, Pamlakrai, Umiew	189	23.02.2012	2,31,500.00
10.	T.Kharkongor, Pamlakrai, Umiew	189	20.04.2012	1,92,500.00
11.	T.Kharkongor, Pamlakrai, Umiew	189	01.05.2012	2,71,000.00
12.	T.Kharkongor, Pamlakrai, Umiew	189	19.05.2012	2,06,000.00
13.	T.Kharkongor, Pamlakrai, Umiew	189	27.06.2012	1,80,000.00
14.	Raju Wood & Supplier, Laitumkhrah, Shillong	237	02.02.2012	16,050.00
15.	R.Khongthaw, Laban	029	04.06.2012	51,187.00
16.	R.Khongthaw	029	18.06.2012	37,500.00
17.	Sandeep Fabrication Welding Works	399	10.07.2012	61,750.00
	TOTAL			21,34,474.00

APPENDIX 2.6 (A)**Details of amount released to Monitoring-cum-implementation Committee, Laban Legislative Assembly Constituency**

(Reference: Paragraph 2.5.4; Page 23)

(Amount in ₹)

Sl.No.	Year	Amount	Cheque No & Date
1.	2007-08	3,00,000	632753 dt.14.10.2010
2.	2008-09	4,01,623	632696 dt.16.12.2010
3.	2009-10	7,00,000	632839 dt.30.06.2011
4.	2010-11	7,50,000	632841 dt.30.06.2011
5.	2010-11	7,50,000	632977 dt.18.10.2011
6.	2011-12	8,09,000	633010 dt.15.11.2011
7.	2011-12	8,09,045	339862 dt.02.05.2012
8.	2012-13	8,60,000	340171 dt.13.12.2012
	Total	53,79,668	

APPENDIX 2.6 (B)**Additional Amount released from Chief Minister's Special Urban Development Fund**

(Reference: Paragraph 2.5.4; Page 23)

Sl.No.	Year	Amount of Funds (₹)
1.	2007-08	5,00,000
2.	2009-10	5,00,000
3.	2010-11	5,00,000
	Total	15,00,000

APPENDIX 2.7

Details of avoidable expenditure due to higher contract demand of energy

(Reference: Paragraph 2.11; Page 31)

Consumer Name	Present Contracted Demand (CD) (in KVA)	Present Billing Demand (75% of CD) (in KVA)	Expenditure due to present contracted demand (Fixed charge + Maintenance)	Peak Demand recorded by the Meter during 2010-12 (KVA)	Contracted demand should have been within reasonable higher limits above the Peak	Had the demand contracted on these limits expenditure would have been (Fixed charge + Maintenance)	Loss incurred due to present contracted demand (3 - 6) (In ₹)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Parking Lot near Anjalee Cinema	150	113	189456	15.8	25 CD & 20 BD	33300	156156
Municipal Market Laitumkhrah	120	90	151560	26.8	40 CD & 30 BD	50520	101040
Bio Medical Waste Management	63	60*	97164	15.3	20 CD & 15 BD	33300	63864
Mawlonghat Parking Lot	65	60*	97620	11.1	20 CD & 15 BD	25260	72360
Total			535800			142380	393420

