CHAPTER-I

SOCIAL SECTOR

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1.1 Introduction

This Chapter contains findings based on audit of State Government departments/ offices under Social Sector.

During 2019-20, against a total budget provision of ₹ 51,746.66 crore, 17 departments, including three Autonomous District Councils under VI schedule areas, *viz*., Bodoland Territorial Council (BTC) under Welfare of Plain Tribes and Backward Classes (WPT&BC) Department; North Cachar Hills Autonomous Council (NCHAC) and the Karbi Anglong Autonomous Council (KAAC) under Hill Areas Department (HAD) incurred an expenditure of ₹ 40,310.92 crore.

Table 1.1 gives details of Department-wise budget provision and expenditure incurred there against by these departments:

Table 1.1:-Department-wise details of budget provision and expenditure during 2019-20

(₹ in crore)

Sl. No.	Department	Grant No. and Name	Budget provision		Expenditure	
			Revenue	Capital	Revenue	Capital
1.	Co-operation	43 – Co-operation	104.98	73.87	83.70	2.84
2.	Cultural Affairs	27 – Art and Culture	144.72	111.36	86.60	13.32
		28 – State Archives	2.19	0.12	1.74	0.11
3.	Higher Education	26 – Education (Higher Education)	3,174.65	120.00	2,175.15	46.91
4.	Food, Civil Supplies and Consumers Affair	46 – Weights and Measures	22.55	0.88	13.83	0.32
		37 – Food Storage, Warehousing	1,308.55	9.79	835.83	6.31
5.	Health and Family Welfare	29 – Medical and Public Health	6,451.79	861.82	4,551.43	479.25
		24 – Aid Materials	0.01	--	--	--
6.	Labour and Employment	36 – Labour and Employment	416.30	34.45	174.19	18.18
7.	Public Health Engineering	30 – Water Supply and Sanitation	722.51	2,075.57	529.34	635.55
8.	Social Welfare	39–Social Security, Welfare and Nutrition	2,759.47	0.22	2,207.84	--
		40 – Social Security and Welfare (Freedom Fighter)	83.85	--	31.83	--
9.	Minorities Welfare and Development	42 – Other Social Services	254.32	2.80	23.61	0.11
10.	Sports and Youth Welfare	74 – Sports and Youth Welfare	231.75	39.47	168.32	10.76
11.	Welfare of Plain Tribes & Backward Classes	38 – Welfare of SC, ST and OBC	1,280.42	144.25	908.23	48.74
		78–Welfare of Plain Tribes and BC (BTC)	3,062.76	374.35	3,020.77	887.75
12.	Welfare of Tea Tribes	38 – Welfare of SC, ST and OBC	108.53	1.00	33.04	--
13.	Guwahati Development	73 – Urban Development (GDD)	472.72	521.09	118.47	234.91
14.	Secondary Education	71 – Education (Elementary, Secondary *etc.*)	15,092.12	264.50	11,579.84	94.93
15.	Elementary Education					
16.	Pension and Public Grievances	23 – Pension	8,956.31	--	9,602.14	--
17.	Hill Areas	70 – Hill Areas	19.20	6.40	1.92	1.06
		76 – Hill Areas Department (KAAC)	1,401.95	218.67	1,129.02	94.46
		77 – Hill Areas Department (NCHAC)	720.33	94.07	395.37	63.20
Total			**46,791.98**	**4,954.68**	**37,672.21**	**2,638.71**
Grand Total (Includes Charged)			**51,746.66**		**40,310.92**	

Source: Appropriation Accounts 2019-20

1.1.1 Planning and conduct of audit

Audit of this Sector is conducted in accordance with Annual Audit Plan. The departments/ offices are selected on the basis of risk assessment. Weighted parameters such as expenditure trends, serious objections found during previous audit, media reports, major activities/ scheme executed, *etc.,* form the basis of categorisation of Departments/ offices as 'high' risk, 'medium' risk and 'low' risk. Inspection Reports are issued to the heads of offices as well as heads of departments after completion of audit. Based on the replies received, audit observations are either settled or further action for compliance is advised. Important audit findings are processed for inclusion in the Report of the Comptroller and Auditor General of India.

During 2019-20, out of 1,523 auditable units under Social Sector, we audited 254 auditable units[1] during the year involving an expenditure of ₹ 14,181.30 crore (including expenditure incurred in earlier years). This chapter contains three Compliance Audit Paragraphs.

Major observations made in audit during the year 2019-20 are discussed in succeeding paragraphs.

Compliance Audit

Higher Education Department

1.2.1 Loss on account of Bank Charges and due to non-submission of Tax Exemption Certificate

Krishna Kanta Handiqui State Open University (KKHSOU) incurred loss to the tune of ₹ 4.03 crore, out of which ₹ 1.85 crore was towards payment of bank charges on collection of fees from students/learners and ₹ 2.18 crore towards Tax Deduction at Source on Fixed Deposits in SBI due to non-submission of Tax Exemption Certificate.

(A) The basic objective for establishment (September 2005) of the Krishna Kanta Handiqui State Open University (KKHSOU) was to promote education that reaches the unreached through the Open and Distance Learning system by providing access to higher education to large segments of the population, and in particular the disadvantaged groups such as those living in remote and rural areas of the State.

Admission to any discipline of the University involves payment of prescribed course fee by the learner to the University.

KKHSOU opened (July 2012) Powerjyoti Account[2] at SBI, Beltola Branch for cash deposit of course fees as per the prospectus by the learners. Subsequently, in March 2017,

[1] High risk auditable entities: 49, medium risk auditable entities: 68 and low risk auditable entities: 137.

[2] Powerjyoti Current Account is an exclusive Current Account for the purpose of Collection of fees/funds at all the Branches of SBI where a remitter can send fees/funds without having an account with SBI and is ideal for Educational Institutes, Government Bodies, *etc.,* for the collection of fees/funds, *etc.*

KKHSOU opened SBI e-collect Account[3] *i.e.,* alternate mode of payment for online depositing of fees at any branch of the bank.

The operation of the "Powerjyoti Account" was continuing without levying any bank charges up to 2016-17 but from 2017-18 onwards the bank started levying bank charges, as per bank's Rules, @ ₹ 69 (including GST) and @₹ 70.80 (including GST)[4] per transaction against cash deposit of fees by learners. However, no bank charges were levied by the bank against deposit of fees made in alternative mode *i.e.,* SBI e-collect A/c. Thus, in spite of knowing the fact that the deposit of fees in SBI e-collect A/c is free from bank charges, KKHSOU continued with the option of deposit of fees by the learners in the "Powerjyoti Account", and paid an extra amount of ₹ 1.85 crore in the form of bank charges as detailed in **Table 1.2**:

Table 1.2:-Details of bank charges borne by KKHSOU during 2017-21

Year	Powerjyoti (₹ in crore)	e-collect (₹ in crore)	Ratio	Bank charges paid for powerjyoti account (₹ in lakh)
2017-18	26.05	1.72	94:06	76.99
2018-19	14.50	5.35	73:27	64.95
2019-20	6.21	13.59	31:69	35.03
2020-21	1.10	4.70	19:81	7.96
Total				**184.93**

Thus, a total of ₹ 1.85 crore was borne by the University towards bank charges during 2017-21 which could have been saved.

The University took up the matter of levying of the bank charges on Powerjyoti Account in August 2017, and subsequently sought waiving of bank charges with the Bank authority in January 2019[5], followed by a request in June 2020 for refund of the charges so levied. However, no action was taken by SBI, Beltola Branch and bank charges continued to be deducted. However, the University wrote (February 2021) to the SBI for closure of the Powerjyoti Account and the account was finally closed on 04 March 2021.

Thus, the University neither took the approval of the competent authority towards bearing the bank charges by the University on behalf of learners, nor was it able to obtain waiver or refund of such charges from the bank, leading to loss in fee revenue to the tune of ₹ 1.85 crore in the form of bank charges.

The matter was reported (July 2021) to Government and also discussed in exit meeting (December 2021). The Department has accepted the observation and stated that prior to 2017, no bank charges were collected, however, post de-monetisation, SBI started levying charge from the University without any prior intimation to the University. The Department further added that fees in offline mode were being collected from

3 SBI e-Collect Account**:** This facilitates customers to receive online payments from receivers of their goods & services. The Payer has to just click on **'**State Bank Collect**'** and choose the Corporate for which payment has to be made and make the payment through one of the several options displayed like Internet banking, Credit/Debit card, by cash/cheque at SBI branches, *etc*., and is very useful for fees collection by Educational Institutions.

4 May 2017 & June 2017 @ ₹ 69; July 2017 to March 2018 @ ₹ 70.80.

5 Memo No. KKHSOU/Accounts/A/c opening/103/2015/27 dtd. 07.01.2019

learners who took admission prior to the Academic year 2017-18 as from the Academic Year 2017-18, fees are being collected in online mode only. Moreover, the bank had been requested to refund the amount of bank charges already deducted.

Recommendation: *The University needs to make vigorous effort to get refund of amount deducted towards bank charges.*

(B) Further, income received by any University or educational institution, existing solely for educational purposes and not for purposes of profit, and which is wholly or substantially financed[6] by the Government is fully exempt from income tax under Section 10 (23C) (iii ab) of the Income Tax Act, 1961, provided that the institution shall have to make an application in the prescribed form and manner to the prescribed authority for the purpose of grant of the exemption. However, the onus lies with the University to produce necessary documents/ circulars to the bank authority in support of their claim for non-deduction of Tax Deducted at Source (TDS) from interest on Fixed Deposits at the time of deduction of tax.

Further, as per Section 139 (4C) (e) (v) of Income Tax Act, any university or other educational institution referred under Section 10 (23C) (iii ab) shall furnish a return of income of the previous year.

Section 67 (iii) (a) (4) of Finance Act, 2016 states that in Section 139 of IT Act any person who has not furnished a return within the time allowed to him under sub-section (1), may furnish the return for any previous year at any time before the end of the relevant assessment year or before the completion of the assessment, whichever is earlier.

Further, as per Circular issued (June 2015) by Central Board of Direct Taxes (CBDT), claim of refund of excess Income Tax paid is to be made within one year from the last date of the Assessment Year (AY). However, condonation application may be entertained within six years, if a competent authority condones the delay.

We observed that Krishna Kanta Handiqui State Open University (KKHSOU) had earned ₹ 21.81 crore as interest from Fixed Deposits (FDs) with two banks during Financial Years (FY) 2010-16 (AY 2011-17). The banks deducted ₹ 2.18 crore as TDS towards Income Tax out of total credited interest during the AY 2011-17 as detailed in **Table 1.3**:

Table 1.3:-Details of interest earned by KKHSOU and TDS deducted towards Income Tax

(₹ in crore)

Financial Year (AY)	Bank	As per Annual Accounts			As per Form 26AS		Closing Balance
		Opening balance	Matured	New FD	Interest earned	TDS deducted	
2010-11 (2011-12)	SBI	2.93	1.00	2.00	0.33	0.04	4.23
2011-12 (2012-13)	SBI	4.23	0	7.00	0.73	0.07	11.88

6 As per Rule 2BBB of Income Tax, any university shall be considered as substantially financed by the Government, if the Government grant to such university exceeds fifty *per cent* of the total receipts including any voluntary contribution.

Financial Year (AY)	Bank	As per Annual Accounts			As per Form 26AS		Closing Balance
		Opening balance	Matured	New FD	Interest earned	TDS deducted	
2012-13 (2013-14)	SBI	11.88	0	26.50	2.49	0.25	40.62
2013-14 (2014-15)	SBI	40.62	1.25	18.00	4.78	0.48	61.68
2014-15 (2015-16)	SBI	61.68	0	10.00	6.19	0.62	77.25
2015-16 (2016-17)	SBI	77.25	0	0	6.25	0.62	82.88
	AGVB	0	0	18.00	1.04	0.10	18.93
Total			**2.25**	**81.50**	**21.81**	**2.18**	

Note: SBI-State Bank of India; AGVB-Assam Gramin Vikash Bank Limited

It was further noticed that the University had never filed Income Tax Return till the AY 2017-18. Income tax return could not be filed due to non-preparation of annual accounts. Annual accounts for 10 years pertaining to the period 2006-07 to 2016-17 was prepared only in April 2018. The delay in preparation of annual accounts was attributed to non-availability of full-fledged Finance Officer. Income Tax return was filed for the first time for the AY 2017-18. Refund of ₹ 86.64 lakh and ₹ 75.68 lakh for AY 2017-18 and AY 2018-19 respectively have also been received because of admissible exemption.

As the University had not filed any return for the AY 2011-17 till date, there was no scope of claiming refund of TDS for the period AY 2011 to 2016 with TDS amount of ₹ 145.45 lakh, and has limited window for claiming refund of ₹ 72.83 lakh for AY 2016-17 (before 31st March 2023) within the condonation window of six years by CBDT.

Thus, failure in timely preparation of accounts, filing of Income Tax return as a Tax exempt entity under Section 10(23C) (iii ab) of the Income Tax Act, 1961, and claiming of refund for the AYs 2011-17 resulted in loss of ₹ 2.18 crore deducted as income tax on the interest earned by University during this period.

The matter was reported (March 2021) to Government and also discussed in exit meeting (December 2021). The Department accepted the observation.

Social Welfare Department

1.2.2 Non-compliance with NFSA with undue financial benefit of over ₹ 94 crore to Suppliers

Director of Social Welfare (DSW) failed to ensure compliance with National Food Security Act, 2013 through non-provision of mandated nutritional support under SNP, and gave undue financial benefit estimated at over ₹ 94 crore to Suppliers through purchase of rice and peas under Take Home Ration (THR) at exorbitant cost during 2019-20.

With a view to improve the health and nutritional status of children in the age group of six months to 72 months, pregnant women and lactating mothers (PWLM), the Supplementary Nutrition Programme (SNP) was included as one of the most important components of the Integrated Child Development Service (ICDS) Scheme launched in 1975. It is a Centrally Sponsored Scheme at cost sharing ratio of 90:10 between the

Centre and State[7]. Under the programme, supplementary nutrition was to be provided for a period of 300 days a year as per cost norms indicated in **Table 1.4**:

Table 1.4:-Details of supplementary nutrition as per cost norms under SNP

Sl. No.	Category of beneficiaries	Scheme components	Unit cost (per beneficiary per day)	Revised unit cost (w.e.f. October 2017)
1	Children 6 months to 3 years	Take Home Ration (THR)	₹ 6	₹ 8
2	Children 3 years to 6 years	Hot Cooked Meals (HCM)	₹ 6	₹ 8
3	Malnourished children (6 months to 6 years)	THR	₹ 9	₹ 12
4	Pregnant women and Lactating mothers	THR	₹ 7	₹ 9.50

The National Food Security (NFSA) Act, 2013 mandated provision of appropriate meal, free of charge, to the identified beneficiaries through the local Anganwadis as a legal entitlement under the Act. The Act also specified nutritional standards required to be met by providing Take Home Ration (THR) or nutritious Hot Cooked Meals (HCM) in accordance with the ICDS schemes. Further, the Act assured supply of foodgrains to the States at subsidised rates (rice at ₹ three per kg).

Director of Social Welfare (DSW), Assam procured foodstuff centrally for THR. The foodstuff for HCM were however procured locally through Anganwadi Centres Management Committee (AWMC). During the year 2019-20, Government of Assam (GoA) spent ₹ 620.56 crore for implementation of SNP under general area (excluding sixth schedule area) as shown in **Table 1.5**:

Table 1.5:-Details of fund spent for implementation of SNP

₹ in crore

Unspent balance of previous years as per bank account	Receipt		Total available fund	Fund released for HCM	Fund released for THR	Total reported utilisation
	Central share	*State share*		*Excluding sixth schedule area*		
164.97	577.97	44.34	787.28	126.97	493.59	620.56

THR was implemented in two modes *viz.*, (i) supply of micronutrient energy dense food and (ii) supply of dry ration in the form of rice and white peas. The said two modes were operational in parallel, with one of the two being supplied at any given time. However, the predominant mode of operation was supply of rice and white peas. Out of total expenditure of ₹ 493.59 crore under THR, ₹ 427.64 crore was spent for supplying dry ration (rice and white peas) for a period of 236 to 378 days in 24 districts and ₹ 65.95 crore for supply of micronutrient energy dense food for a period of 62 days.

Audit test checked records relating to supply of dry ration *viz.*, rice and white peas under THR for one year *i.e.,* 2019-20 and noticed as under:

[7] In case of Assam and other NE States/ Hill States, 60:40 in case of other States

DSW invited (November 2016) Expression of Interest (EoI) from NGO/ SHGs for supply of rice (Aijong fine variety) and white peas. Out of 96 participating NGOs, 49 were selected (August 2017) based on their eligibility, willingness and undertaking for providing specified foodstuff at the cost norms fixed by the Government. These 49 selected NGOs were given extension to continue supply till date (September 2021). As per the terms and condition of EoI, only two commodities *i.e.,* rice and white peas were to be supplied at the prescribed rate of cost norms as shown in **Table 1.6**:

Table 1.6:-Details of commodities to be supplied at the prescribed rate of cost norms

Category of beneficiary	Quantity per beneficiary per day (in gram)		Unit cost (in ₹) per beneficiary per day
	Rice	***White peas***	
Children (6 months to 3 years)	75	25	6
Malnourished children (6 months to 6 years)	120	50	9
Pregnant women and Lactating mothers	100	20	7

However, breakup of unit cost, *i.e.,* how much amount is payable for rice and white peas individually had not been indicated in the EoI. Although not mentioned in the terms and conditions of EoI, transportation cost of ₹ 0.20 per beneficiary per day was borne by the suppliers within the cost norms. Thus, while THR under SNP was meant to provide wholesome and balanced nutrition, the EoI issued by DSW had restricted this requirement into a simple supply of two items – Rice and White peas, but at a composite unit rate (@₹ six, ₹ nine, or ₹ seven as the case may be), which was meant for the supply of the complete nutritional package.

Audit noticed that during previous years, *i.e.,* prior to the EoI initiated in November 2016, SHGs/ NGOs were required to supply three pieces of banana, oil, fuel, and condiments in addition to Rice, White peas and transportation cost, against the same unit rate stipulated for THR. Food grains were procured from open market and never lifted from FCI during any of the years.

During test check, records relating to procurement of rice and white peas during the year 2019-20 for expenditure of ₹ 392.03 crore only could be made available to audit. It was noticed that 49,424.08 MT of rice and 14,197.52 MT of white peas were supplied by NGOs to cover beneficiaries of 24 districts under general areas of Assam (detailed in ***Appendix-1.1***). Audit noted that the bills were claimed and paid based on cost norms by multiplying the unit cost norm with the number of beneficiaries and number of feeding days instead of considering the total supplied quantity of rice and peas. This has led to undue financial benefit to the Suppliers. Audit has estimated the amount of undue benefit by comparing the actual cost of food stuffs supplied, based on the maximum prevailing retail market rate[8] of rice (Aijong fine variety) and white peas, with the amount paid by DSW. The comparison is shown in **Table 1.7**.

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[8] The maximum prevailing retail price in open market was collected from the Director of Food and Civil Supplies and monthly average rate was considered. The retail price of Aijong fine quality rice were between ₹ 27 to ₹ 40 per kg and white peas were between ₹ 52 to ₹ 62 per kg. The highest rate of ₹ 40 and ₹ 62 for rice and peas respectively had been considered in audit.

Table 1.7:-Details of calculation of undue benefit to the Suppliers by comparing the actual cost of food stuffs supplied *vis-à-vis* the amount paid by DSW

Total Rice supplied (in kg)	Total White Peas supplied (in kg)	Market Rate (per Kg) of		Transportation cost (in ₹)	Total cost of bill (in ₹) *{(1x3)+(2x4) +5}*	Amount claimed and paid (in ₹)	Estimated Undue Financial Benefit (in ₹) *(7-6)*
		Rice	White peas				
1	*2*	*3*	*4*	*5*	*6*	*7*	*8*
4,94,24,080	1,41,97,523	40	62	11,98,27,398	297,70,37,024	392,02,69,268	94,32,32,244

It is thus estimated that an undue benefit of ₹ 94.32 crore was given to the suppliers through payment of ₹ 392.03 crore for food items which is estimated to cost ₹ 297.70 crore.

The NFSA had assured supply of subsidised Rice to the States at ₹ three per kg for providing Supplementary nutrition. Had Rice been obtained by DSW through PDS, the actual cost of food items sourced would have been lower by ₹ 182.87 crore[9].

Audit further observed the following irregularities:

- Out of selected 49 NGOs, 36 NGOs deposited equal amount of earnest money of ₹ 1.00 lakh. DSW however, repeatedly awarded supply orders only to six NGOs[10] who bagged 74 *per cent* of supply orders, with the remaining being distributed among the other 43 NGO/SHGs. No ground/reasoning was found recorded for such disparity in awarding supply orders amongst the suppliers having equal capacity. This is indicative of extending such undue financial benefit to certain selected NGO/SHGs.
- Furthermore, in the annual project implementation plan (APIP) forwarded to GoI, which was a pre-requisite for sanction of funds under SNP, the DSW had shown supply of various items *viz*., rice, pulses, muri, pea, suji, sugar, milk powder and oil under THR. Thus, apart from incorrect reporting to GoI for release of funds under the Centrally Sponsored Scheme for THR, by supplying only rice and peas, wholesome nutrition was not ensured which violated the scheme guidelines as well as NFSA.

A comparative study in this regard with the nutritional standards stipulated in NFSA disclosed that 31 to 46 *per cent* of calories and 14 to 34 *per cent* of proteins were compromised and nutritional standards envisaged in the NFSA were not met. The comparison is shown in **Table 1.8**.

[9] (₹ 40 - ₹ 3) X 4,94,24,080 kg = ₹ 182.87 crore.

[10] Rural Education Development Institute, Navalok, Omm Foundation, Dayasagar, Nava Vikash Foundation, and Nava Pratistuti.

Table 1.8:-Comparison between nutritional standards stipulated in NFSA *vis-à-vis* actual supply

Nutritious value as per actual supply					Requirement as per NFSA		Less Supply of nutritional value	
Category of beneficiaries	**Rice (gram)**	**White peas (gram)**	**Calories (Kcal)**	**Protein (gram)**	**Calories (Kcal)**	**Protein (gram)**	**Calories (Kcal)**	**Protein (gram)**
Children(6 months to 3 years)	75	25	327.80	10.27	500	12-15	172.2 (34 *per cent*)	1.73 (14 *per cent*)
Malnourished children (6 months to 6 years)	120	50	431.25	13.27	800	20-25	368.75 (46 *per cent*)	6.73 (34 *per cent*)
Pregnant women and Lactating mothers	100	20	413.80	12.02	600	18-20	186.2 (31 *per cent*)	5.98 (33 *per cent*)

Similarly, in case of micronutrient fortified foods supplied by DSW through a separate tender, the nutritional standard was also not met. For instance, in case of pregnant women, the supplied energy and protein were less *i.e.,* 550 Kcal and 16.5 gm against the requirement of 600 Kcal and 18-20 gm of protein.

In continuation to the issues discussed above, audit noted further significant deficiencies:

a) The NFSA assured provision of subsidised rice to reduce the burden on State. GoA was allotted subsidised rice every year based on proposals made by the State. DSW lifted rice from FCI at subsidised rates for preparation of micronutrient energy dense food only. However, DSW had not lifted rice from FCI for supply of dry ration under THR and Hot Cooked Meal (HCM). It is only in August 2021 that the DSW had issued lifting orders of rice at subsidised rates from FCI, but only for HCM.

   Since rice was procured from open market at higher rates, major share of funds was utilised towards the procurement of rice although rice comprised only a small part of the nutritional support programme. This had adversely impacted any possibility of supplying other food items (like jaggery, fruits, milk, eggs, *etc.*) required to meet wholesome nourishment, and thus, provision of NFSA and scheme guideline was violated.

b) Audit did not find any evidence that the stated 'Aijong fine variety' of rice were actually supplied. DSW had prescribed a specified variety of rice without focusing on the mandated nutritional value.

c) The revised Unit rates were affected randomly, for HCM it was affected since February 2018 while for THR (rice and white peas) it was affected since March 2020. DSW stated (September 2021) that due to non-finalisation of fresh EoI, the revised rate was not affected. However, DSW did not explain the reason for allowing revised rate w.e.f. March 2020 without finalising the fresh EoI.

d) Incidentally, Assam has one of the highest rates of Maternal and Child mortality (MMR and IMR), implying the strong need for nutritional support which the present mode of implementation of SNP in Assam has failed to ensure.

In view of above, we conclude that despite spending hundreds of crore each year, GoA was unable to meet the commitment of nutritional assurance given in NFSA, and envisaged in the SNP guidelines.

The matter was reported to Government (November 2021) and also discussed in an exit meeting (December 2021). Regarding micronutrient fortified food, the Department stated that beneficiaries were refusing to take the food as it was tasteless. Keeping this in mind, presently, regional flavor and taste have been added to micronutrient fortified food.

Regarding awarding of supply order to selective NGOs, the department stated that more supply order was awarded to those NGOs who were performing better and were faster in execution of work, however no data was provided in support of this assessment.

On the excess payment made to NGOs, the Department stated that item wise sub components such as food item cost, transportation cost, fuel cost, condiments and others had to be borne by the NGO within the unit cost per beneficiary per day. But the reply was not acceptable as no other items were supplied by NGOs, and nor were they contractually bound to do so as per the supply order.

The Department further stated that during the current financial year 2021-22, rice has been procured from FCI at ₹ three per kg and from the remaining balance amount, other nutritious food items (egg, fruits, milk, *etc.*) are being procured. Also, orientation training programme to ICDS functionaries are provided to ensure nutritional requirement by providing different recipes developed by the department. However, fact remained that the department failed to maintain nutritional standard under THR and extended financial benefit to NGOs during the reported period.

It is strongly recommended that:

i. *Government may bring the scheme implementation in line with the SNP scheme guidelines and also consider topping-up of the scheme with State funds for providing wholesome nutrition to beneficiaries targeted under SNP.*

ii. *Accountability may be fixed in a time bound manner for improper implementation of SNP leading to undue financial benefit being extended to certain suppliers and steps taken for recovery of the same.*

Welfare of Minorities and Development Department

1.2.3 Wasteful expenditure

Expenditure of ₹ 4.17 crore (including committed liability of ₹ 0.84 crore) incurred on baseline survey conducted for assessing the needs of the targeted beneficiaries under Multi-sectoral Development Programme (MsDP) was wasted due to non-finalisation of the survey report and discontinuation of MsDP.

The Multi-sectoral Development Programme (MsDP), a Centrally Sponsored Scheme (CSS) launched in the year 2008-09, aimed at improving the socio-economic conditions of minorities and providing basic amenities to them for improving the quality of life of the people and reducing imbalances in the identified minority concentration areas. The MsDP scheme continued till 31 March 2018 and thereafter restructured and renamed as Pradhan Mantri Jan Vikas Karyakram (PMJVK) in which only ongoing projects of erstwhile MsDP were to be completed during the period from 2017-18 to 2019-20.

As per the guidelines issued by Ministry of Minority Affairs, Government of India (GoI), MsDP plan would be prepared at grass root level. The Block Level Committee would prepare the plan at village level comprising different projects needed on the basis of baseline survey. In case of town/cities, the plan would be prepared by local bodies. The plans so prepared would be submitted to District Level Committee and after scrutinising the same would be forwarded to State Level Committee (SLC). The SLC would approve the projects costing upto ₹ 10 crore. Empowered Committee at the Centre would approve the overall plan of block/ town and the projects of more than ₹ 10 crore. Based on this approval the release of fund would be done by the Ministry and the State Government.

From the above it was clear that the baseline survey was at the root of planning process as it plays a vital role in assessing the needs at grass root level and proposing such gap filling projects. In keeping with this idea, GoI instructed (August 2013) to conduct a baseline survey for assessing the needs of the targeted beneficiaries for implementation of MsDP during the period of 12th Five Year Plan (2012-13 to 2016-17). GoI also forwarded a tentative proforma questionnaire for conducting the baseline survey and stipulated the survey to be completed by February 2014. The cost of conducting the baseline survey was to be covered under administrative expenses of MsDP.

Subsequently, GoI released (March and July 2014) Grants-in Aid of ₹ 4.17 crore (@₹ 3.5 lakh per block/town) to the GoA for conducting baseline survey in 118 minority concentrated blocks (MCBs) and one minority concentrated town (MCT).

GoA issued (January, 2014) work order to Omeo Kumar Das Institute of Social Change and Development (OKDISCD)[11] before GoI release for conducting baseline survey. The survey was to be completed by February 2014. In response, OKDISCD requested

[11] It is an autonomous institute established in 1989 under the joint initiative of Government of Assam and Indian Council of Social Science Research (ICSSR) New Delhi. 90 *per cent* of its expenditure is shared between GoA and ICCSR at 50:50 and remaining 10 *per cent* is borne by the Institute from its own savings. For conducting the base line survey its incentive share was 12 *per cent* of the total cost of survey.

(January, 2014) the Department to release 60 *per cent* of the sanctioned amount as advance for completion of the assignment within the stipulated time frame. GoA, however, did not release the fund for reasons attributed to lack of adequate budget provision in 2014-15 and operation of model code of conduct of Assembly election in 2015-16. As such, OKDISCD did not commence the work. Audit noted that the grounds for non-release of fund stated by GoA were not valid, as GoA had received the full amount of ₹ 4.17 crore by July 2014[12] from GoI and Assembly elections were held only in April 2016.

GoI made several communications[13] with GoA for early submission of survey report to the Ministry as the delay in such kind of surveys defeats the very purpose for which the scheme was conceived. GoA, however, failed to submit report even after several revision of dates by GoI.

Welfare of Minorities and Development Department (WMD), GoA, executed agreement with OKDISCD for conducting baseline survey in December 2014. However, a fresh agreement was executed in March 2017 that with a stipulation to complete it within three months (*i.e.,* by June 2017) from the date of release of first instalment[14]. As per agreed terms, OKDISCD submitted reports of all 118 MCBs to the Department in April 2018 after a delay of nine months from the stipulated month of submission (June 2017). OKDISCD attributed the delay to several waves of flood and rumour on the outcomes of encephalitis vaccination which had prevented their field teams to enter some of the villages and schools. In November, 2018, WMD instructed OKDISCD to re-submit the completed district wise reports of the baseline survey on MsDP duly vetted by the concerned Deputy Commissioner (DC) though the same was not included in the agreement. Audit observed that the survey report had not been finalised till February 2020, though an amount of ₹ 3.33 crore[15] had already been paid to OKDISCD.

Since GoI had closed the MsDP in March 2018 and under PMJVK only the ongoing projects of erstwhile MsDP were to be completed, there was no scope for taking up of new schemes under both the programmes. Therefore, expenditure of ₹ 4.17 crore (₹ 3.33 crore already paid leaving a balance of ₹ 0.84 crore to be paid) on baseline survey, which was yet to be finalised, was wasteful and the objective of assessment of the needs of the targeted beneficiaries was largely defeated.

It may be mentioned here that during the years 2013-18, the Department received and utilised a sum of ₹ 1,004.02 crore (Central share of ₹ 924.95 crore and State share of ₹ 79.07 crore) under MsDP. However, in the absence of baseline survey, the projects under MsDP were approved and taken up based on the proposal of the Block Level

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12 ₹ 59.50 lakh in March 2014 and ₹ 3.57 crore in July 2014.

13 July 2014, March, 2015, April, 2015 and August 2015.

14 First instalment of 60 *per cent* of the total amount of ₹ 4.17 crore was to be released to the institute after signing of the agreement, second instalment of 20 *per cent* of the total amount of ₹ 4.17 crore was to be released to the institute on completion of the 80 *per cent* of the assigned task and Third instalment of 20 *per cent* of the total amount of ₹ 4.17 crore was to be released to the institute on successful completion of the survey and submission of the required database to WMD, GoA.

15 First instalment of ₹ 2,49,90,000/- in March 2017 and second instalment of ₹ 83,30,000/- in March 2018.

Committee. Thus, MsDP was implemented in the State during the period 2015-16 and 2016-17 without taking into account the needs assessed at grass root level through a systematically conducted baseline survey.

On the matter being pointed out, Under Secretary, GoA, WMD stated (November 2019) that although 12th Five Year Plan had already been concluded on 31st March, 2017, the survey would assess non gap filling requirement for the minorities which is necessary for provision of basic amenities and upliftment of socio economic status. The reply furnished by the Department is indicative of the fact that the survey conducted at an expenditure of ₹ 3.33 crore proved futile as the same could not be used for implementation of MsDP. Further, the survey already conducted may not be useful to the new scheme PMJKV which has different objective and separate set of guidelines.

From the above, it is evident that lackadaisical approach of WMD, GoA led the expenditure of ₹ 4.17 crore becoming wasteful, with likely adverse impact on the selection of the most suitable and appropriate projects for upliftment of the Minority community, as envisaged under the MsDP scheme.

The matter was reported to Government (September 2021) and also discussed in exit meeting (December 2021). While the observation was not disputed by the Department during the exit meeting, reply to the observation was yet to be received (April 2022).