

CHAPTER I SOCIAL SECTOR

1.1 Introduction

This Chapter of the Audit Report deals with audit findings on functioning of the Government departments falling under Social Sector.

The names of the Government departments, total budget allocation and expenditure of the Government under Social Sector during the year 2016-17 are given in the table below:

Table 1.1.1
Departments, budget allocation and expenditure under Social Sector during 2016-17

(₹ in crore)

Sl. No.	Name of the Department	Total Budget Allocation	Expenditure
1	Cultural Affairs and Heritage	36.75	20.93
2	Ecclesiastical Affairs	38.61	38.30
3	Food, Civil Supplies and Consumer Affairs	27.56	0.14
4	Health Care, Human Services and Family Welfare	314.76	283.57
5	Human Resource Development	665.57	544.04
6	Labour	4.61	3.67
7	Social Justice, Empowerment and Welfare	182.17	111.04
TOTAL		1,270.03	1,001.69

Besides the above, the Central Government had been transferring funds directly to the implementing agencies under the Social Sector. The major transfers for implementation of flagship programmes of the Central Government are detailed below:

Table 1.1.2
Major transfers for implementation of flagship programmes of the Central Government

(₹ in lakh)

Sl.No.	Name of the Department	Name of the Scheme/Programme	Implementing Agency	Funds transferred during the year
1	Social Justice, Empowerment and Welfare	Aids and Appliances for Handicapped	District Disability and Rehabilitation Centre, Gangtok, East Sikkim	15.75
2		Grants-in-aid to Voluntary Organisations working for the Welfare of Scheduled Tribes.	Human Development Foundation of Sikkim, GRBA Road Chongey Tar, Gangtok, East Sikkim	52.05
3	Cultural Affairs and Heritage	Kala Sanskriti Vikas Yojana	Bhurum Puratan Sanskritik Evam Dharohar Sanrakshan Singh	3.00
4			Sa-Ngor Chotshog Centre	10.00
5			Nyingmapa Mahabodhi Charitable Society	10.00
6			Khachoeed Pema Woeling Trust	6.00

Sl.No.	Name of the Department	Name of the Scheme/Programme	Implementing Agency	Funds transferred during the year
7	Health Care, Human Services and Family Welfare	Scheme for Prevention of Alcoholism and Substance (Drugs) Abuse	Association for Social Health in India	7.78
8	Human Resource Development	Atal Innovation Mission	Paljor Namgyal Girls School	12.03
9		North East Council	Sikkim Manipal Institute of Technology	2.68
TOTAL				119.29

Source: Finance Accounts

1.2 Planning and conduct of audit

Audit process starts with the assessment of risks faced by various departments of Government. The assessment is 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 (IRs) 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 IRs. Whenever replies are received, audit findings are either settled based on reply/action taken or further action is required by the audited entities for compliance. Some of the important audit observations arising out of the IRs are processed for inclusion in the Audit Reports. The Audit Reports are submitted to the Governor of the State under Article 151 of the Constitution of India for laying on the table of the Legislature.

Test audits were conducted involving expenditure of ₹ 664.88 crore (including expenditure of ₹ 442.36 crore of previous years) of the State Government under Social Sector. The details of year-wise break-up is given in **Appendix 1.2.1**.

This Chapter contains the results of audit on ‘National Social Assistance Programme’ and two Compliance Audit Paragraphs as given below:

SOCIAL JUSTICE, EMPOWERMENT AND WELFARE DEPARTMENT

1.3 National Social Assistance Programme

1.3.1 Introduction

The Directive Principles of State Policy of the Constitution of India enjoin upon the State to undertake within its means a number of welfare measures, targeting the poor and the destitute in particular. Article 41 of the Constitution of India directs the State to provide public assistance to its citizens in the case of unemployment, old age, sickness and disablement, within the limit of the State’s economic capacity and development. Social

security, invalid and old age pension figure as Items 23 and 24 of the 7th Schedule of the Constitution of India in the Concurrent List. In compliance with these guiding principles, the Government of India (GoI) introduced (August 1995) the National Social Assistance Programme (NSAP) as a fully funded Centrally Sponsored Scheme. The components of NSAP and the number of beneficiaries as of March 2017 were as follows:

Table 1.3.1
Components and number of beneficiaries as of March 2017

Sl.	Components	Number of beneficiaries
1	Indira Gandhi National Old Age Pension Scheme (IGNOAPS)	21107
2	Indira Gandhi National Widow Pension Scheme (IGNWPS)	1543
3	Indira Gandhi National Disability Pension Scheme (IGNDPS)	713
4	National Family Benefit Scheme (NFBS)	202
5	Annapurna Scheme	2500

Source: Figure furnished by the Department

The Programme aimed to provide a basic level of financial support to persons having little or no regular means of subsistence from his/her own source of income or through financial support from family members or other sources.

Ministry of Rural Development, GoI is the Nodal Ministry for implementation of NSAP. From 2002-03, NSAP was transferred to the State Plan and funds were released as Additional Central Assistance (ACA) to the State. The beneficiaries under the scheme were to be identified by the State Government. The details of funds received and expenditure incurred for NSAP during 2012-17 are shown below:

Table 1.3.2
Financial position during 2012-17

(₹ in lakh)

Schemes	Grant received		Expenditure incurred	
	GoI	State	GoI	State
IGNOAPS	1999.86	5791.54	1996.36	5790.25
IGNWPS	131.90	274.11	132.00	270.46
IGNDPS	77.26	179.77	74.54	179.75
NFBS	95.69	23.30	71.55	5.00
	2304.71	6268.72	2274.45	6245.46

Source: Detailed Appropriation Accounts

In addition to the above, the State Government introduced two pension schemes¹ from its own resources to render assistance to left out beneficiaries falling under Below Poverty Line (BPL) categories but not fulfilling eligibility criteria for NSAP of GoI. Under this, assistance to 3,220 beneficiaries (Unmarried Women-375 and Subsistence Allowance for disabled persons-2,845) was provided during 2015-17.

In Sikkim, the NSAP was implemented by the Social Welfare Division of Social Justice, Empowerment and Welfare Department (SJEWD). The Department was headed by Commissioner-cum-Secretary who was assisted by Additional Secretary, Joint Secretary, Deputy Secretary, Additional Director (Accounts) and other supporting staff.

¹Pension for Unmarried Women w.e.f. March 2013
Subsistence Allowance for disabled persons w.e.f. March 2014

1.3.2 Audit framework

Audit on NSAP commenced with an entry conference held on 12 July 2017 wherein audit objectives, scope of audit, audit methodology and audit criteria were explained to the Department. The audit covering the period from 2012-13 to 2016-17 was conducted during May-July 2017 through test check of records in Head Office of Social Welfare Division of SJEWD and in two (out of 4) districts (East and South). Five blocks (out of 10) of East district and four blocks (out of 8) of South district were also selected for detailed examination while two Gram Panchayat Units (GPUs) each from the sampled blocks were selected for beneficiary survey. Nineteen beneficiaries from each GPU were interviewed as part of the survey. Simple Random Sampling (SRS) method was adopted for selection of districts, GPUs and beneficiaries. The Audit was conducted with the objective of assessing whether:

- Scheme funds were optimally utilised;
- Scheme implementation was adequate and effective; and
- Mechanism for monitoring and evaluating the scheme was adequate and effective.

The audit findings were discussed in an exit conference on 12 October 2017 with the Secretary of the Department and the report finalised duly considering the views of the Department. The audit findings were benchmarked against the criteria stipulated in:

- National Social Assistance Programme guidelines and various clarifications and circulars issued by the Ministry of Rural Development;
- Orders/guidelines/circulars issued by GoI/State Government from time to time; and
- Sikkim Financial Rules.

The overall position of Districts, Blocks, Gram Panchayats and number of beneficiaries in the State vis-à-vis the sample selected for examination in audit is presented below:

Table 1.3.3
Details of Districts, Blocks, etc. in the State vis-à-vis the sample selected

District	Block	Gram Panchayat	No. of beneficiaries	Records scrutinised	Beneficiary survey conducted		
					Blocks	GPU	Beneficiaries
East	10	50	8,841	3,621	Gangtok	2	38
					Duga	2	38
					Khamdong	2	38
					Martam	2	38
					Pakyong	2	38
West	9	55	7,089		-	-	-
North	4	24	1,672		-	-	-
South	8	47	5,963		Namchi	2	38
					Namthang	2	38
					Temi-Tarku	2	38
				Yangyang	2	38	

The findings are discussed in detail in the succeeding paragraphs:

1.3.3 Audit findings

1.3.3.1 Financial management

NSAP guidelines (Para-1.2.6) stipulated that funds for implementation of the programme would be released by the Ministry of Rural Development to all States based on BPL population of the State and the number of beneficiaries reported by the State Government. States were also urged to provide an additional amount at least equivalent to the assistance provided by the Central Government so that the beneficiaries could get a decent level of assistance. According to the Sikkim Human Development Report 2014 released by the Planning Commission, GoI, the BPL population of Sikkim came down from 1.70 lakh in 2004-05 to 51,000 in 2011-12 (8.30 *per cent*) of total population of 6.08 lakh (as per 2011 census).

The Ministry of Finance, GoI released funds to the State's Consolidated Fund as a single allocation every year for all the sub-schemes with the freedom to the State to allocate the funds to the individual sub-schemes as per their requirement. The funds would be allocated in two instalments. While the first instalment of 50 *per cent* of the annual allocation would be released automatically, the second instalment would be released on submission of utilisation certificate by the State indicating transferring of 60 *per cent* of available funds to the beneficiaries within 15 December.

The SJEWD stated (September 2017) that the funds for NSAP were released by the GoI on the basis of previous years' Utilisation Certificates and no separate fund requirement were sent by the State Government to the GoI. Audit however, observed that the NSAP funds were released by GoI on the basis of beneficiaries selected and communicated by the State Government to the GoI. However, records relating to the basis of fixation of number of beneficiaries under each scheme and communication of the same to the GoI were not made available to Audit.

The SJEWD further stated (November 2017) that the MoRD, GoI fixed the number² of NSAP beneficiaries and the same were followed by the Department. The reply of the Department was not acceptable as the State was accepting the GoI target blindly.

The position of release of funds by GoI and Government of Sikkim during 2012-17 and expenditure thereof was as shown in **Table 1.3.4** below:

Table 1.3.4
Fund position during 2012-17

							(₹ in lakh)	
Year	Grant received/ utilised	Share	IGNOAPS	IGNWPS	IGNDPS	NFBS	Total	
2012-13	Grant received	GoI	557.00	8.00	6.00	6.00	577.00	
		State	750.00	30.00	25.00	0	805.00	
	Expenditure incurred	GoI	557.00	8.01	5.99	5.98	576.98	
		State	749.00	29.98	24.98	0	803.96	
2013-14	Grant received	GoI	293.21	28.59	5.90	5.80	333.50	
		State	680.00	30.00	35.00	0	745.00	
	Expenditure incurred	GoI	293.21	28.59	5.90	5.80	333.50	
		State	680.00	30.00	35.00	0	745.00	

²18,048 (IGNOAPS = 16,418; IGNWPS = 967; IGNDPS = 663).

Year	Grant received/ utilised	Share	IGNOAPS	IGNWPS	IGNDPS	NFBS	Total
2014-15	Grant received	GoI	510.00	29.00	6.00	6.00	551.00
		State	680.00	30.00	30.00	0	740.00
	Expenditure incurred	GoI	510.00	29.00	6.00	6.00	551.00
		State	680.00	26.37	30.00	0	736.37
2015-16	Grant received	GoI	214.80	14.51	17.62	29.97	276.90
		State	2,314.78	131.60	71.47	5.00	2,522.85
	Expenditure incurred	GoI	214.71	14.60	17.62	29.97	276.90
		State	2314.49	131.60	71.47	5.00	2,522.56
2016-17	Grant received	GoI	424.85	51.80	41.74	80.00	598.39
		State	1366.76	52.51	18.30	0	1437.57
	Expenditure incurred	GoI	421.44	51.80	39.03	23.80	536.07
		State	1,366.76	52.51	18.30	0	1,437.57

Source: Detailed Appropriation Accounts

Scrutiny of records revealed (June 2017) that 100 per cent funds were utilised in most cases except during 2016-17. In 2016-17, the Department could utilise ₹ 5.37 crore (90 per cent) against the fund release of ₹ 5.98 crore by the GoI. The short utilisation in 2016-17 was mostly under NFBS (₹ 56.20 lakh). SJEWD stated (November 2017) that the short utilisation under the NFBS was due to non-availability of eligible beneficiaries. The reply of the Department was not acceptable as the fund requirement for 2016-17 could have been realistically assessed based on the record of fund utilisation in earlier years.

1.3.3.1.1 *Diversion of fund meant for administrative expenses*

According to Programme guidelines (Para-7.2), the State Government could utilise upto 3 per cent of the NSAP funds towards administrative expenses for implementation of NSAP, subject to the condition that administrative expenses would not be utilised towards payment of salaries, purchase or repair of vehicles and for executing civil works.

Scrutiny of records revealed that contrary to the provision of the guidelines, the Department incurred ₹ 11.11 lakh from the NSAP funds towards activities which were not permissible under 'administrative expenses' component. These included activities like installation of tower (₹ 0.90 lakh), repair and renovation of Principal Secretary's chamber (₹ 3.79 lakh), purchase of musical instruments for the Jawaharlal Nehru Memorial Institute (JNMI) for the visually impaired, Boomtar, South Sikkim and for celebration of Republic Day in Special School at Sichey, East Sikkim (₹ 2.23 lakh), travel (₹ 1.29 lakh) and advertisement (₹ 2.90 lakh) during 2013-16. This expenditure was incurred with the approval of the Secretary, SJEWD.

The SJEWD while accepting the fact stated (November 2017) that henceforth this would not be repeated and the guidelines would be followed strictly.

1.3.3.2 *Implementation of NSAP*

1.3.3.2.1 *Selection of Beneficiaries*

Guidelines (Para-3.1) enjoined upon the State Government to create awareness among the people about eligibility, scale of assistance and procedure to be followed for obtaining benefit under the NSAP. The existing beneficiaries were to be confirmed through annual verification by constituting Special Verification Teams under an authorised officer. The team should include representatives of reputed Non-Government Organisations which are

active in the locality and details of members are to be given wide publicity. On the other hand, the new beneficiaries, should be proactively identified by the Government by reaching out to households through involvement of Gram Panchayats/Municipalities, etc.

Audit scrutiny revealed that adequate efforts towards awareness generation about the programme were not initiated as pointed out in the succeeding paragraph 1.3.3.2.2. There was nothing on record to indicate proactive efforts made by the Government to identify potential beneficiaries. The list of beneficiaries identified by Gram Shaba, based on the recommendations of the local MLA and certified by Block Development Officer was accepted by SJEWD without independently examining their eligibility as per programme guidelines for getting assistance under the programme from the GoI. During beneficiary survey³ of 342 NSAP beneficiaries, it was seen that the selected beneficiaries either possessed ration card of Antodaya Anna Yojana (AAY) or belonged to the Priority Household (PHH) category and therefore, eligible for grant of assistance under the programme.

Upto July 2013, the SJEWD disbursed pension in cash through the District Collector (DC) and Block Administration Centre (BAC). Thereafter the pension was directly transferred to the pension holder's account under Direct Benefit Transfer (DBT).

During 2012-17, the total beneficiaries under NSAP ranged between 19,517 and 23,565 as shown below:

Table 1.3.5
Status of Beneficiaries under various schemes of NSAP

(In numbers)

Sl. No.	Name of the scheme	2012-13			2013-14			2014-15			2015-16			2016-17		
		Non-DBT	DBT ⁴	Total	Non-DBT	DBT	Total	Non-DBT	DBT	Total	Non-DBT	DBT	Total	Non-DBT	DBT	Total
1	IGNOAPS	18,313	Nil	18,313	14,231	4,836	19,067	Nil	15,354	15,354	Nil	17,778	17,778	Nil	21,107	21,107
2	IGNWPS	618	Nil	618	601	48	649	Nil	790	790	Nil	919	919	Nil	1,543	1,543
3	IGNDPS	586	Nil	586	561	Nil	561	Nil	358	358	Nil	578	578	Nil	713	713
4	NFBS	Nil	Nil	Nil	Nil	Nil	Nil	Nil	32	32	Nil	Nil	Nil	Nil	202	202
	Total	19,517	Nil	19,517	15,393	4,884	20,277	Nil	16,534	16,534	Nil	19,275	19,275	Nil	23,565	23,565

Source: Figures furnished by the Department

The Department could not furnish the total number of potential beneficiaries fulfilling eligibility criteria for assistance under the NSAP. Further, Audit could not analyse the achievement *vis-à-vis* targets for the period covered in audit except for 2015-16 as the targets of beneficiaries to be given assistance were not made available by the Department. However, during 2015-16, the State had extended benefits to 19,275 beneficiaries against the target of 18,048 beneficiaries sanctioned by GoI. The fund towards coverage of additional beneficiaries was met from the State resources.

³Two (out of 4) districts (East and South). Five blocks (out of 10) of East district and four blocks (out of 8) of South district were selected for detailed examination while two Gram Panchayat Units (GPUs) each from the sampled blocks were selected for beneficiary survey. Nineteen beneficiaries from each GPU were interviewed as part of the survey. Simple Random Sampling (SRS) method was adopted for selection of districts, GPUs and beneficiaries.

⁴Direct Benefit Transfer (DBT)

In the absence of verification of beneficiaries by a designated Verification Team, the genuineness of beneficiaries covered under the scheme could not be vouchsafed in audit.

Out of the total number of beneficiaries covered under NSAP, the maximum number of beneficiaries ranging between 90 (21,107) and 97 (18,313) *per cent* were covered under IGNOAPS, followed by IGNWPS 3 (618) to 7 (1,543) *per cent* during 2012-17. Under NFBS, a lump sum assistance of ₹ 20,000 was granted to a BPL family in the event of death of the bread winner. Assistance under NFBS was released during 2014-15 and 2016-17 only as in the earlier years, eligible BPL families were not reported. Overall, the total number of beneficiaries increased from 19,517 in 2012-13 to 23,564 in 2016-17. However, the number had dipped to 16,534 during 2014-15 and again rose to 23,565 in 2016-17. Reasons, if any, for such a decrease in the number of beneficiaries during 2014-15 was not on record.

The SJEDW stated (November 2017) that the Verification Team/Special Verification Team for verification of applications and beneficiaries (new and existing) had since been formed (November 2017) after being pointed out by audit.

Further, the State Government introduced two pension schemes, (i) Pension for Unmarried Women and (ii) Subsistence Allowance for disabled persons from its own resources. These schemes were to render assistance to beneficiaries falling under Below Poverty Line (BPL) categories but not fulfilling eligibility criteria for NSAP of GoI. Under this, assistance to 3,220 beneficiaries (Unmarried Women-375 and Disabled persons-2,845) were also provided during 2015-17.

Proactive efforts should be made by the Government to identify potential beneficiaries of various schemes under NSAP.

1.3.3.2.2 Awareness generation

Programme guidelines (Para-3.1.1) enjoined upon the State Government to ensure wide and continuous publicity of the scheme through posters, brochures, media and other means so as to reach out to all sections of the society. Panchayati Raj Institutions (PRIs) and voluntary organisations were also required to be involved. For this, one *per cent* administrative expenses (Guidelines Para 7.2.1c) was required to be earmarked for Information, Education and Communication (IEC) towards awareness generation activities which included preparation and dissemination of IEC material, community mobilisation and use of media.

Audit noticed that a total of ₹ 5.98 lakh was incurred towards 17 advertisements during 2013-17 while no expenditure was incurred during 2012-13. The publicity was however, restricted to advertisements in the local newspapers. No separate publicity was done at the district, block and Gram Panchayat levels. The publicity was hence limited to the print media only and did not involve PRIs and Non-Governmental Organisations (NGOs) at the grass root level. Further, the expenditure was also much less than the required one *per cent* of administrative expenses. In the absence of publicity of the scheme through posters, brochures, media at the GP/NGO level, it was likely that many prospective beneficiaries

residing in far-flung remote localities would not be aware about the NSAP and to avail the benefits under it.

Further, due to non-maintenance of data bank of potential BPL population by the SJEWD, the exact number of population deprived of the NSAP benefits could not be ascertained in audit.

The SJEWD assured (November 2017) that awareness generation programme would be taken up as per the guidelines.

1.3.3.2.3 Confirmation of the existing beneficiaries

Programme guidelines (Para-3.1.2 and 3.1.4) stipulated for annual verification of the existing beneficiaries under NSAP for confirmation or deletion by constituting Special Verification Teams under an authorised officer duly involving representatives of local NGOs of repute in the locality.

Audit check revealed that annual verification of the existing beneficiaries by constituting Special Verification Teams under an authorised officer and duly involving NGOs, were never done during 2012-17. The number of eligible persons could also not be quantified in audit as the State Government had not assessed the volume of potential beneficiaries. Failure to conduct annual verification was indicative of lack of an adequate control and monitoring mechanism.

An amount of ₹ 3.19 lakh was paid to 80 deceased beneficiaries during 2012-17 in 17 blocks in the four districts existing in the State. The Department however, recovered ₹ 2.48 lakh from 58 beneficiaries as of March 2017, leading to inadmissible payment of ₹ 0.71 lakh to 22 deceased beneficiaries.

The SJEWD stated (November 2017) that the responsibility for verification of beneficiaries would henceforth be entrusted to the Verification Team formed in November 2017.

1.3.3.2.4 Verification of applications not done

Programme guidelines (Para-3.1.4) enjoined upon the State Government to ensure verification of application of new beneficiaries by a Verification Team designated by Nodal Department with reference to the facts related to the eligibility within two weeks of application.

Audit noticed that the Department had not constituted Verification Team (s) to verify the applications as required under the guidelines during the period 2012-17. The Department simply approved the list of beneficiaries recommended by the Gram Panchayats without exercising any check as required under the guidelines. The list was neither reviewed nor any verification carried out by the Department. Based on the list forwarded by Panchayat, pension amounts were sent to the concerned Bank/Post office for crediting to the beneficiary's accounts as DBT with effect from August 2013. Hence, the chances of extension of benefits to ineligible beneficiaries could not be ruled out.

The SJEWD stated (November 2017) that the responsibilities for verification of applications would henceforth be entrusted to the Verification Team formed in November 2017.

1.3.3.2.5 Sanction within 60 days

Programme guidelines (Para-3.2 and 3.3) stipulated for designating ‘Sanctioning Authority’ at the appropriate level in the Municipality/Block and for completing the process of identification of new beneficiaries, verification of applications, discussion in the Gram Sabha, sanction/rejection by sanctioning authority within 60 days. In case of rejection of the application, the ground for rejection was to be intimated to the beneficiaries with a copy to Gram Panchayat/Municipality. Such applicant may prefer first appeal to an Appellate Authority and the second appeal (review) to a Reviewing Authority, both nominated by the State Government.

Audit noticed that the sanctioning authority was vested with the Secretary, SJEWD instead of delegating the same to the appropriate level at Municipality or Block. This was despite the existence of Block and Municipality in the State. A copy of sanction order was however, endorsed to GP/Municipality. Although the process as prescribed in the guidelines was not followed, timeline of 60 days for sanction of pension had not been exceeded in the 3,621 cases test checked in audit.

The SJEWD stated (November 2017) that the ‘Sanctioning Authority’ was vested with the Secretary, SJEWD considering that Sikkim is a small State. Considering that so far the process of sanctions accorded under the NSAP have been demonstrably efficient, Audit accepts the Department’s reply as practical and reasonable in the given circumstances. The Department is however, advised to seek the approval of the Ministry of Rural Development, GoI to notify the ‘Secretary, SJEWD’ as the ‘Sanctioning Authority’ for NSAP in the State.

1.3.3.2.6 Non-updation of records

Programme guidelines (Para-3.4) stipulated that the list of beneficiaries to whom sanctions were issued be displayed at the GP/Municipal Office and the list updated every three months. A file containing photocopies of all applications, the register recording receipt of application and sanction orders and rejections should be kept open and accessible for inspection at the respective offices.

Audit check revealed that files containing copies of applications, supporting documents for fulfilling eligibility criteria and sanction orders, etc. were kept Block wise at SJEWD. However, the list of beneficiaries was neither displayed at the 18 Gram Panchayat offices visited by Audit nor was the list updated every three months as required in the guidelines.

The SJEWD stated (November 2017) that henceforth this would be done.

1.3.3.2.7 Undisbursed fund

As per the guidelines, the NSAP assistance was to be disbursed to the selected beneficiaries in the State. Therefore, to implement the NSAP in the districts, the SJEWD had been providing funds to the BACs and DCs till July 2013 (prior to implementation of DBT) for disbursement in cash to the NSAP beneficiaries.

Audit check revealed that the BACs (11) and DC, South could not disburse NSAP fund amounting to ₹ 1.99 crore⁵ for the period from March 2012 to September 2016. After retaining the fund for a period ranging between six and 41 months, the BACs and DC, South returned the undisbursed fund to the Department (SJEWD).

The BACs and DC (South) neither gave any reply for non-disbursement of the scheme funds nor furnished the details of the beneficiaries to whom the pension was not disbursed. The BACs/DC had also not appraised this fact to the GoI and the State Government till the date of audit (July 2017).

The SJEWD stated (November 2017) that the required information would be collected and furnished to Audit in due course of time.

1.3.3.2.8 Payment of pension to ineligible beneficiaries

According to Programme guidelines (Para- 2.4.3), assistance under NSAP was to be extended to persons who had little or no regular means of subsistence from his/her own source of income or through financial support from family members or other sources. The assistance was to be restricted to persons belonging to the BPL category fulfilling other eligibility criteria. The eligibility criteria and the amount of pension under various components of NSAP were as follows:

Table 1.3.6
Eligibility under NSAP

Name of the Scheme	Eligibility criteria
IGNOAPS	The eligible age for IGNOAPS was 60 years. The pension was ₹ 600 per month for persons between 60 and 79 years. For persons who were 80 years and above, the pension was ₹ 1,000 per month.
IGNWPS	The eligible age was 40 years and the pension was ₹ 700 per month. After attaining the age of 80 years, the beneficiary would get ₹ 1,000 per month.
IGNDPS	The eligible age for the pensioner was 18 years and the amount was ₹ 700 per month. After attaining the age of 80 years, the beneficiary will get ₹ 1,000 per month.
NFBS	Lump sum assistance of ₹ 20,000 as one time grant to the bereaved BPL household in the event of the death of the bread winner.

Scrutiny of records of 3,621 NSAP beneficiaries (IGNOAPS:3,317; IGNWPS:251; IGNDPS:53) out of a total of 23,565 beneficiaries revealed that 697 beneficiaries (19.25 per cent of the beneficiaries test checked) under IGNOAPS component were ineligible for assistance under the scheme. The ineligibility was owing to a variety of reasons such as family details not furnished (401), under age beneficiaries (126), son/daughter were in Government service (105), both husband and wife were beneficiaries (28) and beneficiaries with landed property of five acres or more (37). The district-wise position of ineligible beneficiaries is given below:

⁵East- ₹ 50.85 lakh; West- ₹ 3.22 lakh; South- ₹ 1.37 crore and North- ₹ 7.79 lakh

Table 1.3.7
District-wise position of ineligible beneficiaries

District	Block	GPUs	Number				
			Family details not furnished	Under age beneficiaries	Son/daughter in Govt. Service	Both husband and wife are beneficiaries	Beneficiaries having 5 Acre and above land
East	10	50	183	1	56	9	21
West	9	55	89	27	17	0	0
North	4	24	4	33	1	0	0
South	8	47	125	65	31	19	16

Similarly, during the survey of 342 beneficiaries, Audit noticed that 267 beneficiaries⁶ were not eligible to receive pension under NSAP during 2012-17. Those beneficiaries were ineligible for a number of reasons such as their son/daughter were in Government service (71); beneficiaries were engaged as wage earners of MGNREGA (83); beneficiaries had TV sets at their house (57); beneficiaries had pucca houses (15); beneficiaries had landed property of five acres or more (10); both husband and wife were beneficiaries (5); beneficiaries were elected representatives as panchayat members (2); and beneficiaries had own car (2), etc.

The above position is summarised in the table below:

Table 1.3.8
Ineligible beneficiaries under NSAP

Nature of ineligibility	Number of ineligible beneficiaries under NSAP			
	As per the records	As per beneficiary survey of		
	IGNOAP	IGNOAP	IGNWPS	IGNDPS
Family details not furnished	401	-	-	-
Under age beneficiaries	126	-	-	-
Son/daughter in Govt. Service	105	63	6	2
Both husband and wife are beneficiaries	28	5	-	-
Beneficiaries having 5 Acre and above land	37	10	-	-
Beneficiaries having 2 storied Building	-	5	-	-
Beneficiaries getting income from house rent	-	1	-	-
Beneficiaries having pucca house	-	12	2	1
Beneficiaries having own car	-	2	-	-
Husband ex-service man	-	4	1	-
Beneficiaries working as Panchayat Member	-	-	1	1
Beneficiaries having TV	-	52	4	1
Beneficiaries having Refrigerator	-	10	-	1
Beneficiaries enrolled in MGNREGA	-	74	7	2
Total :-	697	238	21	8

Source: Information compiled by Audit from Departmental records and beneficiary survey by Audit

Extension of benefits to ineligible beneficiaries was indicative of faulty identification process, absence of scrutiny and review by the Department as pointed out in Para-1.3.3.2.3. The SJEDW simply approved the list of beneficiaries recommended by the GP without exercising any checks as required under the guidelines. The SJEDW had also not designated any Verification Team to ensure the genuineness of the beneficiaries. This indicated a weak internal control mechanism in the Department to check and rule out

⁶238 beneficiaries under IGNOAPS, 21 beneficiaries under IGNWPS and 8 beneficiaries under IGNDPS

payment to ineligible beneficiaries. The Department should, therefore, verify the eligibility of all the beneficiaries since audit results are based on test check of sample cases.

The SJEWD stated (November 2017) that necessary steps would henceforth be taken for deletion/discontinuation of pension in respect of ineligible beneficiaries after verification by the Verification Team.

1.3.3.2.9 Less payment of pension to IGNOAP beneficiaries

Programme guidelines (Para- 2.3) stipulated payment of ₹ 1,000 per month (Central share ₹ 500 + State share ₹ 500) to the IGNOAP beneficiaries of 80 years age and above. As against this, the Department paid only ₹ 600 per month to 84 beneficiaries of age group of 80 years and above for periods ranging from two months to 45 months. This resulted in deprivation of pension amounting to ₹ 11.34 lakh to those 84 beneficiaries.

The SJEWD did not state the reasons for less payment of pension to the IGNOAP beneficiaries but replied (November 2017) that hence forth necessary steps would be taken for regularisation of the same.

1.3.3.2.10 Excess payment of pension to IGNOAP beneficiaries

Guidelines (Para-2.3) stipulated that pension amount admissible to the IGNOAP beneficiaries between 60 to 79 years age group was ₹ 600 per month (Central share ₹ 200 + State share ₹ 400).

Scrutiny of records revealed (June 2017) that under the IGNOAPS, the Department paid ₹ 1,000 per month instead of ₹ 600 per month to the 216 beneficiaries of age group between 60 and 79 years, for periods ranging from three months to 32 months. This resulted in excess payment of pension amounting to ₹ 5.95 lakh to 216 beneficiaries.

The SJEWD did not provide the reasons for excess payment of pension to the IGNOAP beneficiaries but replied (November 2017) that necessary steps would be taken henceforth for regularisation of the excess payment of pension.

Further, programme guidelines (Para 4.5.4 (b)) stipulated that the NSAP payment should be made monthly.

Audit noticed that the Department made payment of NSAP bi-monthly instead of monthly as stipulated in the guidelines. However, no complaint against bi-monthly payment was found registered by the NSAP beneficiaries during the period of audit.

1.3.3.2.11 Target and achievement

The Ministry of Rural Development, GoI had been communicating scheme-wise allocation of targets to the State based on beneficiaries selected and communicated to the GoI by the State Government. The SJEWD could not make available the records of selection of beneficiaries forwarded to the GoI for the period 2012-17 and GoI communication relating to the allocation of beneficiaries targets for the period 2012-13 to 2014-15 and 2016-17. However, as noticed from the GoI targets for the year 2015-16, the number of beneficiaries to be covered under the three sub-schemes of NSAP were as given in Table 1.3.5 (targets

for NFBS was not given). These targets *vis-à-vis* actual beneficiaries enrolled during 2015-16 in the State were as given below:

Table 1.3.9
Targets and achievements under the schemes during 2015-16

Schemes	Total Allocation of Beneficiaries by GoI during 2015-16 (No.)	Actual Beneficiaries enrolled in the State during 2015-16 (No.)	Excess (+)/short (-) enrolment of Beneficiaries (No.) (Col.3-2)	Rate of Central assistance per Beneficiary (₹ p.m.)	Amount incurred on additional beneficiaries (₹) for 12 months
1	2	3	4	5	6
IGNOAPS	16,418	17,778	1,360	200	32,64,000
IGNWPS	967	919	-48	300	-
IGNDPS	663	578	-85	300	-
Total	18,048	19,275			32,64,000

Source: Figure furnished by the Department

Audit noticed that the Department selected 17,778 beneficiaries under IGNOAPS during 2015-16 against the target of 16,418 beneficiaries. The selection of 1,360 more beneficiaries led to an additional expenditure of ₹ 32.64 lakh from the State resources. However, the genuineness of the beneficiaries could not be vouchsafed in audit as the SJEWD was simply approving the list of beneficiaries recommended by the GPs without exercising any checks as required under the guidelines.

The SJEWD assured (November 2017) that henceforth necessary steps for ensuring the genuineness of beneficiaries would be taken through Special Verification Team.

1.3.4 Monitoring and evaluation

Programme guidelines (Para- 6.1.2) enjoined upon the State Government to constitute State Level and District Level committees to monitor and evaluate the progress of the scheme and submit report to GoI and State Government respectively. The State Government constituted (November 1995) the State Level Vigilance and Monitoring Committee (SLVMC) and District Level Vigilance and Monitoring Committee (DLVMC) with the Chief Secretary and the District Collectors as the Chairpersons respectively. The status of their functioning is given below:

- **State Level Vigilance and Monitoring Committee**:: Guidelines prescribed that the SLVMC should meet at least twice a year and is responsible for the implementation, monitoring and evaluation of the NSAP. Thus, 10 meetings were required to be convened in the five-year period (2012-17). As against this, the SLVMC held only two meetings (15 February 2013 and 6 February 2016). One of the important decisions taken in the meeting (February 2013) was to make serious efforts to make payment of IGNOAP every two months. However, this was not complied with by the Department as the fund from the Ministry (GoI) was released in two instalments usually in April and February each year.

There was nothing more on record to indicate any other efforts made by the SLVMC to discharge its mandate in an earnest manner.

- **District Level Vigilance and Monitoring Committee:** Guidelines (Para-6.1.3 and 6.8) required the DLMVC to hold regular meetings and is responsible for the implementation, monitoring and evaluation of the scheme and submit their reports to the State Nodal Department on monthly basis. In compliance with the Ministry of Social Justice and Empowerment, GoI's direction (July 2013), the Department re-constituted (October 2014) the District Vigilance-cum-Monitoring Committees. The District Collector was Member Secretary for monitoring and to keep a regular watch on the implementation of the schemes as per prescribed procedures and guidelines.

However, Audit noticed that in North district the DLVMC meeting was held only once in May 2013. The minutes of the meeting and follow-up, if any, was not made available to Audit for verification. Thus, the effectiveness of DLVMC in monitoring and evaluation of the scheme could not be assessed in audit. Further, records of other districts were not made available to Audit.

The SJEWD stated (November 2017) that this would be intimated to the DLVMC/SLVMC for strict adherence of the guidelines.

- **Social Audit:** Guidelines (Para-6.10) stipulated that the Social Audit under NSAP should be conducted at least once in every six months to identify shortcomings, if any, in implementation of the programme by the stakeholders themselves and the defects be eliminated by the Department for effective implementation.

Scrutiny of records revealed that the Department conducted only two Social Audit programmes (April 2016) at Central Pandam GPU and Rangpo Nagar Panchayat in East district under Duga BAC. The findings of Social Audit included payment to ineligible beneficiaries, payment to deceased beneficiaries, etc. which corroborated the audit findings and also indicated weak internal control. The State Nodal Department should monitor reports of Social Audits conducted and send reports to the Ministry of Rural Development in NSAP-MIS. However, the Department had not submitted any action taken report on the two Social Audit programmes conducted during April 2016 to the MRD till March 2017.

The SJEWD stated (November 2017) that the Government had approved (September 2017) conducting of Social Audit which would be followed as per guidelines.

1.3.5 Conclusion

The number of beneficiaries who benefited from the NSAP rose from 19,517 to 23,565 during 2012-17. However, the implementation of NSAP was riddled with inadequacies as the Department did not follow the prescribed procedures enshrined in the programme guidelines regarding awareness generation, selection of beneficiaries and verification of eligibility of beneficiaries.

Programme implementation revealed that the Department had not taken up any initiative to reach out to all eligible people for rendering assistance and efforts for assessing of total number of potential beneficiaries. The Department neither took any proactive action for

identification of beneficiaries nor carried out any verification of the eligibility of beneficiaries while accepting the list of beneficiaries recommended by the Gram Panchayats. Annual verification of the beneficiaries as required under the guidelines was also not done. Instead of monthly disbursement of assistance, the Department was found releasing the assistance on bi-monthly basis. Payment of assistance to ineligible beneficiaries was noticed. The monitoring mechanism was inadequate as State level Committee met only twice against the requirement of 10 meetings. The District Level Committee had neither convened any meeting nor submitted any monthly report to the State Government. Social Audit, one of the important checks of ensuring control mechanism, was not accorded due importance. Hence, Audit could not vouchsafe whether all eligible beneficiaries who belonged to the weakest section of the society had actually been covered and benefited as envisaged under the programme.

1.3.6 Recommendations

The following recommendations may be considered to improve the implementation of NSAP in the State:

- Ensuring a robust system of selecting only the eligible beneficiaries and payment of assistance at specified rates.
- Strengthening the system of annual verification of beneficiaries to ensure payment of assistance to eligible beneficiaries.
- Strengthening the monitoring mechanism to ensure implementation of the scheme as per the guidelines.

LABOUR DEPARTMENT (SIKKIM BUILDING AND OTHER CONSTRUCTION WORKERS' WELFARE BOARD)

1.4 Irregular expenditure

The Sikkim Building and Other Construction Workers' Welfare Board incurred irregular expenditure of ₹ 3.03 crore out of total expenditure of ₹ 11.21 crore from the cess fund exclusively meant for the benefit of labours and their families/dependents for whom the cess was actually collected.

In pursuance of Building and Other Construction Workers' (Regulation of Employment and Conditions of Service) Act, 1996 (BOCW Act), State Government constituted (February 2010) the Sikkim Building and Other Construction Workers' Welfare Board (SBOCWWB) to carry out welfare schemes for building and other construction workers (BOCW). Further, the Government also imposed cess at the rate of one *per cent* on bills on construction works in accordance with the requirements of the Building and Other Construction Workers Welfare Cess Act 1996.

As per Section 22 read with Section 24 (2) of the BOCW Act, Cess so collected was required to be spent for the welfare of construction workers on schemes like maternity benefits, pension, advances for purchase and construction of houses, disability pension, payments of funeral assistance, medical assistance, financial assistance for education and marriage of children. Further, in pursuance of the Hon'ble Supreme Court order dated 4 September 2015 on improper utilisation of the Cess fund, Ministry of Labour and Employment issued (7 June 2016) order prohibiting expenditure of Cess fund for construction of buildings for schools or for any purpose other than the welfare of building and other construction workers and their families.

Scrutiny of records for 2015-16 and 2016-17 revealed (June 2017) that the Board collected ₹ 27.31 crore and incurred expenditure of ₹ 11.21 crore in these two years. Out of this, an amount of ₹ 3.03 crore was irregularly spent on purposes not related to the welfare of building and construction workers as under:

- ₹ 2.08 crore was spent for construction of a new office building (including expenditure on inauguration) of the State Institute of Capacity Building (SICB) and conversion of a garage to Apparel Training and Design Centre (ATDC) (a registered Society) in the same premises.
- ₹ 0.95 crore was spent on other items including repair of hostel at Lingding, miscellaneous expenditure on supplies and purchases and on utility center at 7th Mile.

The aforesaid expenditure of ₹ 3.03 crore was in clear violation of the BOCW Act, 1996 as the sum spent was not exclusively for the benefit of labours and their families/dependents for whom the Cess was actually collected.

The matter was reported to the Department (July 2017); reply was awaited (March 2018).

SOCIAL JUSTICE, EMPOWERMENT AND WELFARE DEPARTMENT

1.5 Diversion of Tribal Sub Plan Fund

Diversion of ₹ 0.83 crore out of ₹ 1 crore earmarked for construction of Ashram School defeated the objective of creating a permanent structure for the school.

The Ashram School, Jushingthang, West Sikkim for Tribal Boys and Girls had been in operation since 2012 in a temporary structure. On the basis of proposal submitted (November 2013) by the Department, the Ministry of Tribal Affairs (Education Division), GoI sanctioned (November 2013) ₹ 15.35 crore⁷ for construction of the Ashram School and released ₹ 5.75 crore (November 2013) as first instalment to the State Government. Out of this, the State's Finance, Revenue and Expenditure Department through the Social Justice, Empowerment and Welfare Department transferred (March 2014) ₹ one crore to the

⁷Central share: ₹ 11.51 crore and State share: ₹ 3.84 crore

Chairman of the School Management Committee (SMC) i.e. District Collector, West Sikkim to commence construction of the School .

Audit scrutiny revealed (October 2016) that out of ₹ one crore intended for starting the construction of school's building, an amount of ₹ 39 lakh was spent towards the school's recurring expenditure⁸ and ₹ 44 lakh for another school i.e. Eklavya Model Residential School at Gangyap (May to August 2014). The balance fund of ₹ 17 lakh was retained by the Chairman, SMC without being refunded.

Further, the State Government in September 2014 decided that all the project works shall be taken up by the departmental engineering cell. The cell was however, set up in SJEWD only in February 2015. The process of construction was restarted by Department. The cell prepared a DPR for the Ashram school in November 2015 and awarded the work to a contractor at a cost of ₹ 12.57 crore in the same month with stipulated completion by October 2017. However the work was only 70 *per cent* complete as of September 2017.

The diversion of ₹ 83 lakh, the unspent balance of ₹ 17 lakh with the Chairman, SMC and the delay in construction from November 2013 defeated the purpose of allocation of funds for creating a permanent structure for the Ashram school.

The Department stated (September 2017) that the information regarding diversion of capital fund would be furnished after the same is obtained from the Chairman, SMC.

⁸Salary, stationeries, etc.