

EXECUTIVE SUMMARY

This Report is arranged in six chapters and contains one Performance Audit under Social Sector (Chapter I) viz. 'National Rural Drinking Water Programme', three Performance Audits under Economic Sector (Chapter II) viz. 'Utilisation of Grants under Article 275(1) of the Constitution of India', 'Border Area Development Programme' and 'Activities of Fisheries Department in Nagaland and eleven compliance audit paragraphs. According to the existing arrangements, copies of the draft audit paragraphs and draft performance audits were sent to the Secretaries of the departments concerned by the Accountant General (Audit) with a request to furnish replies within six weeks. Replies were not received from the Secretaries of the Departments concerned in respect of two compliance audit paragraphs.

Chapter-I Social Sector

Performance Audits

National Rural Drinking Water Programme

National Rural Drinking Water Programme (NRDWP) was launched in April 2009 by the Government of India (GoI) to ensure delivery of safe and adequate drinking water to the rural population of the country. The Ministry of Drinking Water and Sanitation (MDWS) implements the programme through the State Government.

Highlights

Village/District water security plans based on demography, physical features, water sources, available drinking water infrastructure and gaps to augment existing infrastructure and water sources were not prepared.

(Paragraph 1.3.9.1)

The Department was not able to achieve coverage as targeted in the Strategic Plan of MDWS. As per IMIS data, only 4.91 per cent had piped water supply connections within the household premises in the State.

(Paragraph 1.3.11.1)

The district laboratories of Dimapur, Kohima and Tuensang had significantly failed in carrying out the prescribed number of bacteriological and chemical contamination tests to ensure the supply of safe drinking water. The extent of bacteriological and chemical contamination of water sources in the three districts of Kohima, Dimapur and Tuensang was high.

(Paragraph 1.3.11.5)

Field testing kits purchased at the cost of ₹ 1.32 crore were not distributed to all the targeted villages/habitations and therefore the quality of water supplied to these villages/habitations remained untested.

(Paragraph 1.3.11.6)

During 2012-17, galvanised mild steel pipes of different specifications valued at ₹241.81 crore was procured through local suppliers and firms from outside the State without inviting tenders.

(Paragraph 1.3.11.7)

The Department paid ₹ 2.67 crore for three unexecuted works and ₹ 0.61 crore for three short executed works.

(Paragraphs 1.3.11.9 (i) and 1.3.11.9 (ii))

There were no records of monitoring carried out by officials from National, State, District and Block levels.

(Paragraph 1.3.12.2)

Compliance Audit Paragraphs

Implementation of Indira Gandhi National Old Age Pension Scheme in Nagaland

The Department of Social Welfare, Government of Nagaland (GoN) implements the welfare programmes for upliftment of vulnerable sections of the society. Indira Gandhi National Old Age Pension Scheme (IGNOAPS) is one such welfare programme which provides monthly pension to the senior citizens in the State. Audit of the IGNOAPS covering the period from 2012-17 was conducted during May 2017 to August 2017.

Highlights:

Two hundred twenty two persons who were below 60 years were given old age pension under '60-79 years category' and 51 beneficiaries who aged below 80 years were given scheme benefits under '80 years and above category' resulting in payment of ₹ 23.07 lakh to these ineligible beneficiaries. The Department also paid scheme benefits of '60-79 years category' to senior citizens who aged '80 years and above' thereby paying less pension to '80 years and above category' senior citizens by ₹ 3.15 crore.

(Paragraph 1.4.8.2)

Government of Nagaland released only ₹ 9.57 crore against its matching share of ₹ 31.39 crore. Further, the Department did not utilise the State share of ₹ 3.61 crore during 2014-17.

(Paragraph 1.4.9.1)

Delay in release of funds by Government of Nagaland and the Department resulted in delay in disbursement of pension to the beneficiaries by 8 to 25 months.

(Paragraph 1.4.9.3)

The Directorate of Technical Education diverted ₹ 56.12 lakh from the funds for scholarship schemes for private use. An amount of ₹ 51.87 lakh was also suspected to be misappropriated as there was no records for utilisation of this amount.

(Paragraph 1.5)

The Urban Development Department abandoned the construction of burial and cremation ground at Kohima after incurring an expenditure of ₹ 1.62 crore.

(Paragraph 1.6)

Chapter-II Economic Sector

Performance Audits

Utilisation of Grants under Article 275(1) of the Constitution of India

Article 275(1) of the Constitution of India provides that such sums as Parliament may by law provide, in each year as grants-in-aid to such states as Parliament may determine to be in need of assistance. The Grants under Article 275(1) is provided as an additionality to normal central assistance to the State plan to enable them to meet the costs of projects/schemes for welfare and development of the Scheduled Tribes (ST) in that State.

Highlights:

The Department did not prepare AAP indicating sector-wise allocation for utilisation of the grants during 2012-16.

(Paragraph 2.3.8.1)

There were delays in release of fund by GoN ranging between five and 335 days in 27 instances. ₹ 31.78 crore released by GoI during 2016-17 was not released by GoN to the Department (March 2017).

(Paragraph 2.3.9.1)

The unspent balance in UC submitted to MoTA during 2015-16 was understated by ₹ 16.47 crore.

(Paragraph 2.3.9.4)

The works related to all the 180 projects/schemes were awarded directly to the applicants whose project/schemes were taken up for implementation without calling for tenders.

(Paragraph 2.3.10.1)

The Department paid ₹ 20.23 crore for 13 unverifiable works, six doubtful execution of projects and nine short executed projects.

(Paragraph 2.3.10.2)

The Department made payment of ₹ 1.50 crore to an individual for obtaining sanction of a project from Ministry of Tribal Affairs, Government of India.

(Paragraph 2.3.10.3 (ii))

Border Area Development Programme

The Department of Border Management, Ministry of Home Affairs (MHA), Government of India (GoI) implements the Border Area Development Programme (BADP) through the State Government as part of a comprehensive approach to border management. The programme aims to meet the development needs of the people living in remote and inaccessible areas near the International Border (IB). In

Nagaland there are four districts, viz, Mon, Tuensang, Kiphire and Phek, sharing a 215 kilometer international boundary with Myanmar.

Highlights:

The baseline survey conducted by the Department did not bring out quantifiable gaps in social and physical infrastructure and therefore did not provide decisive inputs in preparation of Annual Action Plan.

(Paragraph 2.4.7.1)

Allocation of funds indicated disproportionate emphasis on infrastructure and other sectors like Education, Health, Agriculture and Social were given minimal share.

(Paragraph 2.4.8.1)

DCC Bills for an amount of ₹4.56 crore out of ₹7.62 crore were not submitted even after delays ranging between two to three years.

(Paragraph 2.4.8.4)

Payments amounting to ₹15.95 crore without execution of works, short execution, incomplete and abandonment of works were noticed.

(Paragraphs 2.4.9.2 (i), (ii), (iii), (iv) and (v))

Third Party Inspection Agency for monitoring of works under BADP was not constituted.

(Paragraph 2.4.10.1)

Activities of Fisheries Department in Nagaland

Department of Fisheries is responsible for development of inland fisheries to increase fish production by giving technical support and developing infrastructure in the State. The audit of the Department was carried out from May 2017 to August 2017.

Highlights:

The Department did not have a perspective long-term plan for development of fisheries in the State. Although the Department prepared Annual Action Plans (AAPs) during the period from 2012-17, these were more in the nature of stand-alone exercises with no linkages to the medium or long-term goals/plans of the Department.

(Paragraph 2.5.8)

Utilisation Certificates for an amount of ₹12.79 crore was furnished even before the funds were released by the State Government.

(Paragraph 2.5.9.2)

The Department paid ₹3.98 crore for seven un-executed projects and ₹16.37 crore for six short executed projects.

(Paragraphs 2.5.10.1 and 2.5.10.2)

An expenditure ₹2.78 crore was made on a single project twice which was ultimately abandoned, rendering the expenditure as infructuous.

(Paragraph 2.5.10.4)

There was a shortfall in production of fingerlings by 471.93 lakh (94.40 per cent) during the last five years which may have impacted introduction of economically improved fish species in the State.

(Paragraph 2.5.11)

Compliance Audit Paragraphs

The Project Director, DRDA, Kiphire paid ₹ 2.03 crore for supply of 3,741 bundles of CGI sheets against fictitious transportation challans and non-existent vehicles.

(Paragraph 2.6)

There was short distribution of housing materials and cash component under Indira Awaas Yojana (IAY) totaling ₹ 73 lakh in Chiephobozou Block.

(Paragraph 2.7)

Chapter-III Economic Sector (Public Sector Undertakings)

Compliance Audit Paragraph

Poor recovery of loans by Nagaland Handloom and Handicrafts Development Corporation Limited (NHHDC) resulted in borrowers owing ₹ 5.83 crore to NHHDC as a result of which NHHDC was not in a position to avail an offer of a waiver of ₹ 1.03 crore.

(Paragraph 3.2)

Chapter-IV Revenue Sector

Compliance Audit Paragraphs

Sixteen dealers under the Deputy Commissioner of Taxes, Dimapur concealed inter-state purchase of ₹ 77.56 crore and evaded tax of ₹ 11.47 crore.

(Paragraph 4.2.1)

Three dealers under the Deputy Commissioner of Taxes, Dimapur concealed purchases and evaded tax of ₹ 3.61 crore.

(Paragraph 4.2.2)

The Assessing Authority, under Deputy Commissioner of Taxes, Dimapur failed to exercise the prescribed checks resulting in concealment of purchases for ₹ 5.71 crore, irregular exemption of taxable purchases of ₹ 28.60 crore and evasion of tax ₹ 1.66 crore.

(Paragraph 4.2.3)

Chapter-V General Sector

Compliance Audit Paragraphs

The Department of School Education incurred an avoidable expenditure of ₹ 10.73 crore due to delay in handing over the project site. The Department also extended undue financial benefit of ₹ 7.37 crore to the contractor on enhancement of rate for newly incorporated items of works not approved by the Government.

(Paragraph 5.3)

Failure of the Drawing and Disbursing Officers (DDOs) of seven departments and Treasury Officers (TOs) in exercising prescribed checks resulted in fraudulent drawal of ₹ 1.72 crore.

(Paragraph 5.4)