

CHAPTER – I
SOCIAL SECTOR

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SOCIAL SECTOR

1.1 Introduction

This Chapter of the Audit Report for the year ended 31 March 2016 deals with the findings on audit of the State Government units under Social Sector.

The departments of the State Government under Social Sector and their total budget allocation vis-a-vis expenditure during 2015-16 are given below:

Table No. 1.1.1

₹ in crore

Sl. No	Name of the Departments	Total Budget Provision	Expenditure
1	School Education	1418.35	1077.04
2	Technical Education	34.82	17.25
3	Higher Education	209.97	118.30
4	SCERT	49.30	46.81
5	Youth Resources and Sports	38.89	36.17
6	Art and Culture	19.72	19.66
7	Health and Family Welfare	606.54	489.76
8	Water Supply & Sanitation	302.60	182.82
9	Urban Development	139.96	52.39
10	Municipal Affairs	63.17	18.47
11	Information and Public Relations	28.08	27.67
12	Labour	8.70	8.36
13	Employment and Training	65.07	35.43
14	Social Welfare	212.71	170.34
15	Women Welfare	9.47	9.45
Total		3207.35	2309.92

Source: Appropriation Accounts

1.2 Planning and Conduct of Audit

Audit process starts with the assessment of risks of various departments of the Government based on expenditure incurred, criticality/complexity of activities, level of delegated financial powers, assessment of overall internal controls and concerns of stakeholders.

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 for compliance is advised. Some of the important audit observations arising out of the Inspection Reports are processed for inclusion in the Audit Report, Audit Report and it is 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, an expenditure involving ₹ 1738.07 crore (including funds pertaining to previous years audited during the year) of the State Government under Social sector were test checked. This Chapter contains findings on the performance audit of 'Implementation of Right of Children to Free and Compulsory Education Act, 2009' and three compliance audit paragraphs.

Performance Audit

SCHOOL EDUCATION DEPARTMENT

1.3 Implementation of Right to Education Act, 2009

To make elementary education a fundamental right to all children, Article 21-A was inserted through the 86th Constitutional Amendment Act 2002, and subsequently the Right of Children to Free and Compulsory Education Act or Right to Education (RTE) Act 2009 was enacted by Parliament. The Right of Children to Free and Compulsory Education (RTE) Act came into operation with effect from 1st April 2010. In Nagaland, the RTE Rules were notified on 21st March 2011 and implementation of the RTE Act commenced from 2011-12. *Sarva Shiksha Abhiyan* (SSA), a major flagship programme of Government of India (GoI) to universalize elementary education in the country, was the main vehicle for the implementation of the RTE Act. The Performance Audit of Right of Children to Free and Compulsory Education Act or Right to Education Act 2009 covering the period from 2011-12 to 2015-16 was taken up during May 2016 to September 2016.

Highlights

- *One of the setback faced by the State in implementation of RTE was the accuracy of child population since household survey to ascertain the actual elementary school going child population was not conducted by the concerned authority*

(Paragraph 1.3.8.1)

- *In contravention to the Act, collection of fees of ₹ 30.03 lakh from the children in the three test checked districts occurred as School Grant was not released.*

(Paragraph 1.3.8.11)

- *A total of 10,690 teachers (65 per cent) in Government schools were yet to be trained thus compromising the quality of education in the State.*

(Paragraph 1.3.8.15 (ii))

- *Avoidable expenditure of ₹ 11.96 crore was incurred due to excess procurement of school uniforms.*

(Paragraph 1.3.8.17 2)

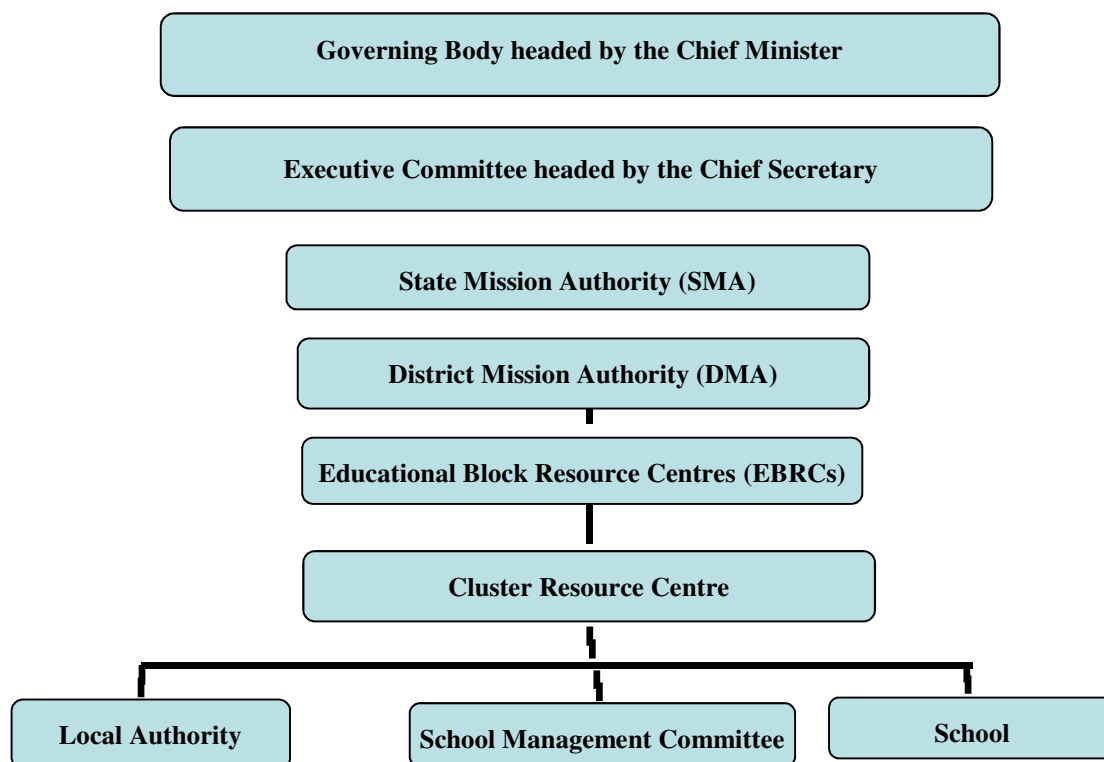
1.3.1 Introduction

The RTE Act provides that all children in the age group of 6 to 14 years have a right to free and compulsory education in a neighbourhood school till completion of Elementary Education.

Free education is defined as ‘removal of any financial barrier by the state that prevents a child from completing eight years of schooling’ and ‘Compulsory Education’ means obligation of the appropriate Government to provide free elementary education and ensure compulsory admission, attendance and completion of elementary education to every child in the age group of six to fourteen years. The RTE Act has also brought in new monitoring mechanisms to ensure that child rights under the Act are protected and they were brought within the ambit of constitutionally created independent bodies like the National and State Commissions for protection of Child Rights.

The implementation of the RTE Act in Nagaland is supervised by the Governing Body headed by the Chief Minister and assisted by the Executive Committee with the Chief Secretary as Chairman. The main vehicle for implementing the provision of the RTE Act is the *Sarva Shiksha Abhiyan (SSA)*.

1.3.2 Organizational set up



1.3.3 Audit Objectives

The performance audit was carried out to assess whether:

- the RTE Act achieved its objective to make elementary education a fundamental right for all children between ages of 6 to 14 years within three years from the roll out of the Act.
- the funds allocated were utilized in an economic and efficient manner, and
- the RTE Act was implemented and monitored in a planned manner.

1.3.4 Scope of Audit

The performance audit was conducted from May to September 2016 covering the period from 2011-12 to 2015-16. The records of the State Mission Authority (SMA), Directorate of School Education, State Council of Educational Research and Training (SCERT); three out of eleven District Institute of Educational Training (DIET), three out of eight District Mission Authority (DMAs) and 12 Educational Block Resource Centres (EBRCs) of three sample district viz., Dimapur, Mon and Kohima out of 46 EBRCs in the State; and 90 schools in the sample districts were selected through Simple Random Sampling without Replacement (SRSWOR) method.

1.3.5 Audit Methodology

Audit methodology includes examination of records, issue of audit queries/ observations, joint physical verification and photographic evidences wherever relevant.

The Entry Conference was held on 19 April 2016 with the officers of the Department wherein the audit objectives, methodology, criteria and scope of audit were discussed. The report was issued in September 2016 and the Exit Conference was held on 07 October 2016. The replies and views expressed by the department have been considered and appropriately incorporated in the Report.

1.3.6 Audit criteria

Audit findings were benchmarked on the following criteria:

- Right to Education Act, 2009 and RTE Rules, 2010.
- State Right to Education Rules, 2010.
- Annual Work Plan and Budget approved by Project Approval Board.
- Manual on Financial Management and Procurement.
- Audited Statement.
- Notification, instruction and circulars issued by Ministry of Human Resource Development (MHRD) and State Government.
- Annual and quarterly Report of State Mission Authority.
- Records maintained at the school level.

1.3.7 Acknowledgment

We acknowledge the cooperation and assistance extended to us by the Department during the conduct of audit.

Audit findings

The audit findings are discussed in the following paragraphs.

1.3.8.1 School mapping and identification of school going children and out of school children.

As per Section 5 (2) of the Nagaland Right of Children to Free and Compulsory Education Rules 2010 (State RTE Rules 2010), the school mapping exercise and identification of all school going children and out of school children, including children in remote areas, children with disabilities, children belonging to disadvantaged groups, children belonging to weaker sections shall be undertaken, within a period of one year from the appointed date and every year thereafter and updated up to 30 October of each year. Further, as per Rule 6 of the State RTE Rules 2010, the Local Authority (Village Council/Municipal Council) shall maintain a record of all children, in its jurisdiction, through a household survey, from their birth till they attain the age of 14 years. These records shall be updated every year and shall be made available in the public domain and use it to ensure and monitor admission, attendance and completion of elementary education by every child residing within its jurisdiction.

It was noticed that the Local Authorities in which 90 sample schools were located had not conducted any household survey. Village/School Education Register as required was not maintained. Therefore, there were no records of children up to the age of 14 years residing within the jurisdiction of these schools. This fact was also confirmed during joint physical verification (May-August 2016).

Thus, in the absence of household survey and non-maintenance of Village/School Education Register, the identification of children belonging to the weaker sections/disadvantaged groups, children requiring special facilities/residential facilities on account of migration and sparse population, out of school children, age appropriate admission, disabilities etc. could not be identified.

As per the Department's own admission, one of the setback faced by the State in implementation of RTE was the accuracy of child population since household survey to ascertain the actual elementary school going child population was not conducted by the concerned authority.

SMD, SSA in reply (October 2016) stated that the format to capture the records of children up to the age of 14 years was devised for issue to the Local Authority. However, due to fund constraint trainings to SMC/VEC could not be conducted and therefore, the format was not distributed.

1.3.8.2 Preparation of database of school going children

The preparation of database of school going children was done through Data Capture Format (DCF) of the Unified District Information System for Education (U-DISE) software. The DCFs are issued to all the schools to be filled and certified by the Head/Principal of the School that the data is correct. These forms are submitted by the schools to the respective EBRCs for scrutiny which are then submitted to the DMAs. After the information is compiled in the U-DISE software and a consistency check is carried out, the data is then submitted to the SMA for final compilation. Thus, the complete data of children enrolled in schools is collected from all schools within the state using the U-DISE software.

To improve the quality and reliability of data, the U-DISE data was required to be sample checked and validated by an independent agency from 2006-07 onwards. However, it was observed that in Nagaland, the U-DISE data was not checked and validated by an independent agency during 2012-16 though fund for the purpose was available.

The details number of children attained the age of enrolment, number of children actually enrolled and number of children dropped-out in the State as per information provided by SMD, SSA is detailed in the table below:

Table 1.3.1

Year	No. of children attained the age of enrolment			No. of children enrolled			Difference (in percent)	No. of drop-out children			Percentage of drop-out
	Primary	Upper primary	Total	Primary	Upper primary	Total		Primary	Upper primary	Total	
2011-12	252,595	119,488	372,083	229,722	92,455	322,177	49,906 (13.41)	8,906	10,210	19,116	5.93
2012-13	296,590	133,414	430,004	252,422	90,455	342,877	87,127 (20.26)	6,188	5,320	11,508	3.36
2013-14	243,973	115,692	359,665	238,425	94,705	333,130	26,535 (7.38)	4,020	3,637	7,657	2.30
2014-15	224,605	145,996	370,601	205,127	99,986	305,113	65,488 (17.67)	5,208	4,123	9,331	3.06
2015-16	217,464	139,290	356,754	199,071	90,244	289,315	67,439 (18.90)	4,028	4,729	8,757	3.02

(Source: Departmental figures)

The following can be seen from the above table:

- (i) The enrolment in the State showed a decreasing trend except during the year 2012-13 when it witnessed an increase over previous year.
- (ii) The percentage of eligible children not enrolled ranged between 7.38 per cent and 20.26 per cent. It stood at 18.90 per cent during 2015-16.
- (iii) The percentage of drop-out reduced from 5.93 in 2011-12 to 3.02 in 2015-16.

In the absence of credible data audit could not assess the extent to which the State Government was able to achieve the objective. However, from the information made available it could be seen that the objective of the RTE Act to make elementary education a fundamental right for all children between the age group of 6 to 14 years could not be fully achieved in Nagaland.

Cross examination of school report card data for the year 2012-16 with the actual records of 90 sample schools in three districts revealed discrepancies. The comparison of students enrolled as per School records and the U-DISE report card is given in the following table.

Table 1.3.2

Year	No. of schools	No. of students enrolled		Difference (+) Excess / (-) Less as per school records
		As per School records	U-DISE/report card	
2012-13	14 (Class I to V)	1605	1895	(-) 290
	55 (Class VI to VIII)	5008	2734	(+) 2274
2013-14	23 (Class I to V)	1524	1993	(-) 469
	44 (Class VI to VIII)	4226	2762	(+) 1464
2014-15	18 (Class I to V)	1603	1735	(-) 132
	50 (Class VI to VIII)	4976	3564	(+) 1412
2015-16	20 (Class I to V)	1993	2358	(-) 365
	49 (Class VI to VIII)	5630	4509	(+) 1121

(Source: Schools figures/U-DISE)

It can be seen that in all the years, the enrolment figures in the sample schools did not match with the figure given in U-DISE.

The State Mission Director (SMD), SSA while accepting the facts (October 2016) stated that the discrepancy in the data may be due to duplication/inflated figure projected in Census 2011 and therefore, the accurate figure can be ascertained only after conduct of household surveys. Further it was stated that collection of data for U-DISE commences from 30 September every year as per directives from the Ministry. However, sample surveys are conducted only in some selected schools due to myriad factors which effects consolidation of accurate data. SMD further added that many Government schools maintains different sets of enrolment records to avail benefits from Government which results in data discrepancies.

The reply is not acceptable and it shows the State Government is aware of the discrepancies and yet instead of correcting the U-DISE data it is formulating the planning of SSA on faulty data. The State Government should validate the U-DISE data, remove discrepancies and ensure that Government schools do not misreport figures to avail benefits under the Scheme.

1.3.8.3 Enrolment of children in government schools.

The enrolment of children in Government schools compared with the enrolment in the state is given in the following table:

Table 1.3.3

Year	No. of children enrolled in Government schools			Total enrolment in the state	Percentage of enrolment in Govt. schools
	Primary	Upper primary	Total		
2011-12	1,07,441	34,378	1,41,819	3,22,177	44.02
2012-13	1,22,980	31,087	1,54,067	3,42,877	44.93
2013-14	1,12,429	31,648	1,44,077	3,33,130	43.25
2014-15	98,067	35,849	1,33,916	3,05,113	43.89
2015-16	92,969	34,053	1,27,022	2,89,315	43.90

(Source: Departmental figures)

From the above table, it can be seen that during audit period the average enrolment of children in Government schools in the State was less than 50 *per cent*. This indicated that majority of the school going children were dependent on private schools.

1.3.8.4 25 per cent reservation for weaker and disadvantaged children

Section 12 (1) (c) of the RTE Act 2009 stipulated that 25 *per cent* reservation should be implemented while admitting students to Class I. Also, the Supreme Court, in its judgement (12 April, 2012), upheld the Constitutional validity of the RTE Act 2009, which mandates a minimum of 25 *per cent* free seats for children belonging to weaker sections and disadvantaged groups in all private un-aided primary schools in particular.

However, in the RTE Rules framed by the State Government, no specific provision in this regard was made.

SMD, SSA in reply (October 2016) stated that the State has already made provision for 25 *per cent* reservation for weaker and disadvantage children in the State rules, however, separate notification was yet to be issued and added that the draft notification is under preparation which will be approved in the forth-coming Executive Committee meeting.

The fact, however, remains that there was no specific provision in the State Rule regarding 25 *per cent* reservation but only provision regarding reimbursement of expenditure had been made. Provision of 25 *per cent* reservation was all the more relevant as more than 50 *per cent* of eligible children are enrolled in private schools.

1.3.8.5 National Child Labour Project

National Child Labour Project (NCLP) was implemented by the District Administration in Dimapur district where the working children were identified and enrolled in the NCLP for providing non formal education. As per the information provided by Directorate of Labour, during the period 2011-16, a total of 8,600 working children in the age group of 6 to 14 years were enrolled in schools under this scheme. However, the Directorate of Labour, Government of Nagaland stated that no survey had been conducted on the prevalence of child labour in the state.

It was also observed that the Department of Education did not have any information on the number of working children being provided non-formal education under NCLP scheme in the State. Thus, there was no coordination with the State Education Department for facilitating the enrolment of children passing out of the Special Schools/Rehabilitation Centres into the main stream education system.

1.3.8.6 Availability of neighbourhood schools

As per State RTE Rules 2010, neighbourhood school means “any school in a habitation that can be easily accessed or located within walking distance”. Further, as per Amendment to Rule 4, Primary Schools should be located within a walking distance of two Km and a minimum of 25 Children in the age group of 6 to 11 years available and willing for enrolment in the school. Upper Primary Schools should be located within a walking distance of three Km from the neighbourhood with a minimum of 25 children in Class –V of the feeding primary schools, taken together, available and willing for the enrolment in that school.

From the records made available to audit it was noticed that there were 2066 identified habitations in the State. Examination of records revealed that out of these habitations, 1800 habitations had Primary Schools and 1465 habitations had Upper Primary Schools. However, 164 habitations, which were eligible to have a Primary Schools as per norms were not provided with Primary School. Likewise, 125 habitations, which were entitled to have an Upper Primary School were not provided with Upper Primary School. Thus, 4656 number of children in age group 6-14 years belonging to the habitations that were eligible to have Primary/Upper Primary Schools were deprived of free and compulsory education in the neighbourhood as envisaged in the Act. Also, there were nothing on the record how these 4656 children and also 5249 children (in the age group 6-14 years) belonging to habitations eligible for Primary/Upper Primary Schools were being provided with free and compulsory education.

SMD, SSA while accepting the facts stated (October 2016) that the State is yet to operationalise 97 new Primary and 41 upgraded Upper Primary Schools approved by Project Approval Board (PAB) of GoI.

1.3.8.7 Availability of basic infrastructure

As per Section 19 and 25 of the RTE Act, the State Government should provide infrastructure including school building, teaching staff and learning equipment. An all-weather school building should consist of the following:

- At least one classroom for every teacher and an office-cum-store-room-cum-Head teacher’s room
- Barrier free access
- Separate toilets for boys and girls
- Safe and adequate drinking water facility for all the children
- A kitchen where mid-day meal is cooked in the school

- Playground and
- Arrangement for securing the school building by boundary wall or fencing

During joint physical verification of 90 sample schools in Mon, Dimapur and Kohima districts, the following shortfalls was observed. These facts have been confirmed by the respective school authority.

- (a) 36 schools (40 *per cent*) did not have separate toilets for boys and girls
- (b) 67 Schools (74.44 *per cent*) did not have safe drinking water facility
- (c) 29 Schools (32.22 *per cent*) did not have a kitchen for cooking mid-day meal in the school
- (d) 76 schools (84.44 *per cent*) did not have a playground and
- (e) 78 schools (86.67 *per cent*) did not have boundary wall or fencing.

SMD, SSA in reply (October 2016) stated that (i) many toilets constructed in the past has now become dysfunctional and the funds for construction of toilets were being sought; (ii) the proposal for providing drinking water facility and boundary wall (2016-17) was not accepted by GoI; (iii) all new school buildings under SSA has inbuilt kitchen facilities and for the existing old schools, funds are being provided under Mid-day Meal scheme (iv) playground could not be provided due to want of space.

The fact remains that a high percentage of schools in sample districts did not have the basic facilities indicating that the objective of RTE Act was not fully achieved.

1.3.8.8 School Development Plan

In Nagaland, a school shall be managed by the existing Village Education Committee/ Ward Education Committee/ Town Education Committee/ Common Education Committee constituted under Nagaland Communication Act, 2002, which shall prepare a School Development Plan (SDP) at least three months before the end of the financial year as stipulated in Rule 13 of the State RTE Rules 2010. SDP shall be a three year plan comprising of three annual sub-plans. SDP shall contain (a) estimate of class-wise enrolment, (b) requirement of additional teachers, (c) requirement of additional infrastructure and (d) financial requirement. The SDP shall be the basis for subsequent plans and release of grants by the Government or Local Authority.

Examination of records revealed that none of the 90 sample schools in the three sample districts had prepared SDPs and therefore did not have year-wise target of enrolment in the schools. It was also observed during joint physical verification that some of the Village Education Committee members were totally unaware about the preparation of SDPs. Also, the Local Authority did not have any record of children from birth till the age of 14 years, under their jurisdiction and therefore could not set the targets for enrolment in school.

SMD, SSA in reply (October 2016) stated that the format for SDP was developed and got printed, however, due to fund constraint training for its use was not imparted. SDP was being taken up on pilot basis covering 25-30 schools from each EBRC.

1.3.8.9 Pre-school education

Section 11 of the RTE Act provides that with a view to prepare children above the age of three years for elementary education and to provide early childhood care and education for all children until they completed the age of six years, the Government may make necessary arrangement to provide free pre-school education for such children. The State RTE Rules, however, was silent on this section.

Examination of records revealed that there are 300¹ elementary schools without pre-primary section as per U-DISE for 2015-16. It was, however, stated that the Department of Social Welfare are imparting pre-primary education in the State through the Anganwadi Centres.

1.3.8.10 Special training of children

As per Rule 6 of the State RTE Rules 2010, the SMC/VEC of a school owned and managed by the appropriate or Local Authority shall identify out of school children (OoSC) and children requiring special training and arrange such training in the following manner:

- a) The special training shall be based on specially designed, age appropriate learning material, approved by the Academic Authority SCERT.
- b) The training shall be provided in classes held on the premises of the school or through classes organized in safe residential facilities.
- c) The training shall be provided by teachers working in the school, or by teachers specially appointed or engaged for the purpose.
- d) The duration of the said training shall be for a period of three months which may be extended based on periodical assessment of learning progress.

The children shall, upon induction into the age appropriate class, after special training, continue to receive special attention by the teacher to enable them to successfully integrate with the rest of the class, academically and emotionally. One of the main role of the SMCs is the identification of OoSC and supporting the special training centre for their smooth transition.

Examination of records revealed that, special trainings of OoSC were provided in centres run by SMC/VEC/NGOs and were not school-based special training as envisaged in the RTE Rules. Further, no training was imparted to the SMC/VEC by the State Government for conducting special training of the drop-out children. In the absence of records, it could not be ascertained whether NGOs who were imparting special training to OoSC were trained for imparting such training. Also, there was

¹ Govt. Primary schools-201, Govt. Middle Schools-99

no record to indicate that these OoSC children who were trained by SMC/VEC/NGOs were absorbed in the mainstream schooling.

The Department also admitted the fact that the collection of data of OoSC is poor as the populace was not forthcoming on providing information. The fact that the State was yet to conduct school based special training was also highlighted in Appraisal Report 2016-17 submitted to GoI by the Department.

SMD, SSA in reply (October 2016) accepted the facts.

1.3.8.11 Collection of fee

Section 3(2) of the RTE Act 2009 stipulated that a school shall provide free and compulsory elementary education to all children. “Free Education” as per the State RTE Rules 2010, means no child shall be liable to pay admission, tuition, examination and any other fees which may prevent him or her from pursuing and completing elementary education and includes providing text books, one time writing materials with minimum requirement in an academic year and uniforms as prescribed by the implementing authority from time to time.

Examination of records revealed that admission fees amounting to ₹ 30.03 lakh was collected from the children in 58 Government schools² (out of 90 sample schools) as detailed below:

Table 1.3.4

in Rupees

District	Year-wise collection of fees					Total
	2011-12	2012-13	2013-14	2014-15	2015-16	
Dimapur	1,04,088	2,04,750	2,32,323	2,92,375	3,40,633	11,74,169
Mon	1,67,225	1,67,825	1,84,725	2,92,875	3,03,375	11,16,025
Kohima	93,202	1,18,950	1,43,060	1,72,700	1,84,400	7,12,312
Grand Total						30,02,506

(Source: Schools figures)

On this being pointed out, the head teachers/teacher-in charge of schools stated that the schools did not receive the school grant, maintenance grant and teachers’ grant for the last three years 2013-16 and therefore were compelled to collect fee for the smooth functioning/maintenance like repairing of benches/desks, windows, printing of progress cards, printing of question papers, purchasing of stationery items etc. for the schools. The fact however remains that collection of fees from the children was in contravention to the RTE Act.

SMD, SSA while accepting the facts stated (October 2016) that the school grants, maintenance grants and the teacher’s grants were either not approved or not released due to fund constraints.

² 24 in Dimapur, 13 in Mon and 21 in Kohima

1.3.8.12 Creation of schools

During the period from 2010-16, creation of 895 new schools were approved by GoI. The year-wise number of schools is detailed in the following table.

Table 1.3.5

Year	Primary Schools	Upper Primary Schools	Total
2011-12	139	56	195
2012-13	24	59	83
2012-13*	51	4	55
2013-14	97	41	138
Total	311	160	471

(Source: Departmental figure) * Dilapidated Building Construction

Out of these 471 schools, 119 schools were to be created in the three sample districts. Examination of records revealed that only 106 new schools were created. It was noticed in audit that there was short release of funds to the extent of ₹ 2.09 crore by the SMA. As a result, 13 schools (**Appendix-1.3.1**) could not be completed (September 2016). Though there was no cost overrun, undue delay in completion of these schools deprived the basic facilities to the children.

Joint physical verification (May to August 2016), in the selected districts revealed the following:

(i) GMS Vihokhu village, Dimapur District.

The PAB (2010-11) approved creation of new school building at Vihokhu village at an estimated cost of ₹ 15.70 lakh. It was observed that the full amount including the non-scheduled items (₹ 0.90 lakh) was released (September 2012) to the SMC. However, during joint physical verification it was found that the building was yet to be completed even after a lapse of five years from commencement of the work as shown in the photograph below:

**Incomplete Building- GMS Vihokhu**

(ii) GPS Bungsang, Dimapur District

The GPS building at Bungsang was approved by PAB (2012-13) for ₹ 0.15 crore. The entire amount was released, however the school building is still incomplete as shown in the following photograph.



SMD, SSA in reply (October 2016) stated that all the incomplete buildings are expected to be completed in November 2016 and added that GMS building at Vihokhu, Dimapur has since been completed.

1.3.8.13 Pupil teacher ratio

Section 25 of the RTE Act 2009 stipulated that within three years from the commencement of this Act, the appropriate Government and the Local Authority shall ensure maintenance of the Pupil – Teacher Ratio (PTR) as specified in the schedule in each school. The Act envisaged minimum of two teachers at primary level and at least one teacher for each class at upper primary level. Further, Section 20 of the State RTE Rules 2010 provided that for maintaining the pupil teacher ratio, the sanctioned strength of teachers in every school shall be notified by the State Government and shall, within three months of such notification, redeploy teachers from schools having strength in excess of the sanctioned strength prior to the notification.

It was noticed that no steps were taken by the State Government to rationalise teachers as per RTE norms. Despite repeated assurance given each time during the meetings held by GoI while approving the Annual Plan of the SSA for the State, yet action was not taken to rationalise the deployment of teacher. In the meeting considering the Annual Plan for 2015-16, it was noted that the State was still having 48 Primary and 36 Upper Primary Schools with a single teacher.

Interestingly, it was noticed during joint physical verification of schools in Kohima that there were three schools where only one to four children were on the roll whereas two to five teachers were posted in these schools as indicated in the following table.

Table No.1.3.6

Sl. No.	Name of School	No of students	No. of teachers
1	GPS Lower Nagabazar	2	5
2	GPS Thechuma Basa	1	2
3	GPS Tuophema Lower	4	4

Thus, it is apparent that rationalization of teachers through redeployment was not carried out in the State even after a lapse of six years of implementation of RTE Act.

1.3.8.13 Deployment of teachers for non-educational purposes

Section 25 (2) and 27 of the RTE Act stipulated that for the purpose of maintaining the PTR, no teacher posted in a school shall be made to serve in any other school or office or deployed for any non-educational purposes other than decennial population census, disaster relief duties or duties relating to elections to the local authority or the State Legislatures or Parliament, as the case may be.

Examination of records revealed that 457 teachers, whose salary was paid under SSA, were posted to offices of the Directorate of School Education, District Education Officers (DEOs) and Sub-Divisional Education Officers (SDEOs) in the State which was in contravention of the provision of the RTE Act. 2009.

Further, during joint physical verification of 90 sample schools, it was noticed that private teachers were engaged in 15 schools³ and salaries of these teachers was paid by the village authorities.

1.3.8.14 Recognition of schools

As per Section 18 (1) of the RTE Act 2009, no school, other than a school established, owned or controlled by the Appropriate Government or the Local Authority, after commencement of the Act, be established or function, without obtaining certificate of recognition from such Authority, by making an application in such form and manner, as may be prescribed. The certificate of recognition shall be granted only to school which fulfils norms and standards specified in the Act.

Examination of records revealed that, the State Recognition Rules which was required to be framed within three months of the notification of the State RTE Rules had not been framed even after a lapse of five years.

It is not clear in the absence of such rules how the recognition to schools was being given. No reply was furnished by the concerned authority.

³ GPS Chingkhao wotok-1, GPS Chenwetnyu Koiso C-2, GPS Chenloiso Longkhao B-4, GMS Lokhao-1, GMS Lapa Lampong-2, GMS Metha Colony Ward 23-1, GMS Jharnapani-3, GPS Veerzoma-1

1.3.8.15 Appointment, Qualifications and training of teachers

(i) Appointment of unqualified teachers

As per the norms of National Council for Teacher Education, the minimum qualifications required for appointment of teachers are:

- (a) Two-year Diploma in Elementary Education for classes I to VIII; and
- (b) One-year Bachelors in Education for classes VI to VIII.

The Ministry of Human Resource Development (MHRD) through a notification (September 2012) relaxed the above norms for the State of Nagaland which was valid for a period up to 31 March, 2014, subject to fulfilment of following conditions:-

- The State Government shall conduct the Teacher Eligibility Test (TET) and only the qualified candidates were to be considered for appointment as a teacher in classes I to VIII;
- The State Government and other school managements shall ensure that the teachers employed or engaged by them who do not possess the minimum qualifications required shall acquire the minimum qualifications within five years.
- the State Government and other school managements shall ensure that the teachers who were appointed under the relaxed qualification norms acquire the minimum qualification specified in the said notification within a period of two years from the date of appointment;

Examination of records revealed that the State Government conducted TET twice only on 14 December 2013 and 9 July 2016. However, the State Government did not conduct any TET for teachers who were appointed under SSA during the years 2011 and 2013 in contravention of the MHRD notification.

(ii) Training of Teachers

State Council of Education Research and Training (SCERT) is committed to planning, implementation, evaluation of academic programs and teacher education at all levels of school education

Examination of records of the Mission Director, SSA, revealed that there were 16,551 teachers in Government Primary and Middle Schools in the State. It was noticed that 5861 (35 *per cent*) teachers were trained and 10690 (65 *per cent*) were yet to be trained.

The teacher's profile in the selected districts were as indicated below:

- (a) In Mon district, out of 132 teachers, 59 were trained (45 *per cent*)
- (b) In Dimapur district, out of 385 teachers, 127 were trained (33 *per cent*); and
- (c) In Kohima district, out of 248 teachers, 149 (60 *per cent*) teachers were trained.

It was observed that in addition to training of teachers within the State at District Institution of Education and Training, which is responsible for imparting induction

training for newly recruited teachers as well as untrained teachers, an effort was made by SCERT to impart training to untrained teachers through Open and Distance Learning mode in collaboration with the National Institute of Open Schooling (NIOS). The duration of the course was for two years commencing from 2014.

Training of 1900 untrained teachers under NIOS was approved by GoI and ₹ 1.14 crore was released (March 2014) to SCERT for the purpose. It was observed that 1575 teachers got enrolled for admission for first year of the two year course. It was, however, observed that the number of enrolment in the second year was only 1323 teachers. Reasons for drop in the enrolment for the second year was neither on record nor was stated. Thus, out of 1900 untrained teachers targeted to be trained through Open and Distance Learning mode, only 1575 got enrolled for training in the first year of which only 1323 teachers got enrolled for the second and final year of the training. Information on how many teachers completed the training was not made available. The prospect for imparting distance learning to the remaining untrained teachers through NIOS in the subsequent years was also lost as the State Government cancelled the MoU with NIOS.

The presence of high number of untrained teachers will have an adverse impact on the quality of education in the State.

SMD, SSA in reply (October 2016) stated that efforts are being made to provide trainings to the untrained teachers. The SMD also highlighted the indifference of the teachers and insufficient study centres as some of the main problems for low turnout of untrained teachers for training.

1.3.8.16 State Institute of Education Management & Administrative Training (SEIMAT)

The objective of setting up SEIMAT was to provide training to various functionaries such as the District Education Officers, Sub-Divisional Education Officers, Sub-Inspector of Schools, Principals/Headmasters/Head teachers etc. as most of the educational administrators required professional experiences in planning and management of educational institutions.

Examination of records revealed that GoI approved an amount of ₹ 2.20 crore during 2012-13 for Civil Works including construction of building, furniture etc. It was observed that the construction of the building commenced in October 2012 and was completed in November 2015 as per the completion report furnished by the Executive Engineer, Education Division Nagaland.

It was, however, observed that though the designated building of SEIMAT was completed (November 2015); the training programme had not commenced and therefore the objective of providing training to various functionaries of the Government Schools in Nagaland was not achieved.

SCERT in reply (October 2016) stated that training programmes could not be conducted as the funds provided under non-plan was not sufficient.

1.3.8.17 Distribution of text books and uniforms

Section 3(2) of the RTE Act 2009 stipulated that a school shall provide free and compulsory elementary education to all children which inter alia includes providing free text books and uniforms. As per direction of the MHRD (June 2011), procurement of uniforms will be decentralized to the school level. Further, the Ministry emphasized that procurement of uniforms should be made under the limited tender method in terms of Para 118 of the Manual since the estimated cost at the school level will be within the financial ceiling of less than ₹ 0.23 crore prescribed for limited tender.

1.3.8.17.1 Distribution of text books

Examination of records revealed that the receipt and issue register of text books and uniforms were not maintained in the schools. During interaction with the head teacher/teacher-in charge of 90 sample schools the following facts emerged which were confirmed by written replies furnished by them:

- Delay in receipt of books and uniforms
- Distribution of books were based on previous enrolment data, and therefore the number of books were not sufficient.
- Poor/inferior quality of books received
- During the academic year 2016 cloth was distributed instead of stitched uniforms and therefore many poor students could not afford the stitching charges.

From the deficiencies pointed out above, it is evident that there was inadequate planning, coordination and implementation in provision of free textbooks and uniforms.

Further examination of records at the Directorate level revealed that the fund approved by PAB during the current year for purchase of free text books were utilised for the purpose only in the subsequent year. The requirement of books were assessed based on the data of enrolment furnished by SDEOs and DEOs in the State. The comparative statement showing the year-wise number of text books procured and actual enrolment as per the U-DISE figure is given below:

Table 1.3.7

Year	Number of text books set procured	Number of students entitled for text books	Excess (+)/ Shortage (-)
2011-12	260,364	189,938	(+) 70,426
2012-13	277,047	248,249	(+) 28,798
2013-14	223,353	247,726	(-) 24,373
2014-15	230,078	227,794	(+) 2,284
2015-16	239,133	209,347	(+) 29,786
Total	1,229,975	1,123,054	(+) 1,06,921

(Source: Departmental figures/U-DISE)

As seen from the table above, the Department purchased books in excess of the actual requirement every year except in 2013-14 and during the last five years a total of 106,921 books were procured in excess. Despite purchase of excess text books, some schools reported insufficient receipt of text books. This indicated that the data furnished by SDEOs/DEOs were not reliable and also points towards inadequate monitoring mechanism in the Department.

SMD, SSA while accepting the facts stated (October 2016) that the matter has been noted for compliance.

1.3.8.17.2 Distribution of uniforms

During the examination of the records it was observed that the procurement of uniforms has not been decentralized as mandated by the Manual, instead the uniforms were procured by the SMA (except in 2014-15) and distributed to the districts for further distribution to the blocks/schools. No uniforms were purchased during 2015-16. The details of approval by GoI, date of issue of supply order, name of suppliers, actual amount incurred and date of supply of uniform are given in the following table.

Table 1.3.8

Year	Amount approved by GoI (₹ in lakh)	No. of Students	Date of Supply order	Name of the supplier	Actual cost Incurred (₹ in lakh)	Date of supply
2011-12	815.31	203,827	09.11.2011	M/s Baid Brothers, New Delhi. & M/s I Kraft, Dimapur	1299.64	25.04.2012 to 02.05.2012
2012-13	758.97	189,743	12.11.2012	M/s. I Craft, Dimapur	1342.34	3/2013 to 08.07.2013
2013-14	777.54	194,386	21.12.2013	M/s. I Craft, Dimapur	1227.51	N/A
2014-15	765.52	191,879	NA	NA	765.52	NA

(Source: Departmental figures)

As seen from the above table, the fund approved by PAB for procurement of uniforms were not sufficient to cover the cost. To meet the additional expenditure for procurement of uniforms, ₹ 15.14 crore was diverted from the fund meant for Special Training under SSA. Further, it was seen that the uniforms were supplied and delivered to the districts and the EBRCs after a delay ranging from 20 days to five months. This delay in delivery of the uniforms subsequently resulted in delay in distribution to the students. It was further observed from the U-DISE data that the actual number of students enrolled in Government schools was only 573,879 during the year 2011-15. However, the Department procured uniforms for 779,835 students by inflating the enrolment figure. This resulted in avoidable excess expenditure of ₹ 11.96 crore towards the purchase of uniforms.

SMD, SSA in reply (October 2016) stated that the PAB approves as per the figures of students enrolment based on U-DISE and therefore there should not be a mismatch.

The fact, however, remains that as per U-DISE which was compiled by the Department only 573,879 students were enrolled during 2011-15. The Government needs to ensure that adequate number of uniforms are procured and distributed timely to the students.

1.3.9 Financial Management

1.3.9.1 Budget & Expenditure

The details of budget allocation and expenditure are detailed below:

Table 1.3.9

₹ in crore

Year	Opening balance	Funds released		Other receipts	Total fund available	Expenditure	Percentage of expenditure
		GoI	State Govt.				
2011-12	47.39	97.98	10.89	2.67	158.93	130.20	82
2012-13	28.73	112.32	8.56	2.46	152.07	120.32	80
2013-14	31.75	158.03	14.72	0.97	205.47	165.09	80
2014-15	40.38	205.69	20.95	2.55	269.57	143.71	54
2015-16	125.86	87.40	8.00	0.65	221.91	98.48	44

(Source: Departmental figures)

From the table above, it can be seen that the percentage of expenditure with respect to the actual fund available during 2011-16 ranged between 44 per cent and 82 per cent.

It was further noticed from the records that the State Mission Authority, SSA retained a cash balance ranging from ₹ 0.51 crore to ₹ 40.82 crore in bank account as on 31 March of a particular year. It was further noticed that the DMA also retained cash balance in bank accounts ranging from ₹ 5.03 crore to ₹ 16.38 crore. Thus, it indicates that the Department was unable to absorb the funds provided by the Government and also indicated weak financial management.

SMD, SSA in reply (October 2016) stated that retention of heavy cash balance at the end of March was due to delay in release of funds by the Government.

1.3.9.2 Delay in release of funds

According to paragraph 91.2 of Financial Management and Procurement Manual (FMPM), the State was required to release its share within 30 days of the receipt of the central contribution as per the approved sharing arrangement. The State Society will release the funds to districts within 15 days of receipt from GOI and the State Government. The districts would then advance the funds on the basis of annual work plans and objectives as approved by the PAB within 15 days of receipt from the State Society

Examination of records revealed that during 2010-11 to 2013-14, the funds were directly credited by GoI to the State Implementing Agency. However, from 2014-15 the funds were released through the State Government, which in turn disbursed the fund electronically to the State Implementing Agency. It was noticed that there were delays in release of funds to the implementing units. These delays in releases of Central share and the State matching share resulted in short release of Central share. The delay in release of funds by the State Government and subsequent delay in release of funds by SSA resulted in delayed payment of salary to the teachers and construction of school building remaining incomplete.

1.3.9.3 Outstanding advances

As per paragraph 74 and 75 of the FMPM, all funds released to the districts and sub-district level units are initially classified as advances and the same is indicated in the books of account. These advances shall be adjusted based on the expenditure statements/utilization certificates received by the State Implementation Agency. Advances, if not actually spent for which accounts have not been settled, should be shown as advances and not as expenditure. The advances released to VECs/SMCs for undertaking certain activities such as civil works/Teaching Learning Equipment (TLE) and remaining unspent amount at the end of the year was carried over to next year as spill over activities based on the approval of the PAB. The prescribed timeline for submission of UCs/documentation is one month after the close of each quarter and one month after the close of the financial year.

Examination of the accounts of the SMA revealed that there were unadjusted advances at the end of each financial year as detailed below:

Table 1.3.10

₹ in crore

Year	Unadjusted Advances				Total
	SMA		DMA		
	Civil works	Other advances	Civil works	Other advances	
2011-12	0	0.43	14.66	0.11	15.20
2012-13	0	0.33	19.61	0.56	20.50
2013-14	0.50	0.33	20.79	20.39	21.82
2014-15	0.82	0	27.19	0.18	28.19
2015-16	Accounts not yet finalized				

(Source: Departmental figures)

As seen from the table, advances ranging from ₹ 15.20 crore to ₹ 28.19 crore remained unadjusted.

Further, it was observed that SCERT did not submit the Utilization Certificates for ₹ 3.09 crore transferred during the year 2013-14 for imparting induction training for newly recruited teachers and untrained teachers for a period of two years stating that the Utilization Certificates could not be submitted as the trainings were ongoing.

SMD, SSA in reply (October 2016) stated that outstanding advances were mainly on civil works and therefore the SMA is contemplating to regularize such advances within one month.

1.3.9.4 Non accounting of interest earned on grant

As per Para 91.5 of Manual on Financial Management and Procurement, the interest accrued on the funds received from GoI and the concerned State Government for the implementation of SSA is to be accounted for in the financial accounts at all levels. This cannot be utilized for any other purpose except as part of the approved AWP& B of SSA. The interest accrued in a year shall be taken into account against the release

of GoI's share and the State Government's share respectively in the next financial year.

Examination of records of the SMA revealed that a total of ₹ 6.39 crore was earned as interest, out of which ₹ 1.81 crore pertains to three selected districts during 2009-15. However, the amount of interest earned was kept separately and not shown as receipt and incorporated in AWP & B.

SMD, SSA accepted the facts (October 2016).

1.3.10 Management, Monitoring and Evaluation

Implementation of the RTE Act 2009 is being monitored at the National Level by MHRD and in the State level by the respective State Government. In Nagaland, a Governing Body and Executive Body at the State level and District Education Committee and District Level Monitoring Committee at the District Level was constituted (January 2010). However, during the period covered in audit only one Governing Body meeting was held on 16.04.2010, while the Executive Body met once every year.

1.3.10.1 Functioning of State Advisory Council

Section 34 of RTE Act 2009 stipulated that the State Government shall constitute, by notification, a State Advisory Council (SAC) consisting of such number of Members, not exceeding fifteen, as the State Government may deem necessary, to be appointed from amongst persons having practical knowledge in the field of elementary education and child development. The function of the SAC shall be to advise the State Government on implementation of the provisions of the Act in an effective manner. Accordingly, SAC with 14 members was constituted (16.05.2010) in the State. However, the Department did not furnish the details and number of the meetings of the council held. Thus, the outcome for constitution of SAC by the State Government on implementation of the provisions of the Act could not be assessed.

SMD, SSA in reply (October 2016) stated that it has been noted for compliance.

1.3.10.2 Research, Evaluation, Monitoring and Supervision (REMS)

The year-wise funds approved by PAB and expenditure under Research, Evaluation, Monitoring and Supervision (REMS) is given below:

Table 1.3.11

Year	Amount approved (₹ in lakh)	Expenditure (₹ in lakh)	Percentage of expenditure against approved amount
2011-12	32.16	19.52	61
2012-13	36.08	19.74	55
2013-14	41.10	33.00	80
2014-15	35.88	5.00	14
2015-16	22.95	0.00	0
Total	168.17	77.26	46

(Source: Departmental figures)

As seen from the above table, the overall percentage of expenditure against the approved outlay under REMS was only 46 *per cent*. It was also noticed that there was no expenditure under REMS at district level during 2012-16. Performance Indicators for Elementary School Teachers (PINDICs)⁴ a component of REMS had already been developed by NCERT. However, the process of assessing the performance of teachers through the use of PINDICs had not commenced in the State. It was also stated by SCERT that it had not designed the school quality assessment as entrusted to it under RTE Act.

SMD, SSA in reply (October 2016) stated that capacity workshop on PINDICs for Trainer of Teachers, District Project Assistants and EBRC coordinators was conducted by Resource person from NCERT, New Delhi in June 2016 and that use of PINDICs format developed by NCERT shall commence from this year onwards.

1.3.10.3 Monitoring by State Commission for Protection of Child Right

Nagaland State Commission for Protection of Child Right (SCPCR) was constituted in April 2013 after three years of the commencement of the RTE Act, 2009.

Child helpline as envisaged in RTE Act was not provided by the SCPCR. Nagaland SCPCR stated in reply to an audit enquiry that it had not taken up any survey of school children as provided in the approved AWP & B due to non-release of fund and provision of appropriate staff. This has resulted in poor/deficient monitoring by SCPCR.

SMD, SSA in reply (October 2016) stated that it has been noted for compliance.

1.3.10.4 Technical Supervision of Civil Works

The SMA appointed a consultant for preparation of technical estimates and plans. Besides, SMA has one Project Engineer who is assisted by two Junior Engineers. At the block level, no technical staffs were posted and the construction works were supervised by the Block Resource Centre (BRC) coordinators. As these coordinators do not possess the requisite professional qualifications, the technical support needed during the construction could not be provided to the Village Education Council (VECs) for implementation of civil work.

SMD, SSA in reply accepted the facts (October 2016).

1.3.10.6 Conduct of evaluation study/impact assessment

No evaluation study/impact assessment of free and compulsory education of the children between the age of 6 to 14 years either by State Government or through any external agency was conducted in the State of Nagaland as envisaged in the Act.

SMD, SSA in reply (October 2016) stated that the SMA had completed five Research Studies though it was not specifically on free and compulsory education.

⁴ PINDICs are used by teachers for assessing their own performance and to make continuous efforts to reach the highest level. Self-assessment by the teacher is done at least twice in a year, one ending first quarter and second ending third quarter.

1.3.11 Conclusion

Household survey to identify children belonging to the disadvantaged and weaker sections was not conducted. There were still 164 eligible habitations without Primary Schools and 125 eligible habitations without Upper Primary Schools. During the audit period, the average enrolment of children in Government Schools in the State was less than 50 *per cent* though Government schools constitute 73 *per cent* of the total schools in the State indicating that the objective of free and compulsory education as envisaged by RTE Act was not fully achieved. The provision for 25 *per cent* reservation for weaker and disadvantaged children was not implemented in the state. Contrary to the provisions of RTE Act collection of admission fee by schools was noticed in audit.

In three selected districts, 40 *per cent* of schools did not have separate toilets for girls, 74 *per cent* of schools did not have safe drinking water facilities and 32 *per cent* of schools did not have kitchen for cooking Mid-day Meal.

A total of 457 teachers were posted in offices under the establishment of the Directorate, District Education Officers and Sub-Divisional Education Officers in contravention to RTE Act. As of September 2016, there were 10,690 untrained teachers in the State.

During 2011-16, the percentage of expenditure with respect to the actual available fund ranged between 44 *per cent* and 82 *per cent*. The State Mission Authority retained cash balance ranging from ₹ 50.70 lakh to ₹ 40.82 crore in the bank account.

Though the State Government constituted Governing Body and State Advisory Committee for the purpose of monitoring and also advises the Government on the implementation of RTE Act, the impact for constitution of these bodies could not be assessed as details of their meeting and the minutes were not provided.

1.3.12 Recommendations

The recommendations are:

- Household survey as envisaged in the Act should be conducted and the needs of the children identified and assessed to ensure the RTE Act is implemented properly.
- The State Government should make sincere efforts to impart training to all untrained teachers expeditiously.
- The Government should make effort to rationalize the posting of teachers by redeployment to meet the requirement of teachers as prescribed in the Act.
- The School grants should be released on time to ensure that no fees are collected from the children.
- The State Government needs to ensure that adequate number of uniforms and textbooks are procured and distributed timely to the students

Compliance Audit paragraphs

DEPARTMENT OF MUNICIPAL AFFAIRS

1.4 Payment without supply of materials

The Additional Director, Department of Municipal Affairs Cell arbitrarily altered the specification of the Roto Crates and extended undue benefit to the Supplier. Further, the Additional Director also paid the full amount of ₹ 1.11 crore to the supplier without actual receipt of the material.

According to Rule 137 of the General Financial Rules, every authority delegated with the financial powers of procuring goods shall be responsible and accountable to bring efficiency, economy and transparency in matters relating to public procurement. The procedure to be followed in making public procurement must inter-alia conform to the specifications in terms of quality, type etc., and also quantity of goods to be procured, should be clearly spelt out keeping in view the specific needs of the procuring organisations. The specifications so worked out should meet the basic needs of the organisation without including superfluous and non-essential features, which may result in unwarranted expenditure.

The Department of Municipal Affairs, Government of Nagaland invited quotations (May 2014) from registered contractors and suppliers for supply of Roto Crates for use in solid waste management. A purchase committee of three members with Additional Director, Municipal Affairs Cell, Urban Development as the Chairman recommended a Supplier⁵, being the lowest bidder, for supply of 1611 Roto Crates (Model: RFLB 150 L1)⁶ having a capacity of 100 litre at a cost of ₹ 6905 per unit.

Examination of records (March 2016) revealed that the Additional Director asked (April 2015) the Supplier to supply Roto Crates (Model: RFLB 60 L1) having a capacity of 60 litre instead of the approved model of 100 litre capacity, at the same rate (₹ 6905 per unit). However, no formal supply order indicating the terms and conditions of the supply and regulating the payments was issued to the Supplier. The Supplier was asked to submit the bill for payment, which was to be released after receipt of funds from the State Government. No reasons for change in specification was on record and also no approval from the competent authority was obtained.

As per the price list submitted (June 2014) by the Supplier, the price of Model RFLB 60 L1 was ₹ 2327 per unit. Thus, by altering the specification the Additional Director Municipal Affairs Cell, Urban Development extended an undue benefit of ₹ 0.74 crore to the Supplier.

Further, it was noticed in audit that the Supplier was paid (24 April 2015) the full amount of ₹ 1.11 crore (₹ 6905 *1611) in advance by the Additional Director on the

⁵ Shri. Neiphrelie Mechulho

⁶ These bins are useful in storage, collection and safe disposal of waste at individual and community level.

basis of a letter of assurance given by the Supplier. It was also observed that the Supplier did not supply the Roto Crates and therefore, the Department issued (September and October 2015) a notice asking the Supplier to repay the full amount and also explain why his firm should not be blacklisted.

To ascertain the position of supply and distribution of Roto Crates, documentary evidence, was sought from the Department (June 2016). The Department in their reply (June 2016) stated that all the records/files relating to the issue had been seized by the Vigilance Commission. In order to verify the reply furnished by the Department, the matter was taken up with the Vigilance Commission which confirmed that the Roto Crates had not been supplied till June 2016.

Thus, the officials of Department of Municipal Affairs irregularly not only changed specification of the item (Roto crates) but also paid the full amount of ₹ 1.11 crore as advance to the Supplier (April 2015) in violation of extant rules resulting potential loss of public money and undue financial benefit to the Supplier .

In reply the Government stated (August 2016) that 120 Roto Crates (less than 10 *per cent* of the quantity ordered) has since been received in the month of July 2016. The Government was, however, silent regarding change in specification because of which undue benefit was extended to the Supplier as well as payment of entire amount in advance without taking precaution to safeguard the interest of the State. The fact, however, remains that the supplier was paid in full without actual receipt of the material, which is yet to be supplied.

TECHNICAL EDUCATION DEPARTMENT

1.5 Undermining of legislative financial control.

An amount of ₹ 5.08 crore received as compensation from National Institute of Technology for the standing building and land was not deposited into Government Account and was irregularly diverted bypassing the legislative financial control and accountability.

According to Appendix-11 read with General Financial Rule 278, all property and assets including land and building shall vest with the State Government including the liability to dispose them by sale, mortgage etc., and the proceeds thereof shall be credited to the revenues of the respective State Governments.

Rule 6(1) of the Receipt and Payment Rules, 1983 also stipulated that all money received by or tendered to Government officers on account of revenues or receipts or dues of the Government shall, without undue delay, be paid in full into the accredited bank for inclusion in Government Accounts. Money received as aforesaid shall not be utilized to meet departmental expenses. Rule 9 of the Central Treasury Rules further stipulated that a Government officer may not, except with the special permission of

the Government, deposit in a bank, other than the Reserve Bank or its agent for the purpose of Government transactions.

Examination (July 2015) of the records of the Director, Technical Education revealed that 300 acres of land meant for Office Complex campus of Deputy Commissioners at Chumukedima along with existing infrastructure was officially handed over by the State Government to National Institute of Technology (NIT) on 16 January 2012. The book value of the structures was assessed at ₹ 5.08 crore as per Nagaland State PWD Schedule of Rates and the full amount was paid by the Director, NIT through cheque⁷ to the Commissioner & Secretary, Department of Higher and Technical Education. It was observed that the money received as compensation for the land and buildings was not accounted in the Cash Book of the Director of Technical Education nor was it deposited into Government account.

On further scrutiny of records, it was noticed that the cheque received by the Commissioner & Secretary, Department of Higher and Technical Education was deposited (18 July 2013) in State Bank of India (Current Account 30045675060) of Director of Technical Education, Nagaland. The entire amount was transferred (27 July 2013) to Axis Bank (Current Account 912010060359987) of Director of Technical Education, Nagaland and was again transferred (12 August 2013) to another account in the same bank (913020035971224). None of these accounts were opened with the concurrence of Accountant General (A&E) as required under extant rules.

Further, it was noticed that the Commissioner & Secretary Department of Higher and Technical Education, Government of Nagaland accorded (July 2013) administrative approval for utilization of compensation received towards 13 works without obtaining concurrence or sanction from the Finance Department.

Thus, ₹ 5.08 crore received as compensation was irregularly deposited in the accounts of the Director, Technical Education instead of remitting to the Government account and was utilised for execution of 13 works. Such practice of diversion of revenue undermines legislative financial control and accountability.

The Department while accepting the receipt of the money stated (September 2016) that the money was transferred to the accounts of the Director and re-transferred to a new account specifically opened for utilization of the fund as per the administrative approval.

The Government reply is silent about the gross violation of the extant rule in not depositing the money into the Government account and incurring expenditure by diverting Government revenue as a result bypassing the legislative financial control and accountability.

⁷ Cheque No. 439136 dated 28.06.2013

HEALTH AND FAMILY WELFARE DEPARTMENT

1.6 Payment without receipt of equipment

The Director, Health and Family Welfare, paid ₹ 36.66 lakh without actual supply/procurement of seven medical equipment. Besides, the Department paid ₹ 17.19 lakh for two items not sanctioned by the Competent Authority.

Department of Health and Family Welfare, Government of Nagaland forwarded a proposal for inclusion of the Scheme “Up-gradation of Equipment Infrastructure at Aine Nursing Home and Diagnostic Centre, Jalukie, Peren District” in June 2012 to North Eastern Council (NEC), Shillong under the State prioritised list of projects for the year 2012-13.

Accordingly, NEC accorded administrative approval (November 2012) for ₹ 4.91 crore for procurement of 57 equipment and sanctioned ₹ 1.75 crore⁸ as the first instalment. According to the terms and conditions of the sanction all the approved equipment and machineries were to be procured by the Managing Director of Aine Nursing Home and Diagnostic Centre after observing all codal formalities as per laid down provisions of the General Financial Rules under the supervision of Health & Family Welfare Department. No deviation or revision of cost from the approved list of items was to be allowed without prior approval of NEC.

Examination of vouchers (April 2015) in central audit section revealed that the Principal Director, Health and Family Welfare had drawn⁹ ₹ 1.75 crore and paid to M/s K. Sumi & Marketing Company, Kohima against the bill submitted by the firm for supply of 33 Hospital/Surgical equipment.

To ascertain the genuineness of the procurement, a joint physical verification with the representatives of the Department and the Nursing Home was carried out in February 2015. During the verification, it was noticed that out of the 33 equipment for which the payment was released, only 26 equipment valued at ₹ 1.38 crore were actually received at Aine Nursing Home and Diagnostic Centre. The details of seven equipment not found received are given below:-

Table No 1.6.1

Sl. No.	Name of the equipment	Amount (₹)
(i)	Laser Scan Touch Screen EM Model – Qty. 1	9,54,654
(ii)	Coagulator Analyser – Qty. 1	3,34,129
(iii)	Deep Freezer for Reagent – Qty. 2 @ ₹ 47,732	95,464
(iv)	Binocular Microscope – Qty. 1	38,186

⁸ Vide Sanction Order No NEC/MED/NGL/90/11 dated 12.11.2012

⁹ Vide Bill No.358 dated 6-11-2013

Sl. No.	Name of the equipment	Amount (₹)
(v)	Holter – Qty. 1	8,59,189
(vi)	Treadmill Test (TMT) – Qty. 1	8,11,456
(vii)	Incubator for Infant – Qty. 2 @ ₹ 2,86,396	5,72,792
Grand Total		36,65,870

Further, cross verification of the paid vouchers with the approved list of equipment revealed that two items (Laser Scan Touch Screen EM Model-₹ 9.55 lakh and Automated Haematology Analyser-₹ 7.64 lakh) worth ₹ 17.19 lakh was not sanctioned by NEC.

Thus, ₹ 36.66 lakh was paid without actual supply/procurement of seven medical equipment. Besides, the Department had also submitted incorrect utilisation certificate to NEC for the entire amount of ₹ 1.75 crore.

The Department in reply (July 2016) stated that supply order in respect of four items pointed out by the Audit Sl. No. (i) to (iv) was placed and accordingly payments were made and in respect of remaining three items no supply order was placed and no payment has been made. The reply is silent as to why the payment was not released after ascertaining the actual receipt of the items.

The reply is not acceptable as the vouchers on which payment of ₹ 1.75 was released *inter-alia* indicate four items that were not actually supplied and two items, which were not sanctioned.

