



**CHAPTER – II**  
**SOCIAL SECTOR**



## CHAPTER – II: SOCIAL SECTOR

### 2.1 Introduction

This Chapter of the Audit Report deals with the audit findings on State Government Departments under the Social Sector.

During the year 2020-21, total budget allocation of the State Government in Departments under Social Sector was ₹6,240.36 crore, against which the actual expenditure was ₹4,976.44 crore (79.75 per cent) whereas the budget allocation during 2021-22 was ₹7,793.98 crore against which ₹7,067.32 crore (90.68 per cent) was actually incurred. The Department-wise details of budget allocation and expenditure are given in **Table 2.1**.

**Table 2.1: Budget allocation and expenditure under Social Sector**

Sl. No.	Department	2020-21		Expenditure (in per cent)	2021-22		Expenditure (in per cent)
		Budget	Expenditure		Budget	Expenditure	
1.	Social Welfare, Women and Child Development	265.02	239.97	90.55	288.62	281.95	97.69
2.	Education	1948.33	1566.63	80.41	2480.59	2351.23	94.79
3.	Health and Family Welfare	1048.85	939.56	89.58	1407.13	1372.35	97.53
4.	Art and Cultural Affairs	14.51	8.54	58.87	21.66	19.42	89.66
5.	Research	18.18	13.04	71.70	22.70	20.44	90.03
6.	Labour and Employment	10.79	8.48	78.63	11.43	10.12	88.49
7.	Sports and Youth Affairs	101.24	35.13	34.70	138.88	136.42	98.23
8.	Relief, Rehabilitation and Re-settlement	324.83	333.69	102.73	302.64	190.62	62.99
9.	Information and Public Relations	61.59	41.95	68.11	60.54	50.35	83.17
10.	Library	15.48	12.05	77.87	16.25	15.30	94.14
11.	Urban Development and Housing	310.78	216.31	69.60	490.05	417.95	85.29
12.	Public Health Engineering	1254.94	1109.90	88.44	1551.03	1290.71	83.22
13.	Town Planning	355.91	186.06	52.28	420.24	391.36	93.13
14.	Karmik and Adhyatmik Affairs	28.95	9.07	31.32	18.95	16.03	84.64
15.	Social Justice, Empowerment and Tribal Affairs	406.64	230.66	56.72	451.85	410.38	90.82
16.	Skill Development and Entrepreneurship	45.04	18.86	41.87	56.47	52.60	93.15
17.	Department of Indigenous Affairs	27.32	5.25	19.24	51.75	37.31	72.09
18.	Political	1.96	1.28	65.21	3.20	2.77	86.54
<b>Total</b>		<b>6240.36</b>	<b>4976.44</b>	<b>79.75</b>	<b>7793.98</b>	<b>7067.32</b>	<b>90.68</b>

(Source: Appropriation Accounts, 2020-21 and 2021-22)

It could be seen from the **Table 2.1** that:

- During 2020-21, the expenditure incurred by the Departments ranged between 19.24 and 102.73 *per cent* of the allocations whereas during 2021-22, the expenditure ranged between 62.99 and 98.23 *per cent* of allocation made.
- Two Departments have incurred more than 90 *per cent* of total budget allocation *viz.* Relief, Rehabilitation and Re-settlement (102.73 *per cent*) and Social Welfare, Women and Child Development (90.55 *per cent*) during 2020-21.
- Nine Departments have incurred more than 90 *per cent* of total budget allocation *viz.* Sports and Youth Affairs (98.23 *per cent*), Social Welfare, Women and Child Development (97.69 *per cent*), Health and Family Welfare (97.53 *per cent*) Education (94.79 *per cent*), Library (94.14 *per cent*), Skill Development and Entrepreneurship (93.15 *per cent*) Town Planning (93.13 *per cent*) Social Justice, Empowerment and Tribal Affairs (90.82 *per cent*) and Research (90.03 *per cent*) during 2021-22.
- The Relief, Rehabilitation and Re-settlement Department incurred 102.73 *per cent* of allocation made during 2020-21.

### **2.1.1 Planning and Conduct of Audit**

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

Audit was conducted in 32 units of eight Departments and 41 units of six Departments involving expenditure of ₹3,133.68 crore and ₹2,486.12 crore (including expenditure of earlier years) respectively during 2020-21 and 2021-22 under the Social Sector.

After completion of audit of each unit, Inspection Reports (IRs) containing audit findings were issued to the Heads of Departments for taking appropriate corrective measures on the audit findings. The Departments were requested to furnish replies to the audit findings within one month of receipt of IRs. Wherever replies were received, audit findings were reviewed and either settled or further action for compliance was advised. Important audit observations arising out of the IRs were processed for inclusion in the CA&G's Audit Report, which is submitted to the Governor of the State under Article 151 of the Constitution of India for laying before the State Legislature.

Major observations noticed in Audit, pertaining to the Social Sector during 2020-21 and 2021-22 are discussed in subsequent paragraphs of this Chapter.

## Compliance Audit Paragraphs

### Urban Development and Housing Department

#### 2.2 Excess payment and diversion of funds

**Executive Engineer, Urban Development and Housing Department, Anni Division extended undue benefit to a Contractor by payment of ₹34.54 lakh without any actual execution of the work. Protection wall of ₹22.98 lakh meant for Burial cum Cremation Ground was actually constructed at Executive Engineer residence.**

The Ministry of Housing and Urban Poverty Alleviation (HUPA<sup>6</sup>), Government of India (GoI) introduced (2001-02) a Centrally Sponsored Scheme (CSS) '10 per cent lumpsum provision for the benefit of North-Eastern Region including Sikkim'. The objective of the scheme was to ensure speedy development in urban area under the North-Eastern Region by increasing new projects/ schemes in the Region. The funding pattern under the project was to be shared in the ratio 90:10 between the GoI and the Government of Arunachal Pradesh (GoAP).

Paragraph 15(i) of the scheme guidelines (2001-02) states that a Committee should be constituted under the Chairpersonship of District Magistrate/ Deputy Commissioner for overall supervision, direction and monitoring of the projects sanctioned.

The Ministry of HUPA, GoI conveyed sanction (July 2013) of ₹4.64 crore for the work 'Construction of Burial Cum Cremation Ground at Anini' under the scheme. The project *inter alia* included provision for construction of 175 mtrs protection wall with of height of four meters on the backside of the burial cum cremation ground.

The Administrative approval and expenditure sanction of ₹4.63 crore was accorded (December 2013) for the project. The Technical Sanction (TS) of the project was accorded by the Chief Engineer, Urban Development & Housing (UD&H) Department at cost of ₹4.50 crore. The provision of protection wall length was revised from 175 mtrs, 4 mtrs height (₹1.11 crore) in original estimate to 211 mtrs, 4 mtrs height (₹1.21 crore) in TS Estimate.

Scrutiny of records (July 2021) of the Executive Engineer, UD&H, Anini Division revealed the followings:

- Division floated (January 2014) Notice Inviting Tender (NIT) for the work and the work was awarded (September 2014) to firm M/s Dagmo Riba at agreement amount of ₹4.50 crore. The stipulated period of completion of the project was March 2016. However, as per bills/ vouchers and Quarterly Progress Report (QOR), the work was completed in June 2018 with delay of more than two years from the stipulated date.

<sup>6</sup> Merged with Ministry of Housing and Urban Affairs of Government of India in 2017

- The work construction of 211 mtrs protection wall 4.00 mtrs height was awarded to the Contractor for an agreement amount of ₹1.21 crore. The work was completed and payment of ₹1.21 crore released to the Contractor for construction of 211 mtrs protection wall with 4.00 mtrs height (844 sqmtr) @ ₹14,365.82 per sqmtrs. In measurement books, the height of wall was also measured as 4.00 mtrs. Audit during (July 2021 and October 2021) Joint Physical Verifications (JPV) of the work along with Division's Officers found that out of the approved 211 mtrs protection wall of 4.00 mtrs height, only 89 mtrs of height 4.00 mtr (356 sqmtr) protection wall was executed at parking place of Burial campus. Thus, there was a short execution/ below specification of work of 122 sqmtr (211 sqmtr *minus* 89 sqmtr) for which full payment was made.

Again, the short executed work of 122 sqmtr, was deviated from the agreement as discussed in **Table 2.2**.

**Table 2.2: Details of deviated work executed by the Contractor**

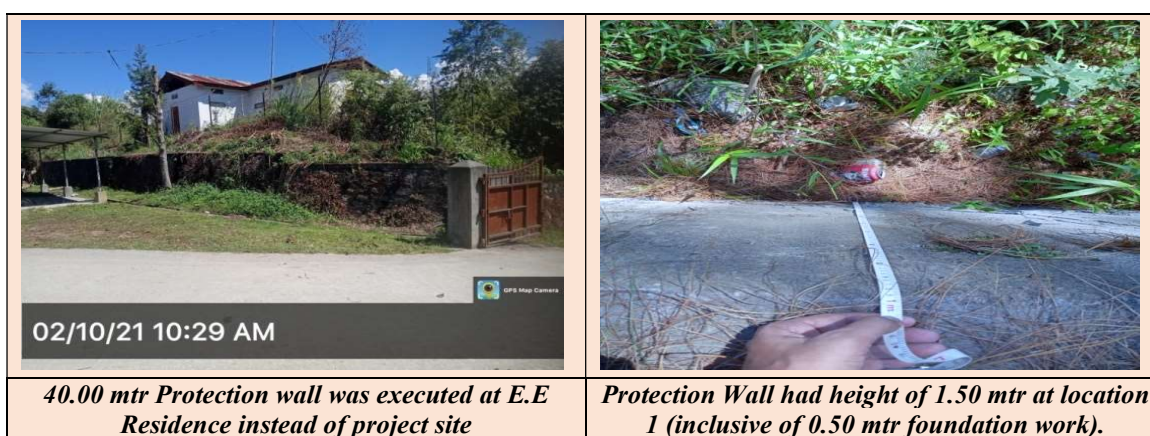
Sl. No.	Location	Length (mtr)	Height (mtr)	Quantity (sqmtr) <sup>7</sup>
1.	On the way to ground	15.00	1.50	22.50
2.	Left side of entrance gate	13.00	2.50	32.50
3.	100 mtr from location 2	37.00	2.50	92.50
4.	Residence of EE, UD&H, Anini	40.00	2.50	100.00
<b>Total</b>		<b>105.00</b>	<b>--</b>	<b>247.50</b>

(Source: JPV dated 02.10.2021)

Thus, the Contractor had constructed only a total of 194 mtr (89 mtr + 105 mtr) Protection Wall of varying heights. The actual quantity of protection wall constructed was only 603.50 sqmtr. However, the payment of ₹1.21 crore was released for construction of the entire 844 sqmtr (211 mtr x 4 mtr) of wall. Thus, ₹34.54 lakh was paid for the wall of 240.50 sqmtr that was never constructed and payment was released to the Contractor on the basis of fictitious measurement recorded in MBs.

- Besides, the work was meant for the Burial-Cum-Cremation Ground, Anini. However, audit found that 100.00 sqmtrs (Sl. No. 4. above) of protection wall worth ₹22.98 lakh was constructed at the residence of Executive Engineer, leading to an unauthorised diversion of funds. Photos of the wall are as follows:

<sup>7</sup> Thicknesses of walls were not considered and area of wall profile has been worked out for quantitative purpose.



Due to the failure of the Department to properly specify the actual requirement of wall and non-constitution of committee for overall supervision, direction and monitoring of the projects sanctioned, the EE, UD&H, Anini Division constructed the walls at different specifications at different locations and paid an excess amount of ₹34.54 lakh to the Contractor without execution of work. Besides, an amount of ₹22.98 lakh meant for protection of burial ground was diverted to EE residence.

In response, the Department accepted the audit finding and stated (October 2021 & February 2022) that the matter would be reviewed, and corrective measure would be taken.

**Recommendations:**

**The State Government may-**

- (i) **initiate disciplinary action after investigating the matter against the defaulting officers including Executive Engineer of Anini Division for making payment without ensuring work done and diverting the project fund.**
- (ii) **take action against the contractor for claiming of bills without executing works and also take steps to black listed the contractor for such false claiming.**
- (iii) **recover the excess amount from the contractor with penalty.**

**Public Health Engineering and Water Supply Department**

**2.3 Wasteful expenditure of ₹150.00 lakh**

**Inadequate planning led to two water supply projects executed (March 2019 and 2020) in Taliha Sub-Division of Upper Subansiri District, and expected to deliver 20,130 liters of water per day to villagers for 17 years, being non-functional and expenditure thereon of ₹1.50 crore was rendered wasteful.**

The Government of Arunachal Pradesh (GoAP) sanctioned two projects namely 'Providing Water Supply at Lingruk Riamukh Village' and 'Providing Water Supply at Bibe Riamukh Village' in Taliha Sub-Division of Upper Subansiri District under State Annual Development Agenda (SADA) in December 2017 and January 2019 respectively. The sanction cost of each project was ₹75.00 lakh. Both projects were sanctioned to provide water supply for the same area. Project-I was to provide water

supply to 122 souls of Lingruk Riamuk Village. Further, due to migration of people from nearby villages, there was a rapid growth in population and as a result the amenities provided in the past had become inadequate. Thus, the Department implemented Project-II in 2018-19 to serve 224 targeted souls. The estimates of both projects *inter alia* included similar scope of work as detailed in **Table 2.3**.

**Table 2.3: Scope of Project-I and Project-II**

Sl. No.	Provisions as per estimates	
	Project-I	Project-II
1.	Drop inlet headwork	Drop inlet headwork
2.	Pre-sedimentation tank	Pre-sedimentation tank
3.	Sedimentation tank	Sedimentation tank
4.	Slow sand filter	Slow sand filter
5.	Clear water reservoir	Clear water reservoir
6.	Public stand post	Public stand post
7.	Chainlink fencing	Chainlink fencing
8.	Main pipe laying	
9.	Storage Tank	

(Source: Departmental records)

The water source of Project-I was perennial ‘Suke Siko’ stream having water discharge 0.0098 Cumec<sup>8</sup> in monsoon and 0.0083 Cumec in lean seasons. The detail of water source for Project-II was not provided in the estimate. As per estimates, Project-I was designed to deliver 6,710 liters water (122 souls x 55 LPCD capacity<sup>9</sup>) per day and Project-II was designed to deliver 13,420 liters water (244 souls x 55 LPCD capacity) per day for next fifteen years.

Scrutiny of records (March 2021) of the Executive Engineer (EE), PHE&WS, Kodukha Division revealed the following:

- It was observed that the Division has executed the both the projects by issue of 38 work orders to 14 local Contractors and 56 work orders to 22 local Contractors for Project-I and Project-II respectively. The EE issued work orders to local Contractors keeping value of each work order within his financial power<sup>10</sup> in order to avoid the necessity of obtaining the sanction of higher authority. The practice is irregular and in contravention to the provision provided in Rule 157 of General Financial Rule (GFR) 2017 which states that demand for goods/ services should not be divided into small quantities to make piecemeal to avoid the necessity of obtaining the sanction of higher authority.
- Section 2.1 (2) of CPWD Works Manual 2014 stipulates that no work should be commenced, or any liability thereon incurred until an administrative approval has been obtained.

<sup>8</sup> Rate of flow of water in Cubic Meter per Second

<sup>9</sup> According to guideline of Jal Jeevan Mission (JJM)<sup>9</sup>, the minimum water requirement in rural areas for every household is 55 litres per capita per day (LPCD). Government of India has restructured and subsumed the ongoing National Rural Drinking Water Programme (NRDWP) into Jal Jeevan Mission (JJM) to provide Functional Household Tap Connection (FHTC) to every rural household, *i.e.* Har Ghar Nal Se Jal (HGNSJ) by 2024.

<sup>10</sup> EE’s delegation of financial powers’ was ₹Eight lakh for execution of Minor Works as per the CPWD Works Manual, 2014



- The administrative approval and expenditure sanction for the Project-I was accorded on 28 December 2017. However, the work orders for the project were issued between 02 March 2017 and 20 December 2017 *i.e.* prior to sanction of the project. As per the records, a payment of ₹24.00 lakh for the work was also made during March 2017. Thus, the Division initiated the work and incurred the liability without approval from the Government.
- As per bills/ vouchers and Monthly Progress Report (MPR), the Project-I was completed in March 2018 and Project-II in March 2019 by incurring sanctioned amounts as detailed in **Table 2.4**.

**Table 2.4: Details of completion of project**

(₹ in lakh)						
Sl. No.	Name of Project	Sanctioned Amount	Expenditure incurred	Bills/ vouchers	Contractors engage	Date of completion
1.	Providing Water Supply at Lingruk Riamukh Village	75.00	75.00	38	14	March 2018
2.	Providing Water Supply at Bibe Riamukh Village	75.00	75.00	56	22	March 2019
<b>Total</b>		<b>150.00</b>	<b>150.00</b>	--	--	--

(Source: Departmental records)

Audit Team along with the departmental officials conducted (March 2021) Joint Physical Verification (JPV) of both projects, and found that there was no supply of water in the Water Treatment Plant (WTP) and pipelines of the project were also found disconnected at the worksite of first project. In the 2<sup>nd</sup> project, there was no supply of water in the WTP and Headwork was found filled with silt and without flow of water. The two projects were located in the same area and adjacent to each other. Photographs of worksite of the first project<sup>11</sup> taken during the site inspection are shown below:



**Status of Slow Filtration Tank and Storage Tank of project-I**

The condition of the second project found during the site inspection can be seen from the photographs below:

<sup>11</sup> Providing Water Supply at Lingruk Riamukh Village

 A photograph showing a makeshift water supply system in a rural area. A concrete structure is connected to a white PVC pipe that runs across the ground. A white bucket is placed under the pipe's outlet. In the background, there is a simple wooden structure and some trees.	 A photograph of a concrete storage tank that is completely empty. The tank is built into a wall and has a blue-painted rim. The interior is dark and appears to be filled with silt or debris.
<p><b><i>Villagers were making their own arrangement of water by using PVC pipe as the Water Supply Project-II was not functional</i></b></p>	<p><b><i>Empty Storage Tank of the Project-II</i></b></p>

Since, there was no supply of water in the WTP and Headwork was found filled with silt without flow of water, it is evident that the Division implemented the project without proper planning viz. analysing actual water discharge data of source and 6,710 litter per day water discharge capacity of Project-I and 13,420 liters per day of Project-II as recorded in estimate was proven to be incorrect.

It was further noticed that the Department executed the Project-I prior to its sanction, by issue of work orders to local Contractor and without analyzing actual water discharge data. The projects which were designed for a period of 17 years were found (March 2021) non-functional within two and three years of completion and the objective of providing water supply to the habitation was not achieved. Thus, the expenditure of ₹150.00 lakh incurred on the projects became wasteful.

In reply, the site-engineer stated (March 2021) that due to the construction of road, the pipelines had been disconnected and the projects became non-functional. He also stated that the villagers had collected the pipes and kept them in their custody for future use in the project. The Department would look into matter and make the project functional at the earliest possible time.

The reply of the Department is not acceptable as the villagers and locals during Joint Physical Verification stated (March 2021) that they did not get any supply of water from both projects. The villagers also expressed their difficulties in managing water due to non-availability of water supply in the village.

The matter was reported to the State Government in September 2021. The reply is awaited as of February 2023.

***Recommendations:***

***The State Government may-***

- (i) initiate disciplinary action after investigating the matter against the concerned Executive Engineer and fix the responsibility for above mentioned lapses and violation of GFR due to which water has dried up within two to three years of implementation.***
- (ii) take steps to revive the project, if feasible.***