

## CHAPTER - I

### SOCIAL SECTOR

#### 1.1 Introduction

This Chapter of the Audit Report for the year ended 31 March 2013 deals with the findings on audit of the State Government units under Social Sector.

The names of the State Government departments and the total budget allocation and expenditure of the State Government under Social Sector during 2012-13 are given below:

Table No. 1.1.1

(₹ in crore)

Name of the departments	Total Budget allocation	Expenditure
School Education	784.38	751.20
Technical Education	43.00	14.55
Higher Education	145.65	108.15
SCERT	33.24	25.85
Youth Resources and Sports	101.04	71.71
Art and Culture	20.03	18.61
Health and Family Welfare	309.26	294.84
Water Supply & Sanitation	84.85	88.07
Urban Development	185.77	67.94
Municipal Affairs	26.26	8.06
Information and Public Relations	24.43	24.48
Labour	10.75	10.52
Employment and Training	21.77	19.52
Social Security and Welfare	209.66	168.93
Women Welfare	19.67	14.58
Rajya Sainik Board	2.70	2.70
<b>Total Number of Departments = 16</b>	<b>2022.46</b>	<b>1689.71</b>

Besides the above, the Central Government has been transferring a sizeable amount of funds directly to the Implementing agencies under Social sector to different departments of the State Government. The major transfers for implementation of flagship programmes of the Central Government are shown in the following table.

Table No. 1.1.2

(₹ in crore)

Name of the Department	Name of the Scheme/Programme	Implementing Agency	Amount of funds transferred during the year
School Education	Sarva Shiksha Abhiyan (SSA)	State Mission Authority	77.91
Health & Family Welfare	National Rural Health Mission (NRHM)	State Health Society	100.62
		State Blindness Control Society	2.54
	National Aids Control	Nagaland Aids Control Society	19.38
Water Supply and Sanitation	National Rural Drinking Water Programme	Public Health Engineering Department	110.20
Forest	National Aforestation and Eco Development	State Forest Development Agency	10.88

*(Source: Central Plan Scheme Monitoring System)*

## 1.2 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 of stake holders.

After completion of audit of each unit on a test check basis, Inspection Reports containing audit findings are issued to the heads of the departments. The departments are 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 based on reply/action taken or further action is required by the auditee for compliance. Some of the important audit observations arising out of the Inspection Reports are processed for inclusion in the Audit reports, which are submitted to the Governor of the State under Article 151 of the constitution of India for being laid on the table of the Legislature.

During the year, test check of audits involving expenditure of ₹ 3340.73 crore (including funds pertaining to previous years audited during the year) of the State Government under Social sector were conducted. This Chapter contains findings of audit on procurement and distribution of food stuff under Supplementary Nutrition Programme and one compliance audit paragraph.

## SOCIAL WELFARE DEPARTMENT

### 1.3 AUDIT ON PROCUREMENT AND DISTRIBUTION OF FOOD STUFF UNDER SUPPLEMENTARY NUTRITION PROGRAMME.

#### *Highlights*

The Department inflated the beneficiary list by 273384 and sent it to the Ministry and obtained excess funds of ₹ 34.53 crore.

**(Paragraph 1.3.8.1)**

The Department received 25364.30 quintals of food items valued at ₹ 36.25 crore but paid ₹ 75.11 crore for supply of 48991.66 quintals which resulted in excess payment for 23627.36 quintals amounting to ₹ 38.86 crore. The possibility of misappropriation of ₹ 38.86 crore cannot be ruled out.

**(Paragraph 1.3.8.3)**

Against the supply order for 484144.27 kgs of surho rice cereal valued at ₹ 7.11 crore, 478065 kgs of weaning food of a lower cost valued at ₹ 5.27 crore was supplied and accepted by the Department which resulted in excess payment of ₹ 1.84 crore.

**(Paragraph 1.3.8.4)**

The 14 test checked projects required foodstuff valued at ₹ 70.28 crore. However, these projects received foodstuff valued at ₹ 37.95 crore resulting in short distribution of foodstuff valued at ₹ 32.33 crore.

**(Paragraph 1.3.8.5)**

Against the actual per capita expenditure of ₹ 3.75 per beneficiary per day for the State of Nagaland during the last five years, the actual per capita receipts in respect of the 14 test checked projects was only ₹ 2.27. Thus, the beneficiaries in those test checked projects were deprived of ₹ 1.48 per day.

**(Paragraph 1.3.8.6)**

Against the Union Ministry's decision to provide 80 grams ready to eat, only 12 grams of fortified food was provided by the Department which impeded the successful implementation of the objective of the scheme.

**(Paragraph 1.3.8.7)**

Physical verification of 62 AWCs in 14 selected CDPOs revealed that 54 AWCs did not have kitchen sheds. Thus, the objective of providing Hot Cooked Meals was defeated.

**(Paragraph 1.3.8.9)**

#### 1.3.1 Introduction

The Integrated Child Development Scheme (ICDS) aims at enhancing nutritional and health status of children below the age of 6 years, Pregnant Women, lactating mothers

and of late adolescent girls. Supplementary Nutrition Programme is a component of ICDS which covers three categories of beneficiaries such as children in the age group of 0 to 6 years, severely malnourished children and pregnant and lactating mothers. The scheme is implemented on a matching share basis of 90:10 between the Centre and the State Government. The revised guideline of the scheme effective from November 2008 specifies the following financial norms.

*Table No.1.3.1*

Sl.No.	Categories of beneficiaries	Revised financial norms per day
1	Children 6-72 months	₹ 4
2	Severely underweight children 6-72 months	₹ 6
3	Pregnant women and nursing mothers	₹ 5
<b>Weighted average</b>		<b>₹ 4.21</b>

*Source: Scheme guidelines*

The scheme aimed to bridge the protein-energy gap between the Recommended Dietary Allowance (RDA) and Average Dietary Intake (ADI). The Department reported to have covered a total of 18,50,374 beneficiaries at a total cost of ₹ 186.13 crore during the last five years.

### **1.3.2 Scope of Audit**

The Audit was carried out by test check of records in the office of the Director, Social Welfare Department and 14 Child Development Project Officers (CDPOs) out of 59 CDPOs involving 62 Anganwadi Centres (AWCs) out of 3455 AWCs for the period from 2008-09 to 2012-13. The selection of CDPOs was determined through random sampling based on the number of beneficiaries and the number of AWCs. An entry conference with the representatives of the Social Welfare Department was held on 30 July 2013 wherein the objectives, criteria, scope and methodology of the audit was discussed. On completion of the audit, an exit conference with the Department represented by the Additional Secretary, Government of Nagaland, the Director and Officers was held on 17 October 2013 to discuss the findings of audit.

### **1.3.3 Audit Objectives**

The audit on Procurement and distribution of food stuff under Supplementary Nutrition Programme in Nagaland was carried out to assess whether:

- requirements were assessed on the basis of actual beneficiaries
- the food stuff and nutritional supplements were supplied regularly, as per entitlement and provided to all intended beneficiaries.

### **1.3.4 Audit Criteria**

The main sources of audit criteria were obtained from the following:

- Scheme guidelines
- Financial Rules

- Instructions/circulars/orders issued by the Government
- The monthly, quarterly and annual returns of the project officers.

### 1.3.5 Acknowledgement

The Accountant General (Audit), Nagaland gratefully acknowledges the co-operation extended by the officers of the Director Social Welfare, the Child Development Project Officers and the Anganwadi Workers in conduct of this audit.

### 1.3.6 Financial Position

The position of funds released by Government of India and Government of Nagaland and utilised by the Department for implementation of the Supplementary Nutrition Programme in the State of Nagaland during the period covered in audit, are as detailed below:-

*Table No.1.3.2*

(₹ in crore)						
Year	Unspent Balance of previous year	Funds allocated and released by GOI	State Share released by GON	Funds released by GON (column 2 + 3+4)	Actual expenditure during the year	Unspent balance (column 5 minus column 6)
1	2	3	4	5	6	7
2008-09	1.67	13.03	11.80	26.50	24.39	2.11
2009-10	2.11	26.59	6.46	35.16	35.16	0
2010-11	0	47.82	5.00	52.82	52.82	0
2011-12	0	48.56	0.03	48.59	21.19	27.40
2012-13	27.40	38.94	0	66.34	52.57 <sup>1</sup>	13.77
<b>Total</b>		<b>174.94</b>	<b>23.29</b>		<b>186.13</b>	

(Source:- Departmental figure)

From the table above the following points were observed:

- (i) The funds of ₹ 27.40 crore sanctioned by GOI in 2011-12 was released by the State Government only in 2012-13. However, the Department submitted Utilisation Certificate indicating that the full amount released by GOI was utilised during that year.
- (ii) Against the actual sanction of ₹ 38.94 crore in 2012-13 by GOI, the State Government had released only ₹ 25.17 crore of which an amount of ₹ 8.75 crore was kept in Civil Deposit and remained un-utilised and the remaining amount of ₹ 13.77 crore had not been released (August 2013) by the State Government.

The Department in reply accepted the facts (October 2013).

### 1.3.7 Utilisation Certificate

As per guidelines issued by the Ministry, the Department was required to submit Utilisation Certificates every quarter. Audit observed that the Utilisation certificates

<sup>1</sup> Including ₹ 8.75 crore kept in Civil Deposit.

were submitted to the Ministry without utilising the full funds obtained from the Ministry as detailed below:-

*Table No.1.3.3*

(₹ in crore)

Status as on 31 March	Amount released by GOI and certified as utilized	Funds drawn from the treasury	Unutilised amount (Including funds kept in Civil Deposit and not released by the State Government)
2009	13.03	10.92	2.11
2010	26.59	13.73	12.86
2011	47.82	47.82	0
2012	48.56	21.17	27.39
2013	38.94	16.42	22.52

*Source:- Departmental figure*

The above table shows that except in 2011, the Department submitted Utilisation Certificates to the Ministry without actual utilisation of the funds ranging from ₹ 2.11 crore to ₹ 27.39 crore. Besides, the Department had also retained funds ranging from ₹ 14.86 crore to ₹ 38.69 crore as closing balance in the Cash Book at the end of March during the years 2009 to 2013.

Thus, the Department submitted inaccurate UCs to the Ministry without corresponding utilisation of funds in all those years.

The Department while accepting the facts (October 2013) stated that since funds were received by the Department only at the end of the financial year they submitted the UCs to the Ministry within the scheduled time without incurring expenditure to avert non-release of funds for subsequent years.

### **1.3.8 Audit Findings**

**Objective:-1 Requirements were assessed and procurement was done on the basis of actual beneficiaries.**

#### **1.3.8.1 Discrepant data of beneficiaries**

Test check of the data furnished to the Ministry in the form of Utilisation Certificates by the Department of Social Welfare indicated that there were 18,50,374 beneficiaries during the period from 2008-09 to 2012-13. However, audit observed a marked discrepancy between the figures reported in the Utilisation Certificates and the Monthly Progress report submitted by the Child Development Project Officers (CDPOs) as given below:-

Table No.1.3.4

Status as on 31 March	Number of beneficiaries as per UC	Number of beneficiaries as per Monthly Progress Report	Discrepancy	Percentage of variation
2009	376367	351822	24545	7
2010	376589	308441	68148	22
2011	408370	359483	48887	14
2012	344524	278622	65902	24
2013	344524	278622	65902	24
<b>Total</b>	<b>1850374</b>	<b>1576990</b>	<b>273384</b>	<b>17</b>

Source:- Departmental figure

It is evident from the table above that there is discrepancy between the figures furnished to the Ministry vis-à-vis the figures submitted by the CDPOs by 273384 beneficiaries during 2009 to 2013. The percentage variation between the actuals and the number of beneficiaries as reported to the Ministry ranged between 7 and 24 per cent during those years.

Further analysis of records in 14 test checked projects revealed discrepancy of 28542 beneficiaries between the figures furnished by the CDPOs to the Directorate and that compiled by the Directorate as detailed below:-

Table No.1.3.5

Status as on 31 March	Number of beneficiaries as per Directorate record in respect of 14 selected CDPOs	Number of beneficiaries as per 14 CDPOs record	Discrepancy
2009	122776	115346	(-)7430
2010	95026	122047	(+)27021
2011	126675	115326	(-)11349
2012	91693	101880	(+)10187
2013	91693	101806	(+)10113
<b>Total</b>	<b>527863</b>	<b>556405</b>	<b>28542</b>

Source:- Departmental figure

The above facts indicated that the departmental data on the number of beneficiaries in the State was not consistent and therefore not reliable as the Department prepared the report without taking into account the actual beneficiaries at the project level. In the absence of authentic data on the number of beneficiaries, the expenditure incurred for implementation of SNP cannot be considered as judicious as the overstated number of beneficiaries had consequently enhanced the total fund requirement by ₹ 34.53 crore<sup>2</sup>. The Department also furnished wrong information with a motive to obtain more funds.

<sup>2</sup> 273384 X weighted average of ₹4.21 X 300 days



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The Department while accepting the facts (October 2013) assured that UCs shall be regularly sent to the Ministry exhibiting the accurate number of beneficiaries.

The fact however, remained that the Department had obtained excess funds from GOI by submitting incorrect reports.

**1.3.8.2 Requirement of funds**

The actual number of beneficiaries during the year from 2008-09 to 2012-13 showed a mixed trend which decreased from 351822 in 2008-09 to 308441 in 2009-10 and further increased to 359483 in 2010-11. The number of beneficiaries decreased to 278622 in 2011-12 and remained unchanged in 2012-13. However, the allocation of funds by GOI and the expenditure did not commensurate with the number of beneficiaries as detailed below:-

**Table No.1.3.6**

**(₹ in crore)**

Year	Number of beneficiaries as per monthly progress report			Requirement of funds as per GOI norms			Total Requirement of funds	Funds obtained by the Department	Difference
	0 to 6 Years	Severely malnourished	Pregnant and lactating mothers	0 to 6 Years (@ ₹ 4)	Severely malnourished (@ ₹ 6)	Pregnant and lactating mothers(@ ₹ 5)			
2008-09	296640	0	55182	35.59	0	8.28	43.87	24.83	(-) 19.04
2009-10	254672	0	53769	30.56	0	8.07	38.63	33.05	(-) 5.58
2010-11	305713	0	53770	36.69	0	8.07	44.76	52.82	(+) 8.06
2011-12	224700	0	53922	26.96	0	8.09	35.05	48.59	(+) 13.54
2012-13	224700	0	53922	26.96	0	8.09	35.05	38.94	(+) 3.89
<b>Total</b>	<b>1306425</b>	<b>0</b>	<b>270565</b>	<b>156.76</b>	<b>0</b>	<b>40.60</b>	<b>197.36</b>	<b>198.23</b>	<b>(+) 0.87</b>

Source:- Departmental figure

Audit observed that the funds required by the State Government during 2008-13 worked out to ₹ 197.36 crore, against which the Department obtained a total fund of ₹ 198.23 crore. During 2010-11 to 2012-13, the Department obtained ₹ 25.49 crore from GOI in excess of the actual requirement of funds for implementation of SNP in the State out of which the State Government contributed ₹ 5 crore being its share in 2010-11.

The reason for excess in expenditure was due to over projection of 1,80,691 beneficiaries during 2011 to 2013 and marked differences in actual receipt and supply of food stuff as discussed in the following paragraphs.

The Department while accepting the facts (October 2013) assured to ensure strict compliance and proper maintenance of records.

**1.3.8.3 Payment without actual receipt of foodstuff**

Audit analysis of the bills and the delivery challans/consignment notes for the period from 2009-10 to 2012-13 revealed that an amount of ₹ 150.16 crore (inclusive of tax) was drawn in 14 Bills for procurement of 92284.74 quintals of food stuff as detailed below:



Table No 1 3 7

Particulars of items	Total quantity procured as per bill (in quintals)	Rate as per bill (in ₹ per quintals)	Total value of the bill excluding NVAT (₹ in crore)	Total quantity supplied as per delivery challan (in quintals)	Total value of food stuff actually supplied/ received (₹ in crore)	Difference in quantity (in quintals)	Amount paid in excess (₹ in crore)
Surho Kheer	18322.13	17544	32.14	3071.00	5.38	15251.13	26.76
Micronutrient fortified Balbhog Khichri	18393.71	13872	25.52	15783.10	21.89	2610.61	3.63
<b>Soya Based Biscuits</b>	6627.56	13800	9.15	6510.20	8.98	117.36	0.17
Surho Rice cereal	5648.26	14688	8.30	0.00	0	5648.26	8.30
<b>Total</b>	<b>48991.66</b>		<b>75.11</b>	<b>25364.30</b>	<b>36.25</b>	<b>23627.36</b>	<b>38.86</b>

Source:- Departmental figure

From the table above, it would be seen that the Department received 25364.30 quintals of food items valued at ₹ 36.25 crore but paid ₹ 75.11 crore (exclusive of tax) for supply of 48991.66 quintals which resulted in excess payment for 23627.36 quintals amounting to ₹ 38.86 crore. Though the payments were made after receipt of the delivery challans from the suppliers, the bills were not verified with the actual delivery challans. The possibility of misappropriation of ₹ 38.86 crore cannot be ruled out.

In addition to the above food items, the Department paid ₹ 56.90 crore (exclusive of tax) for procurement of 43293.08 quintals of Balbhog Weaning and Balbhog Kheer. However, the Department recorded receipt of 65549 quintals which was in excess by 22255.92 quintals indicating absence of monitoring and proper accounting mechanism in the Department. The above discrepancies indicate poor record keeping rendering the transactions doubtful which needs further investigation.

The Department while accepting the facts (October 2013) stated that the observation raised by audit had been reviewed and a committee had been constituted to verify the findings.

#### 1.3.8.4 Excess payment

Test check revealed that the Director, Social Welfare issued supply order to Khoyo Tribal Welfare Society, Kohima for supply of items as detailed below:-.

Table No.1.3.8

Name of the Supplier	Supply order No. and Date	Name of the item	Quantity in Kg	Rate per Kg
Khoyo Tribal Women Welfare Society, Kohima	SW/SNP-2/2010-11/45 Dated 16 March 2011	Surho Rice Cereal	484144.27	146.88
		Surho Kheer Mix	506662.61	175.44

Source:- Departmental figure

Accordingly, the bill for an amount of ₹ 18 crore (inclusive of tax) was drawn<sup>3</sup> and disbursed being the cost for supply of Surho Rice Cereal and Surho Kheer Mix. Scrutiny of the delivery challans/consignment notes however, revealed that against the supply order of 484144.27 kgs of Surho Rice cereal valued at ₹ 7.11 crore, 478065 kgs of weaning food of a lower cost (₹ 110.16 per kg) valued at ₹ 5.27 crore was supplied and accepted by the Department which resulted in excess payment of ₹ 1.84 crore.

The Department in reply (October 2013) stated that Khoyo Tribal Women Welfare Society, Kohima does not supply weaning food.

However, documentary evidence made available to audit by the Directorate of Social Welfare and test checked CDPOs indicated that weaning food<sup>4</sup> was supplied by Khoyo Tribal Welfare Society. Besides, part payments of ₹ 2.70 crore was paid to Khoyo Tribal Women Welfare Society and ₹ 12.87 crore was received by Kudecho Khamo on behalf of Khoyo Tribal Women Welfare Society against Bill No. 296.

**Objective:- 2 The food stuff and nutritional supplements were supplied regularly as per entitlement and provided to all intended beneficiaries.**

#### **1.3.8.5 Shortfall in distribution of supplementary foods**

GOI revised the financial cost of nutrition per beneficiary per day effective from February 2009 as detailed in **Table No.1.3.1.**

Audit analysis of the issue and actual receipt by the 14 test checked projects vis-a-vis the weighted average per beneficiary per day revealed that the value of food items actually distributed was much below the norms fixed by the Ministry as illustrated below:

**Table No.1.3.9**

<b>Status as on 31 March</b>	<b>Number of beneficiaries in 14 selected CDPOs</b>	<b>Entitled financial cost as per revised norms (₹ in crore)</b>	<b>Actual cost of foodstuff received by the 14 selected CDPOs (₹ in crore)</b>	<b>Difference (₹ in crore)</b>
2009	115346	14.57	1.04	13.53
2010	122047	15.41	4.90	10.51
2011	115326	14.57	9.59	4.98
2012	101880	12.87	9.74	3.13
2013	101806	12.86	12.68	0.18
<b>Total</b>	<b>556405</b>	<b>70.28</b>	<b>37.95</b>	<b>32.33</b>

*Source:- Departmental figure*

<sup>3</sup> Vide Bill No 296 dated 31 March 2011

<sup>4</sup> Complimentary food given in addition to breast milk to children aged 4-6 months.

As could be seen from the above table, against the actual requirements of foodstuff valued at ₹ 70.28 crore, the 14 test checked projects received foodstuff valued at ₹ 37.95 crore indicating short distribution of foodstuff valued at ₹ 32.33 crore. The shortfall in distribution deprived 556405 beneficiaries in 14 test checked projects of their entitled nutrition during the last five years. However, the actual distribution of foodstuff to the beneficiaries by the AWCs could not be ascertained and verified in audit as the 62 AWCs test checked did not maintain proper records indicating the frequency, scale and the number of beneficiaries to whom foodstuff were provided.

The Department in reply (October 2013) stated that short supply over the years were due to short release of funds by the Ministry.

The reply is not acceptable as the Ministry had released funds of ₹ 174.94 crore as per laid down financial norms of the scheme and also on the strength of the beneficiaries list submitted by the Department.

### 1.3.8.6 Per Capita expenditure

According to the revised norms all the beneficiaries are entitled to receive a weighted average of ₹ 4.21 of nutrition per day. Audit analysis of the per capita expenditure for the entire State of Nagaland with that of the actual per capita receipts by the 14 test checked projects are detailed in the table below:-

Table No.1.3.10

Status as on 31 March	Total number of beneficiaries in the State	Total expenditure during the year (₹ in crore)	Per capita expenditure of the State <sup>5</sup> (In rupees)	Number of beneficiaries in the selected 14 CDPOs	Total value of foodstuff received by the 14 selected CDPOs (₹ in crore)	Per capita receipts by the 14 selected CDPOs (In rupees)	Shortfall (Per capita) (In rupees)	Percentage of shortfall (Per capita)
2009	351822	24.39	2.31	115346	1.04	0.30	2.01	87
2010	308441	35.16	3.80	122047	4.90	1.34	2.46	65
2011	359483	52.82	4.90	115326	9.59	2.77	2.13	43
2012	278622	21.19	2.54	101880	9.74	3.19	-	-
2013	278622	43.82	5.24	101806	12.68	4.15	1.09	21
<b>Total</b>	<b>1576990</b>	<b>177.38</b>	<b>3.75</b>	<b>556405</b>	<b>37.95</b>	<b>2.27</b>	<b>1.48</b>	<b>39</b>

Source:- Departmental figure

As could be seen from the table above, against the per capita expenditure of ₹ 3.75 for the State of Nagaland during the last five years, the actual per capita receipts in respect of the 14 test checked projects was only ₹ 2.27 indicating short distribution of ₹ 1.48 per day (39 per cent) to those projects. The weighted average norm of ₹ 4.21 per beneficiary per day was also not achieved. The instant audit observation of shortfall in per capita receipts also substantiate the observation of excess payment without actual receipts of foodstuff and shortfall in distribution as discussed in paragraphs 1.3.8.3 and 1.3.8.5.

<sup>5</sup> Total expenditure during the year/ Number of beneficiaries/300 days as per norm

While accepting the facts (October 2013), it was stated that the Department was not aware of the shortfall in per capita receipts. It was also accepted that distribution of foodstuff was done without receiving any indents from the project officers and therefore was done uniformly considering the average of 100 beneficiaries per AWCs. However, the system had been rectified from the year 2013-14.

#### **1.3.8.7 Shortfall in implementation of revised feeding norms**

According to sub-clause (a) of clause 5 of the revised guidelines for nutritional and feeding norms issued by the Ministry of Women and Child Development, GOI, State Government should arrange to serve more than one meal and may arrange to provide morning snack in the form of milk/banana/egg/seasonal fruits/micronutrient fortified food etc. since the children of the age group of 3 to 6 years are not capable of consuming a meal of 500 calories in one sitting. The Ministry also decided (January 2006) to provide 50 *per cent* Recommended Dietary Allowance (RDA) through 80 grams of ready-to-eat (RTE) energy.

Audit observed that the revised feeding norms had not been adhered to by the Department and against the Ministry's decision of 80 grams RTE, only 12 grams<sup>6</sup> of fortified food was provided.

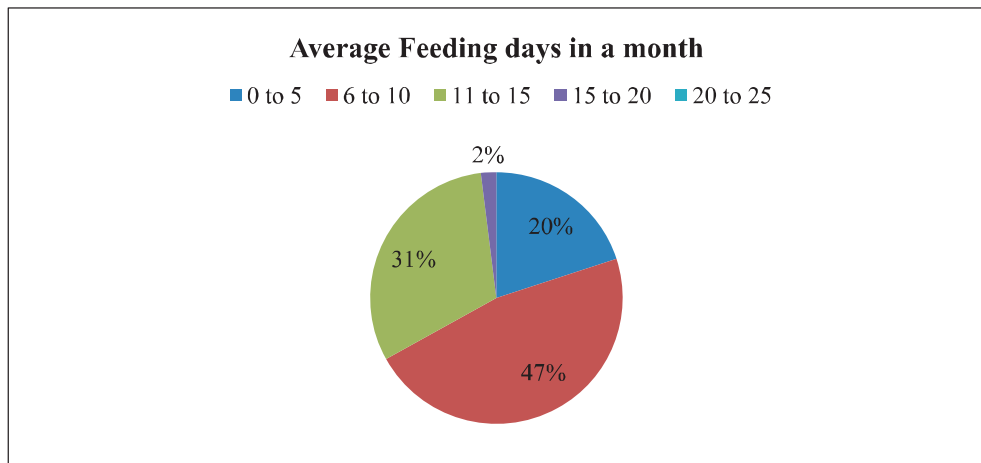
#### **1.3.8.8 Irregular distribution of supplementary food**

As per information furnished to audit, the Department was distributing food items uniformly to all the projects without receiving any indents from the CDPOs or assessing the requirements on the basis of the number of beneficiaries. As discussed in **Paragraph 1.3.8.5** audit observed shortfall in receipt of food items by the test checked projects which in turn affected even distribution to the AWCs. It was further observed from 49 AWCs that food items were not provided to the beneficiaries at regular intervals as per scale. Against the norm of 25 days in a month 49 AWCs out of 62 AWCs visited provided food to the beneficiaries on an average ranging from 1 to 20 days in a month as depicted in the pie chart.

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<sup>6</sup> 2 pieces of soya based biscuits of 6 gram

Chart No. 1.3.1



As could be seen from the chart above, none of the AWCs provided food as per the norm of 25 days. It was observed in audit that only 2 per cent of the AWCs provided food for more than 15 to 20 days, 31 per cent provided food for 11 to 15 days, 47 per cent provided for 6 to 10 days and 20 per cent of the centres provided food only for a maximum of five days. This irregular distribution of supplementary food to the beneficiaries impeded successful implementation of the objectives of the scheme.

The Department while accepting the facts (October 2013) stated that irregular distribution was taken seriously and also assured to ensure regular distribution of foodstuff to the Project Officers in future. The Department termed the audit findings as positive indicators for successful implementation of the scheme.

#### 1.3.8.9 Kitchen, sanitation and safe drinking water facility

Clause 8 of the guidelines stipulated that Food and Nutrition Board in collaboration with the State Government should carry out periodic checks to ensure that prescribed standards are adhered to and quality and nutritive value of supplementary nutrition is maintained. In case of Hot Cooked Meal it should be ensured that it is prepared in proper kitchen sheds having adequate sanitation and safe drinking water so as to maintain hygienic conditions.

Physical verification of 62 AWCs in 14 test checked projects revealed that 54 AWCs did not have kitchen sheds. Thus, the objective of providing Hot Cooked Meals was defeated.

It was also observed in audit that none of the 62 AWCs visited had drinking water facility and sanitation as envisaged in the scheme guidelines.

#### 1.3.8.10 Quality issue

As per information provided to audit, the items offered by the NGOs were selected on the basis of Laboratory analysis report issued by the Food & Nutrition Board, Eastern Region, Kolkata. However, laboratory analysis report did not mention the name of the manufacturer/ batch/ date of manufacture etc. Subsequent tests were not conducted for any of those items to ensure that the approved items and quality were actually

supplied. Thus, audit could not confirm that the samples tested and the food stuff actually supplied were the same quality and brand.

The Department in reply (October 2013) stated that the original packing were not sent to the Laboratory for testing.

#### **1.3.8.11 Conclusion**

The data on the number of beneficiaries were not reliable as there was marked difference in the report furnished to the Ministry vis-à-vis the monthly progress reports submitted by the CDPOs. Consequently, the actual expenditure was inflated by ₹ 34.53 crore during 2010-13. The Department also paid ₹ 40.70 crore without actual receipt of materials. The Department recorded excess receipt of 22255.92 quintals of two items of foodstuff rendering the transactions doubtful which needs further investigation. There were serious flaws in implementation of the scheme in the State as the quantity of foodstuff required to be provided were compromised due to short distribution of foodstuff valued at ₹ 32.33 crore. The beneficiaries in the test checked projects were deprived of nutrition by ₹ 1.48 per day during the last five years. Out of 62 AWCs in 14 test checked projects, 54 AWCs did not have kitchen sheds which defeated the objective of providing Hot Cooked Meals.

#### **1.3.8.12 Recommendations**

- The data on the number of beneficiaries needs to be updated based on the reports furnished by the Anganwadi Workers and the reports furnished to the Ministry should also be strictly monitored.
- Proper monitoring and accounting mechanisms should be established to ensure that payments to the suppliers are released only after receipt of material.
- The required quantity and quality of foodstuff prescribed in the guidelines of the scheme should be regularly provided.
- Distribution of foodstuff to the AWCs should be closely monitored to ensure that beneficiaries are regularly provided the scale of nutrition.

### **YOUTH RESOURCES AND SPORTS DEPARTMENT**

#### **1.4 Fictitious Expenditure**

The Executive Engineer, PWD (Housing) Youth Resources and Sports Division, Kohima paid an amount of ₹ 38.31 lakh against an unexecuted item of work i.e. construction of Swimming Pool at Dimapur Club by recording false measurement.

Rule 354 of the Nagaland Public Works Department Code provides that the actual measurements form the basis for practically every payment made in the Public Works Department and therefore, their importance has been emphasised from time to time. It further provides that it is not permissible for Disbursing Officers to relax the rules regarding the check-measurements. The detailed instructions in this regard have also been laid down for the purpose.



The Youth Resources and Sports (YRS) Department sanctioned (February 2012) an amount of ₹ 50 lakh<sup>7</sup> for 'Construction of Swimming Pool at Dimapur Club' on the basis of an estimate prepared by the Executive Engineer (EE), PWD (Housing), YRS Division<sup>8</sup> which was duly approved by the Chief Engineer, PWD (Housing). The work was awarded (March 2012) to the lowest bidder<sup>9</sup> at ₹ 38.31 lakh as per NPWD Schedule of Rates 2010 with a stipulation to complete the work within 12 months. Director, YRS drew ₹ 42.14 lakh (March 2012) and remitted to the EE (May/July 2012)

Scrutiny of Measurement Book (MB) (March 2013) revealed that the contractor commenced the work on 9 April 2012 and completed the work on 10 August 2012 which was measured on three different dates from April-August 2012 by the JE, SDO and EE of the Engineering Division. The contractor was paid ₹ 38.31<sup>10</sup> lakh (August 2012)<sup>11</sup> as per work order. The remaining amount of ₹ 3.83 lakh meant for Site had not been utilised (March 2013) and was kept in the bank account of the division.

As the work was reportedly completed within a short period of five months against the stipulated period of 12 months, audit conducted a physical verification to ascertain the actual status of work. During joint physical verification conducted (March 2013) by audit alongwith the EE, YRS Division, it was seen that Swimming pool was not constructed at Dimapur Club contrary to the entries made in the MB and progress report submitted by the EE. The EE however, stated that a building committee was formed for this project by the members of Dimapur Club and the committee decided to go for a pre-fabricated swimming pool as the amount granted was less. The committee had ordered the pre-fabricated swimming pool which had not arrived. However, the EE could not offer any explanation for falsely recording the measurement and releasing the payment.

Thus, the EE made a fictitious payment of ₹ 38.31 lakh against unexecuted items of work by recording false measurement of work.

In reply (June 2013), the Government stated that the work was held up because of the change of location and scope of work due to unstable soil conditions in the original site. The Government further stated that the fund was released to the contractor as requested by him for purchase of equipment for the project and the civil works were in good progress.

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<sup>7</sup> Net amount-₹ 42.14 lakh

<sup>8</sup> Executing working division

<sup>9</sup> M/S ALCO

<sup>10</sup> Net amount paid -₹ 35.97 lakh after statutory deductions.

<sup>11</sup> Cheque No 164562 dtd 23/08/2012



The reply was not tenable as the payment was made to the contractor after recording the measurement and recording completion of construction of swimming pool as per the sanction for which no explanation was offered. Moreover, any change in scope, location, release of advance payment, etc. should have been properly recorded and sanction obtained from the competent authority instead of resorting to manipulation of records which was against the provisions of Rule 354 of the Nagaland Public Works Department Code.