

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 the year 2012-13 are given in the table below:

Table 1.1.1

(₹ in crore)

Sl. No.	Name of the Departments	Total Budget Allocation	Expenditure
1.	Human Resource Development	374.20	325.80
2.	Food, Civil Supplies and Consumer Affairs	26.66	20.55
3.	Health Care, Human Services and Family Welfare	257.64	244.95
4.	Labour	36.26	32.37
5.	Social Justice, Empowerment and Welfare	126.07	82.50
6.	Cultural Affairs and Heritage	42.68	31.73
7.	Ecclesiastical Affairs	18.44	17.44
	Total	881.95	755.34

Besides the above, the Central Government has been transferring a sizeable amount of funds directly to the implementing agencies under the Social Sector to different departments of the State Government. The major transfers for implementation of flagship programmes of the Central Government are detailed below:

Table 1.1.2

(₹ in lakh)

Sl.	Name of the Department	Name of the Scheme/Programme	Implementing Agency	Funds transferred during the year
1	Human Resource Development	Conservation of Natural Resources and Ecosystem	Sikkim Government College	1.92
		Rashtriya Madhyamik Shiksha Abhiyan (RMSA)	State Mission Authority, Rashtriya Madhyamik Siksha Abhiyan	24.65
		Sarva Siksha Abhiyan	State Mission Authority (SSA), Gangtok.	2693.85
2	Health Care, Human Services and Family Welfare	Deafness	State Health Society	6.43
		Health Care for Elderly	State Health Society	0.00
		Hospital & dispensaries under NRHM (AYUSH)	State Health Society	23.40
		Information, Education & Communication	State Mental Health Society	35.00
		National AIDS Control programme III	Sikkim State AIDS Control Society	478.62
		National Programme for Prevention & Control of Diabetes	State Health Society	480.00

Sl.	Name of the Department	Name of the Scheme/Programme	Implementing Agency	Funds transferred during the year
3	Labour	NRHM	State Health Society	885.88
		Tobacco Control	State Health Society	0.00
		Enhancing Skill Development Infrastructures in NE States and Sikkim	Vocational Training Projects Implementation Society of Sikkim	96.32
		Skill Development	Sikkim Skill Development Mission Society	88.00
4	Social Justice, Empowerment and Welfare	Assistance to Disabled Persons for Purchase/Fitting	DDRC(NGO), Gangtok	7.25
5	Cultural Affairs and Heritage	Dissemination of art & culture	Himalayan Heritage Research & Development Society	1.50
6	Ecclesiastical Affairs	Buddhist & Tibetan Studies	Dechhen Choiling Gumpa Committee	2.50
			Samten Choiling Gumpa North Sikkim	2.50
			Sikkim Buddhist Development Trust Rinchenpong.	2.50
			Sikkim Namgyal Institute of Tibetology, Gangtok	61.00
			Manpower Development (including Skill Development in IT) DIT	Sikkim Namgyal Institute of Tibetology, Gangtok
Total				4,896.32

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, etc.

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 these 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 laying on the table of the Legislature.

The test audits were conducted involving expenditure of ₹ 686.52 crore (including expenditure of ₹ 374.05 crore of previous years) (details of year-wise break-up is given in **Appendix 1.1**) of the State Government under Social Sector. This Chapter contains two Compliance Audit Paragraphs as given below:

HEALTH CARE, HUMAN SERVICES & FAMILY WELFARE DEPARTMENT

1.3 Infertuous expenditure

Expenditure of ₹ 4.21 crore was rendered infertuous due to improper survey and injudicious selection of site for the construction of 575 bedded hospital.

For upgradation and modernisation of Sir Thutob Namgyal Memorial (STNM) Hospital, Gangtok, the Health Care, Human Services & Family Welfare Department invited (January 2008) 'expression of interest' from various firms of which five firms responded. This was done without calling for tenders or through advertisement. The detailed 'expression of interest' submitted by these five firms were scrutinised by the Department and M/s Archtech Consultants Private Limited (ACPL), Kolkata was selected (May 2008) on the basis of recommendations of the Technical Committee constituted (April 2008) for this purpose. The ACPL was entrusted with the preparation of Detailed Project Report (DPR) along with Architectural Structure and Services Designing for 500 bedded Multi Speciality Hospital at STNM complex, with the approval (May 2008) of the Cabinet. The agreement was signed (June 2008) with the firm for the above works at a total fee of ₹ 6 crore (six *per cent* of the initial indicative project cost of ₹ 100 crore).

Subsequently, the project at STNM complex was cancelled on the ground of insufficiency of space and a revised proposal of the Department for construction of a 575 bedded Multi Speciality Hospital at Sokeythang (Tadong), through Building and Housing Department (BHD), was approved (August 2008) by the Cabinet. Without calling for tenders, a corrigendum to the agreement with ACPL was issued (March 2009) for preparation of DPR for construction of a 575 bedded hospital at the new site of Sokeythang. An amount of ₹ 4.21 crore was paid to the firm till date (July 2013).

The project was again shifted from Sokeythang to Sochyagang (Sichey) on the ground that there were public protests to the project at the earlier site. After inviting fresh tenders through advertisement, a separate agreement was drawn up (August 2010) with M/s Civil Engineers Enterprises Private Limited, Kolkata (CEEPL) through BHD for Drawing, Design and Execution of 575 bedded Multi Speciality Hospital at Sochyagang at a cost of ₹ 459.48 crore on turnkey basis. Clause 12 of the agreement regarding consultancy fee stipulated that the project cost would include planning, drawing, designing, etc., at a cost of ₹ 27.57 crore, being six *per cent* of the total project cost at Sochyagang. The BHD confirmed (January 2013) that the documents prepared and services rendered by ACPL at Sokeythang were not utilised for the hospital at Sochyagang, which was being constructed by CEEPL.

Sikkim Financial Rules (SFR) also provide that the contracts should be placed only after tenders had been widely invited.

It was observed that the Department failed to follow the provisions of SFR while placing order with ACPL for the project at STNM complex. Thus, the reasonability of the rate and availing of the best technical expertise for consultancy was not ensured through open competitive tenders. Further, it was also observed that the Department had not conducted due diligence in ensuring suitability of the site for the hospital project duly ensuring availability of adequate land, approach road and conducting public hearings, etc., at Sokeythang.

Thus, an amount of ₹ 4.21 crore was paid to ACPL for a project where not a single brick had been laid at the site at Sokeythang, and was thereafter scrapped, thus rendering this entire amount infructuous.

The Department stated (September 2013) that the approach road to the site at Sokeythang for the Multi Specialty Hospital passed through the road leading to the ICAR complex. A wider approach road essential for the hospital was lacking. The ICAR authority did not agree for the widening of the road and moreover, the private land owners also declined to sell additional land required for accommodating the hospital complex including quarters.

However, the reasons given for shifting of the site are all issues that should have been sorted out before awarding the contract and those issues should have been resolved first. It was observed that the DPR was contracted out even without ascertaining the adequacy/suitability of the site and its approach road which rendered the expenditure of ₹ 4.21 crore infructuous.

HUMAN RESOURCE DEVELOPMENT DEPARTMENT

1.4 Irregular expenditure

Violation of guidelines resulted in irregular expenditure of ₹ 6.48 crore due to excess deployment of 648 teachers in schools while other schools faced shortage.

The Government of Sikkim notified the Manpower Management Guidelines in February 2010 for determination of teacher strength in schools. It was stated therein that teacher strength as given in the Schedule against each school shall be strictly adhered to and under no circumstances would it be permissible to have more numbers on its roll than that prescribed. It further stated that it shall be the bounden duty of the Heads of schools and Drawing and Disbursing Officers to ensure that the salary of non-existent or excess teachers over and above that prescribed were not issued and in the event of failure to do so, would be realised from their monthly salary.

Test-check of 438 schools (out of 530 schools) for the period 2012-13 of East, North and South districts revealed (February 2013) that there were 648 excess teachers in 254 schools against the prescribed norms, in violation of the Government instructions issued by the Government.

Scrutiny of records further revealed (February 2013) that the deployment of teachers in the Department was irrational and without reference to the guidelines issued by the Government in this respect. While there were 648 excess teachers in 254 schools, there were shortages of 198 teachers in 78 schools. The overall position of deployment was as under:

Table 1.4.1

Deployment	Primary	Science	Arts	Maths	Total
Excess teachers in Schools*	408	37	191	12	648
Shortage of teachers*	100	36	32	30	198
Net excess (+) /shortage (-)	308	1	159	-18	450

*Total with regard to the sanctioned strength of each school

Thus, there was excess deployment of 648 teachers out of which 198 teachers could have been re-deployed in the schools where there were shortage of teachers. Inaction by the Department in this regard resulted in irregular expenditure of ₹ 4.50 crore¹ and injudicious expenditure of ₹ 1.98 crore² besides adversely affecting the quality of education being imparted in 198 schools.

The matter was reported to the Department/Government (May 2013); their reply had not been received (October 2013).

¹ 450 teachers x salary for 10 months @ ₹ 10,000 per month.

² 198 teachers x salary for 10 months @ ₹ 10,000 per month.