

CHAPTER-III

GENERAL SECTOR

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3.1 Introduction

This Chapter of the Audit Report for the year ended 31 March 2015 deals with the findings on audit of the State Government units under General Sector.

The names of the major State Government departments and the net budget provision and expenditure of the State Government under General Sector during the year 2014-15 are given in the table below:

Table 3.1.1

(₹ in crore)

Sl. No.	Name of Department	Budget provision (Original and Supplementary)	Expenditure
1.	Finance	876.58	975.18
2.	Home/Police/Jail	676.97	584.11
3.	Election	23.71	17.35
4.	Transport	28.51	18.98
5.	Printing & Stationery	24.44	20.14
6.	Law	28.80	22.58
7.	Assembly Secretariat	71.32	58.05
8.	Chief Minister's Secretariat, Secretariat Administrative Department, Personnel, including Passport	103.81	93.80
	Total	1834.14	1790.19

Source: Budget Estimates, Appropriation Acts and Appropriation Accounts

3.1.1 Planning and conduct of Audit

Audit process starts with the assessment of risks faced by various departments of Government based on expenditure incurred, criticality/complexity of activities, level of delegated financial powers, assessment of overall internal controls and concerns. The audits were conducted during 2014-15 involving expenditure of ₹ 1761.07 crore (including expenditure pertaining to previous years audited during the year) of the State Government under General Sector. The chapter contains one Compliance Audit paragraph.

After completion of audit of each unit, Inspection Reports containing audit findings are issued to the heads of the departments. The departments are requested to furnish replies to the audit findings within one month of receipt of the Inspection Reports. Whenever replies are received, audit findings are either settled or further action for compliance is advised. The important audit observations arising out of these Inspection Reports are processed for inclusion in the Audit Reports, which are submitted to the Governor of State under Article 151 of the Constitution of India.

The major observations under General Sector detected in audit during the year 2014-15 are given below.

COMPLIANCE AUDIT PARAGRAPH

PROGRAMME IMPLEMENTATION & EVALUATION DEPARTMENT

3.2 Irregular release of funds under MPLAD scheme

Deputy Commissioner, Jowai irregularly released excess funds of ₹ 0.70 crore (including release of ₹ 0.59 crore for purchase of hospital equipment not permitted) to a Society in contravention of the scheme guidelines. The irregular release is likely to go up further when the ongoing process of releasing additional ₹ 0.25 crore is completed.

The Member of Parliament Local Area Development Scheme (MPLADS) provides that an MP can recommend community infrastructure and public utility building works for registered Societies/Trusts subject to a ceiling of ₹ 0.38 crore¹ in areas inhabited by Scheduled Tribes for one or more works in the life time of each Trust/Society. From November 2005, the scheme guidelines prohibits purchase of hospital equipment other than for hospitals belonging to Central, State, Union Territory and Local Self Governments. Under the scheme the responsibility for executing the sanctioned works rest with the District Authority (DA) and it is his duty to bring to notice of MPs any inadmissible works being recommended by them so that the MPs can recommend alternative works.

Scrutiny (March 2015) of records of the Deputy Commissioner, Jaintia Hills District, Jowai (DC Jowai) revealed that during the years 2002-03 to 2014-15 two MPs (Rajya Sabha and Lok Sabha) recommended 15 works under MPLADS valuing ₹ 1.33 crore in favour of a non-governmental non-charitable hospital² registered as a Society³ under the Societies Registration Act XXI of 1860. Between June 2004 and June 2014 the DC (Jowai) released ₹ 1.08 crore⁴ for 14 works through the Block Development Officer, Thadlaskien (BDO) for the Society and the amount was accordingly utilised by the Society for purchase of hospital equipment and construction of hospital wards. Therefore, it is evident that almost all critical items of the hospital items were funded by MPLADS. The balance amount of ₹ 0.25 crore for another work⁵ was sanctioned (December 2014) and the process for release of fund was on-going (March 2015) **(Appendix –3.2.1).**

Audit noticed that the DC (Jowai) failed to bring to the notice of the MPs the inadmissibility of the works recommended and in contravention of the scheme guidelines irregularly released excess funds of ₹ 0.70 crore (₹ 1.08 crore -

¹ The ceiling for works for registered Societies/Trusts in its lifetime was ₹ 25 lakh upto 15 November 2012. From 16 November 2012, this was raised to ₹ 37.50 lakh for works in areas inhabited by Scheduled Tribes.

² Dr. Norman Tunnel Hospital, Jowai. Earlier known as Khasi Jaintia Presbyterian Assembly (KJP) Hospital

³ Registration No. SR/KJPSHJ-45/81 of 1981

⁴ ₹ 0.72 crore for purchase of hospital equipment and ₹ 0.36 crore for building works

⁵ Purchase of three Multi Parameter Vital Sign Monitors valuing ₹ 12.90 lakh

₹ 0.38 crore) to the Society between July 2007 and June 2014. This excess release under MPLADS resulting in undue financial benefit to the Society is likely to go up further with the release of additional ₹ 0.25 crore for work sanctioned in December 2014. Further, although purchase of hospital equipment for a non-governmental hospital was not permitted after November 2005, ₹ 0.59 crore was released between March 2006 and June 2014 for purchase of hospital equipment for the Society (**Appendix – 3.2.1**).

The matter was reported to Government (July 2015); reply was awaited (December 2015).